

BANK OF SINGAPORE LIMITED

(Incorporated in Singapore. Registration Number: 197700866R)

ANNUAL REPORT

For the financial year ended 31 December 2024

BANK OF SINGAPORE LIMITED
(Incorporated in Singapore. Registration Number: 197700866R)

ANNUAL REPORT
For the financial year ended 31 December 2024

Contents

	Page
Directors' Statement	1
Independent Auditor's Report	4
Statement of Comprehensive Income	7
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	13

BANK OF SINGAPORE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors present this statement to the member of the Bank together with the audited financial statements for the financial year ended 31 December 2024.

In our opinion:

- (a) the financial statements set out on pages 7 to 93 are drawn up so as to give a true and fair view of the financial position of the Bank as at 31 December 2024, the financial performance, changes in equity and cash flows of the Bank for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore ("FRSs"); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Bank in office at the date of this statement are as follows:

Andrew Lee Kok Keng, Chairman (appointed on 1 January 2024)
Lai Teck Poh
Jason Moo Yi Sin
Na Wu Beng
Tee Fong Seng (appointed on 1 January 2025)
Helen Wong Pik Kuen

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Bank a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate, other than as disclosed in this statement.

BANK OF SINGAPORE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Directors' interests in shares or debentures

According to the register of directors' shareholdings, the directors holding office at the end of the financial year had interests in shares in the Bank and its related corporations, as follows:

	Direct interest		Deemed interest	
	At 31.12.2024	At 1.1.2024/ Date of appointment	At 31.12.2024	At 1.1.2024/ Date of appointment
Oversea-Chinese Banking Corporation Limited				
Ordinary shares				
Andrew Lee Kok Keng	535,953	529,953	-	-
Lai Teck Poh	1,037,412	1,037,412	-	-
Jason Moo Yi Sin	63,242	22,506	-	-
Na Wu Beng	407,001	310,927	-	-
Helen Wong Pik Kuen	618,702	441,608	-	-
Options to acquire ordinary shares under the OCBC Share Option Scheme 2001				
Andrew Lee Kok Keng	43,512	43,512	-	-
Na Wu Beng	526,143	574,111	-	-
Unvested ordinary shares under the OCBC Deferred Share Plan				
Jason Moo Yi Sin	106,854	46,033	-	-
Na Wu Beng	12,373	59,774	-	-
Helen Wong Pik Kuen	770,742	578,330	-	-

Save as disclosed above, no director holding office at the end of the financial year had any interest in shares in, or debentures of, the Bank or any of its related corporations either at the beginning of the financial year, date of appointment, or at the end of the financial year.

BANK OF SINGAPORE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Share options

No options were granted during the financial year to subscribe for unissued shares of the Bank.

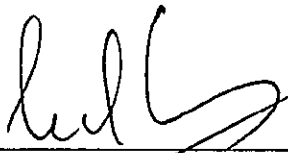
No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Bank.

There were no unissued shares of the Bank under option as at the end of the financial year.

Auditor

PricewaterhouseCoopers LLP has indicated its willingness to accept re-appointment as the auditor of the Bank at the forthcoming annual general meeting of the Bank.

On behalf of the Board of Directors,



Andrew Lee Kok Keng
Director



Jason Moo Yi Sin
Director

Singapore
14 February 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BANK OF SINGAPORE LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of Bank of Singapore Limited ("the Bank") are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Bank as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Bank for the financial year ended on that date.

What we have audited

The financial statements of the Bank comprise:

- the statement of comprehensive income for the financial year ended 31 December 2024;
- the balance sheet as at 31 December 2024;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement and MAS Notice 608 Supplementary Information included on page 94 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BANK OF SINGAPORE LIMITED (continued)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BANK OF SINGAPORE LIMITED (continued)


Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Bank as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Bank have been properly kept in accordance with the provisions of the Act.


PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 14 February 2025

BANK OF SINGAPORE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 US\$ million	2023 US\$ million
Interest income		1,775	1,763
Interest expense		(1,254)	(1,187)
Net interest income	4	521	576
Net fee and commission income	5	325	283
Net trading income	6	219	201
Other income		4	4
Non-interest income		548	488
Total income before operating expenses		1,069	1,064
Staff costs	7	(449)	(442)
Depreciation of property, plant and equipment	10	(39)	(30)
Other operating expenses	8	(183)	(175)
Total operating expenses		(671)	(647)
Operating profit before allowance and amortisation		398	417
Amortisation of intangible assets	12	(6)	(6)
Impairment of subsidiary	13	(8)	-
Loss allowances (charge)/write-back	18	(6)	3
Profit before income tax		378	414
Income tax expense	9	(53)	(57)
Profit for the year		325	357

The accompanying notes form an integral part of these financial statements.

BANK OF SINGAPORE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	2024 US\$ million	2023 US\$ million
Profit for the year	325	357
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Net gain on debt investments at FVOCI, net of tax	(#)	4
Items that will not be reclassified to profit or loss:		
Defined benefit plan remeasurements	(#)	(#)
Total comprehensive income for the year	325	361

represents amounts less than US\$0.5 million

The accompanying notes form an integral part of these financial statements.

BANK OF SINGAPORE LIMITED

BALANCE SHEET

As at 31 December 2024

	Note	2024 US\$ million	2023 US\$ million
Assets			
Cash and balances with central banks	15	143	138
Balances and placements with and loans to banks	16	302	203
Loans and advances to non-bank customers	17	13,294	14,590
Amount due from holding company		24,185	20,291
Amount due from related companies		4	11
Derivative financial instruments	30	657	568
Other investments	20	656	656
Other assets	21	1,083	1,141
Investment in subsidiaries	13	19	27
Property, plant and equipment	10	153	153
Intangible assets	12	11	17
Goodwill	11	168	168
Total assets		40,675	37,963
Liabilities			
Deposits of non-bank customers	23	31,626	32,650
Deposits and balances of banks		13	28
Amount due to holding company		4,637	877
Amount due to related companies		30	33
Derivative financial instruments	30	650	690
Other liabilities	25	1,370	1,423
Current tax payable		45	54
Deferred tax liabilities, net	24	6	6
Total liabilities		38,377	35,761
Equity attributable to equity holder of the Bank			
Share capital	22	996	996
Other equity instruments	22	200	200
Other reserves	22	8	8
Retained earnings		1,094	998
Total equity		2,298	2,202
Total equity and liabilities		40,675	37,963

The accompanying notes form an integral part of these financial statements.

BANK OF SINGAPORE LIMITED

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Share capital and other equity instruments US\$ million	Other reserves US\$ million	Retained earnings US\$ million	Total equity US\$ million
At 1 January 2024	1,196	8	998	2,202
Total comprehensive income for the year				
Profit for the year	-	-	325	325
Other comprehensive income				
Net gain on debt investments at FVOCI	-	(#)	-	(#)
Defined benefit plan remeasurements	-	(#)	-	(#)
Total other comprehensive income	-	(#)	-	(#)
Total comprehensive income for the year	-	(#)	325	325
Transactions with owners, recorded directly in equity				
Distributions to holder of perpetual capital securities	-	-	(10)	(10)
Dividend to equity holder	-	-	(219)	(219)
Total transactions with owners	-	-	(229)	(229)
At 31 December 2024	1,196	8	1,094	2,298
At 1 January 2023	1,196	4	771	1,971
Total comprehensive income for the year				
Profit for the year	-	-	357	357
Other comprehensive income				
Net gains on debt investments at FVOCI	-	4	-	4
Defined benefit plan remeasurements	-	(#)	-	(#)
Total other comprehensive income	-	4	-	4
Total comprehensive income for the year	-	4	357	361
Transactions with owners, recorded directly in equity				
Distributions to holder of perpetual capital securities	-	-	(10)	(10)
Dividend to equity holder	-	-	(120)	(120)
Total transactions with owners	-	-	(130)	(130)
At 31 December 2023	1,196	8	998	2,202

represents amounts less than US\$0.5 million

The accompanying notes form an integral part of these financial statements.

BANK OF SINGAPORE LIMITED

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 US\$ million	2023 US\$ million
Cash flows from operating activities			
Profit for the year		325	357
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	10	39	30
Amortisation of intangible assets	12	6	6
Loss allowances charge/(write-back)	18	6	(3)
Impairment of subsidiary	13	8	-
Interest expense on lease liabilities	25	3	3
Expenses recognised in respect of defined benefit obligations	27(ii)	#	#
Share-based compensation expense	26	1	1
Dividend income		(1)	(2)
Unrealised exchange difference		(1)	(1)
Income tax expense	9	53	57
		439	448
Changes in operating assets:			
Cash and balances with central banks		(5)	18
Balances and placements with and loans to banks		1	83
Loans and advances to non-bank customers		1,290	3,623
Amount due from holding company		(3,897)	(3,141)
Amounts due from related companies		7	(4)
Other investments		-	119
Other assets		62	239
Derivative financial instruments		(89)	131
		(2,631)	1,068
Changes in operating liabilities:			
Amount due to holding company		3,760	(940)
Amounts due to related companies		(3)	6
Derivative financial instruments		(40)	9
Deposits of non-bank customers		(1,024)	(276)
Deposits and balances of banks		(15)	(1)
Other liabilities		(43)	(103)
		2,635	(1,305)
Cash from operating activities		443	211
Income taxes paid		(66)	(48)
Net cash provided by operating activities		377	163

The accompanying notes form an integral part of these financial statements.

BANK OF SINGAPORE LIMITED

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 US\$ million	2023 US\$ million
Cash flows from investing activities			
Additions to property, plant and equipment	10	(39)	(39)
Proceeds from the disposal of a subsidiary		-	#
Dividend income received		1	2
Defined benefit contributions		(3)	-
Net cash used in investing activities		(41)	(37)
Cash flows from financing activities			
Dividends paid	22	(219)	(120)
Distributions to holders of perpetual capital securities	22	(10)	(10)
Repayments of lease liabilities	25	(10)	(10)
Net cash used in financing activities		(239)	(140)
Net increase/(decrease) in cash and cash equivalents		97	(14)
Cash and cash equivalents at 1 January		192	206
Cash and cash equivalents at 31 December		289	192
Cash and cash equivalents comprise the following:			
Balances and placements with and loans to banks	16	286	186
Amount due from holding company and related companies	19	3	6
		289	192

represents amounts less than US\$0.5 million

The accompanying notes form an integral part of these financial statements.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Bank of Singapore Limited ("the Bank") is incorporated and domiciled in Singapore. The address of the Bank's registered office is 63 Chulia Street, #10-00 OCBC Centre East, Singapore 049514.

The financial statements of the Bank as at and for the financial year ended 31 December 2024 comprise the Bank's Singapore operations, its representative office and its overseas branches.

The Bank is principally engaged in business of banking and wealth management.

The ultimate and immediate holding company of the Bank is Oversea-Chinese Banking Corporation Limited ("OCBC"), a company that is incorporated and domiciled in Singapore.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Bank's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Bank has adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Bank's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

New or revised accounting standards and interpretations

Below is the mandatory standard, amendments and interpretations to existing standards that have been published, and are relevant for the Bank's accounting periods beginning on or after 1 January 2025 and which the Bank has not early adopted:

FRS 118: Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

FRS 118 replaces FRS 101 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though FRS 118 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements. The adoption of this new standard is not expected to have a material impact to the Bank's financial statements.

Exemption from preparing consolidated financial statements

These financial statements are the separate financial statements of the Bank. The Bank is exempted from the preparation of consolidated financial statements as the Bank is a wholly-owned subsidiary of OCBC, a Singapore-incorporated Bank which produces consolidated financial statements available for public use. The registered office of OCBC where the consolidated financial statements can be obtained is as follows: 63 Chulia Street, #10-00 OCBC Centre East, Singapore 049514.

2.2 Revenue

(a) Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.2 Revenue (continued)

(a) Interest income and expense (continued)

In calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Fee and commission income and expense

Fees and commissions are earned from a range of services rendered to its customers. Fees and commissions are recognised when performance obligations to provide the services to the customer has been satisfied. Transaction based fees and commissions are generally recognised upon the completion of a transaction. For services provided over a period of time or credit risk undertaken, fees and commissions are amortised over the relevant period.

Expenses are offset against gross fees and commissions in the income statement only when they are directly related.

2.3 Group accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Bank has control. The Bank controls an entity when the Bank is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated at cost less accumulated impairment losses in the balance sheet. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Group accounting (continued)

(b) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Bank.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Bank. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Bank recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill.

2.4 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The projected cost of dismantlement, removal or restoration is recognised as part of the cost of property, plant and equipment if such obligation is incurred either when the item is acquired or as a consequence of using the asset during a particular period.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.4 Property, plant and equipment (continued)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Leasehold improvements	5 years
Furniture and fittings	5 to 10 years
Computers	3 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

2.5 Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately on the balance sheet and carried at cost less accumulated impairment losses.

2.6 Intangible assets

Customer relationships and core deposits

Customer relationships and core deposits acquired by the Bank, which have finite useful lives, are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These cost are amortised to the statement of comprehensive income using the straight-line method over 10 years, which is their estimated useful lives.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.7 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to the Bank as one cash generating unit ("CGU").

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and its value-in-use.

The total impairment loss of the CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

**(b) Subsidiaries
Property, plant and equipment
Right-of-use assets
Intangible assets**

Subsidiaries, property, plant and equipment, right-of-use assets and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.7 Impairment of non-financial assets (continued)

(b) Subsidiaries (continued)

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the statement of comprehensive income.

2.8 Financial assets

(a) Classification and measurement

The Bank classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Bank's business model for managing the financial assets as well as the contractual terms of the cash flows.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(a) Classification and measurement (continued)

At initial recognition

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of comprehensive income.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Debt investments at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in the statement of comprehensive income. This election is made on an investment-by-investment basis.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(a) Classification and measurement (continued)

At initial recognition (continued)

Financial assets at FVTPL

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Bank makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy of how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading and whose performance is evaluated or managed on a fair value basis are measured at FVTPL because they are neither within the business model to hold the assets to collect contractual cash flows, nor within the business model to hold the financial assets both to collect contractual cash flows and to sell.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(a) Classification and measurement (continued)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Bank considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

At subsequent measurement

Financial assets at amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

Debt investments at FVOCI

Debt investments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the statement of comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

Equity investments at FVOCI

The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Net gain on equity investments at FVOCI, net of tax" in OCI. Dividends from equity investments are recognised in the statement of comprehensive income as "dividend income".

Financial assets at FVTPL

Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in the statement of comprehensive income in the period in which it arises,

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(b) Recognition and derecognition

Loans and advances and deposits are recognised on the date they originate. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on trade date – the date on which the Bank commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bank has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

On disposal of a debt investment, the difference between the carrying amount and the sale proceeds is recognised in the statement of comprehensive income. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(c) Modification of financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in statement of comprehensive income as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see Note 2.8 (d) for impairment policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in statement of comprehensive income. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(d) Impairment

Under FRS 109, the expected loss model is applied to financial assets classified as amortised cost or debt investments at FVOCI, except for equity investments at FVOCI, and certain off-balance sheet loan commitments and financial guarantees which were previously provided for under *FRS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Expected credit loss ("ECL") impairment model

Under FRS 109, credit loss allowances are measured on each reporting date according to a three-stage expected credit loss impairment model:

- Stage 1 – On initial recognition and at a subsequent reporting date, where there is no significant increase in credit risk, the expected credit loss will be that resulting from default events that are possible over the next 12 months ("12-month ECL").
- Stage 2 – When there is a significant increase in credit risk since the initial recognition, the expected credit loss will be that resulting from default events that are possible over the expected life of the asset ("Lifetime ECL").
- Stage 3 – When a financial asset exhibits objective evidence of impairment and is considered to be credit-impaired, the credit loss allowance will be the full lifetime expected credit loss ("Lifetime ECL").

Measurement

ECLs are a probability-weighted estimate of credit losses. They are measured based on the cash shortfalls as elaborated below:

- (a) Financial assets that are not credit-impaired (Stage 1 and Stage 2) at the reporting date: The present value of all cash shortfalls (i.e. the cash flows due to the entity in accordance with the contract less the cash flows that the Bank expects to receive);
 - (b) Financial assets that are credit-impaired (Stage 3) at the reporting date: The gross carrying amount less the present value of cash flows that the Bank expects to receive;
 - (c) Undrawn loan commitments: The contractual cash flows that are due to the Bank if the commitment is drawn down less the cash flows that the Bank expects to receive; and
 - (d) Financial guarantee contracts: The expected payments to reimburse the holder less any amounts that the Bank expects to recover.
-

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(d) Impairment (continued)

Measurement (continued)

The key inputs used in the measurement of ECL are:

- Probability of default ("PD") – This is an estimate (as a percentage) of the likelihood of default over a time period such as one year or the exposure's expected life time.
- Loss given default ("LGD") – This is an estimate (as a percentage) of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive, including from any collateral.
- Exposure at default ("EAD") – This is an estimate (as an amount) of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest as well as expected drawdowns on committed facilities.

For Stage 1 exposure, ECL is calculated by multiplying 12-month PD by LGD and EAD. For Stage 2 and Stage 3 exposures, ECL is calculated by multiplying lifetime PD by LGD and EAD.

Loans to customers that are collectively assessed are grouped on the basis of shared credit risk characteristics such as loan type, industry, geographical location of the borrower, collateral type and other relevant factors

All key inputs (PD, LGD and EAD) used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on three macroeconomic scenarios (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

The three macroeconomic scenarios represent a most likely "Base" outcome, and two other less likely "Upside" and "Downside" scenarios. These scenarios are probability-weighted and underlying key macroeconomic assumptions are based on independent external and in-house views. The assumptions are subject to regular management reviews to reflect current economic situations.

Each macroeconomic scenario used in the expected credit loss calculation includes a projection of all relevant macroeconomic variables used in the models for the lifetime period, reverting to long-run averages generally after 3 to 5 year periods. Depending on their usage in the models, macroeconomic variables are projected at a country or more granular level which differ by portfolio. The primary macroeconomic variables adopted are Gross Domestic Product, Unemployment rate, Property Price Index and Interest rate.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(d) Impairment (continued)

Measurement (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Default definition

An obligor is recognised to be in default when evidenced by either of the following:

- when the obligor is unlikely to rectify any margin excess immediately when the net asset value of collateral portfolio is in negative position; or
- when the obligor is unlikely to repay in full its credit obligations, without recourse by the Bank to actions, such as realising the collateral; or
- days past due for more than 90 days

A financial asset is considered to be no longer in default when there is an established trend of credit improvement, supported by an assessment of the borrower's repayment capability, cash flows and financial position.

Write-off

Financial assets are written off against their related impairment allowances when all feasible recovery actions have been exhausted or when the recovery prospects are considered remote.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(d) Impairment (continued)

Movements between Stages

Movements between Stage 1 and Stage 2 are based on whether an instrument's credit risk as at the reporting date has increased significantly since its initial recognition.

The Bank considers both qualitative and quantitative parameters in the assessment of whether this is a significant increase in credit risk. These include the following:

- (a) The Bank has established thresholds for significant increases in credit risk based on both a relative and absolute change in lifetime PD relative to initial recognition;
- (b) The Bank conducts qualitative assessment to ascertain if there has been significant increase in credit risk; and
- (c) The Bank uses 30 days past due as a further indication of significant increase in credit risk.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of whether a financial asset is credit-impaired under FRS 109 will be based on objective evidence of impairment.

The assessments for a significant increase in credit risk since initial recognition and credit-impairment are performed independently as at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1. Similarly, an asset that is in Stage 3 will move back to Stage 2 if it is no longer considered to be credit-impaired.

A modification of the terms of a financial asset that does not result in derecognition will result in the financial asset being transferred out of Stage 3 if the indicators of it being identified as credit-impaired is no longer met and that the evidence for its transfer out of Stage 3 solely relates to events such as up-to-date and timely payment occurring in the subsequent periods.

If a modified financial asset results in derecognition, the new financial asset will be recognised under Stage 1, unless it is assessed to be credit-impaired at the time of the modification.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(d) Impairment (continued)

Regulatory framework

Under the revised MAS 612 *Credit Files, Grading and Provisioning* ("MAS 612") requirement, the Bank has the option to maintain a minimum regulatory loss allowance ("MRLA") of 1% of the gross carrying amount of selected credit exposures, net of collaterals. Where the accounting loss allowance of selected non-credit-impaired exposures computed under FRS 109 is less than the MRLA, the Bank shall maintain the difference in a non-distributable regulatory loss allowance reserve ("RLAR") account through the appropriation of accumulated profits. Where the aggregated accounting loss allowance and RLAR exceeds the MRLA, the Bank may transfer the excess amount in the RLAR to retained earnings.

2.9 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in the statement of comprehensive income.

2.10 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under FRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

2.11 Financial guarantees

Financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. These financial guarantees are given to other parties such as other banks and financial institutions, on behalf of customers to secure loans, overdrafts and other banking facilities.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.11 Financial guarantees (continued)

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of FRS 115, and
- (b) the amount of expected loss allowance computed using impairment methodology under FRS 109.

2.12 Financial liabilities

Financial liabilities, other than financial guarantees and loan commitments, are initially recognised at fair value, net of transaction costs incurred and subsequently carried at amortised cost, using the effective interest rate method.

Derecognition

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or have expired.

Modification of financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in statement of comprehensive income. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.13 Leases

When the Bank is a lessee

At the inception of the contract, the Bank assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Bank recognises a right-of-use asset and a lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment" in the balance sheet.

Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Bank shall use its incremental borrowing rate.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that were not part of the original terms.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.13 Leases (continued)

Lease liabilities (continued)

Lease liabilities are presented within "Other liabilities" in the balance sheet.

Short-term and low-value leases

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value leases. Lease payments relating to these leases are expensed to the statement of comprehensive income on a straight-line basis over the lease term.

2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet.

Deferred income tax is not recognised for the following temporary differences:

- Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Bank is able to control the timing of the reversal of the timing difference and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against the temporary differences can be utilised.

Current and deferred taxes are recognised as income or expense in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.15 Provisions

Provisions for other liabilities and legal claims are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.16 Employee compensation

Compensation package for staff consists of base salaries, allowances, defined contribution plans such as the Central Provident Fund ("CPF"), defined benefit plans, commissions, cash bonuses, and share-based compensation plans. These are recognised in the statement of comprehensive income when incurred, unless the cost qualifies to be capitalised as an asset and share-based compensation is recognised over the vesting period of the grant, with corresponding amount due to the holding company. Employee leave entitlements are estimated according to the terms of employment contract and accrued on balance sheet date.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Bank pays fixed contributions into a separate entity such as the CPF on a mandatory, contractual or voluntary basis. The Bank has no further payment obligations once the contribution have been paid. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.16 Employee compensation (continued)

Defined benefit plan (continued)

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Bank's obligations and that are denominated in the currency in which the benefits are expected to be paid. Credit rating of at least AA is defined where obligor's capacity to meet its financial commitments on the obligation is very strong.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Bank, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Bank. An economic benefit is available to the Bank if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Bank recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in statement of comprehensive income.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs. The Bank recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Bank in connection with the settlement.

Share-based compensation plans

Share-based compensation plans include the holding company's Employee Share Purchase ("ESP") Plan and Deferred Share Plan ("DSP"). Equity instruments granted are recognised as an expense in the statement of comprehensive income based on the fair value of the equity instrument at the date of the grant. The expense is recognised over the vesting period of the grant, with corresponding entries to the amounts due to the holding company.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.16 Employee compensation (continued)

Share-based compensation plans (continued)

At each balance sheet date, the Bank revises its estimates of the number of equity instruments expected to be vested, and the impact of the change of the original estimates, if any, is recognised in the statement of comprehensive income, with a corresponding adjustment to the amount due to the holding company over the remaining vesting period.

2.17 Currency translation

The financial statements are presented in United States Dollars ("US\$"), which is the functional currency of the Bank. All financial information presented in United States Dollars have been rounded to the nearest million, unless otherwise stated.

Transactions in a currency other than the functional currency ("foreign currencies") are translated into the functional currency using the exchange rates as the date of the transaction. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the statement of comprehensive income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income.

2.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include balances and placements with and loans to banks and amounts due from holding company with a maturity of 3 months or less, repayable on demand, money at call and on short notice which are subject to an insignificant risk of change in value.

2.19 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are deducted against the share capital account.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.20 Dividends

Interim dividends on ordinary shares are recorded in the year in which they are declared payable by the Board of Directors. Final dividends are recorded in the year when the dividends are approved by the shareholder at the annual general meeting.

2.21 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date that takes place in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

The Bank measures the fair value of an instrument using the quoted price in an active market for that identical instrument held by another party. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price (i.e. the fair value of the consideration given or received). If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in the statement of comprehensive income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.21 Fair value estimation (continued)

If an asset or a liability measured at fair value has a bid price and an ask price, the Bank measures assets and long positions at the bid price, and liabilities and short positions at the ask price.

Portfolios of financial assets and financial liabilities exposed to market risks and credit risks that are managed by the Bank on the basis of the net exposure to either market risks or credit risks are measured on the basis of the price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure.

Portfolio-level adjustments (e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure) are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as at the balance sheet date during which the change has occurred.

The preparation of financial statements requires the Bank to make certain estimates and to form judgements about the application of its accounting policies. The most significant areas where estimates and judgements have been made are set out below.

2.22 Prior year comparatives

Certain prior year comparatives have been reclassified to be consistent with current year presentation.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of goodwill

The Bank performs an annual impairment review and whenever events or circumstances that indicates more likely than not that an impairment may have occurred by comparing the carrying amount of its goodwill against the recoverable amounts of the CGU to which the goodwill has been allocated.

As disclosed in Note 11, the Bank uses valuation techniques such as value-in-use to determine the recoverable amount. Value-in-use of the CGU is calculated based on the present value of estimated future cash flows expected to arise from the CGU's continuing operations using the discounted cash flow method. Management exercises its judgement in estimating the future cash flows, growth rates and discount rates used in determining the recoverable amounts of the CGU.

Impairment of financial assets

A forward-looking expected credit loss impairment model is applied to financial assets classified at amortised cost or FVOCI. The Bank exercises judgement in determining the key assumptions in the expected credit loss impairment model including the incorporation of forward looking information and determination of significant increase in credit risk of financial assets since initial recognition based on criteria described in Note 2.8. In addition, in determination of whether a financial asset is credit impaired, the Bank also exercises judgement in assessing the existence of objective evidence of impairment.

4. Net interest income

Interest income comprises interest arising from balances and placements with and loans to banks, amount due from holding company, amount due from related companies, loans and advances to non-bank customers and other investments. Interest income on these financial assets that are classified as amortised cost or FVOCI are calculated using the effective interest method.

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Net interest income (continued)

Interest expense comprises interest incurred on deposits of non-bank customers, deposits and balances of banks, amount due to holding company, amount due to related companies and others.

	2024 US\$ million	2023 US\$ million
The breakdown of interest income is as follows:		
- Holding company	1,065	916
- Others	710	847
	1,775	1,763
The breakdown of interest expense is as follows:		
- Holding company	37	34
- Related companies	1	1
- Others*	1,216	1,152
	1,254	1,187
Net interest income	521	576

* Included in 'Others' is interest expense arising from the lease liabilities undertaken by the Bank.

5. Net fee and commission income

	2024 US\$ million	2023 US\$ million
Portfolio and other management fees	110	114
Custodian and trust fees	50	53
Brokerage fees income	216	164
Other fees income	67	58
Fee and commission income	443	389
Brokerage and custody fees	23	23
Commission expense	87	77
Other fees expenses	8	6
Fee and commission expense	118	106
Net fee and commission income	325	283

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***6. Net trading income**

	2024 US\$ million	2023 US\$ million
Foreign exchange	157	160
Equity	62	41
	<u>219</u>	<u>201</u>

7. Staff costs

	Note	2024 US\$ million	2023 US\$ million
Wages, salaries and bonuses		404	395
Contributions to defined contribution plans		20	20
Contributions to share-based compensation plans	26	1	1
Defined benefit plan	27(ii)	#	#
Others		24	26
		<u>449</u>	<u>442</u>

8. Other operating expenses

	2024 US\$ million	2023 US\$ million
Recharge of expenses by holding and other related companies ⁽¹⁾	92	94
Advertising and marketing	13	9
Other taxes and duties	9	9
Communication and information technology	19	20
Lease expenses relating to short-term leases	3	4
Travel and hotel expenses	7	7
Professional fees	24	15
Maintenance and hire of property, plant and equipment	1	3
Others	15	14
	<u>183</u>	<u>175</u>

⁽¹⁾ Included in the recharge of expenses by holding company is an amount of US\$11 million (2023: US\$10 million) relating to rental of premises.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. Income tax expense

	Note	2024 US\$ million	2023 US\$ million
Current income tax expense			
Current year		53	60
Under/(Over)provision in prior years		#	(3)
		<u>53</u>	<u>57</u>
Deferred tax expense			
Origination and reversal of temporary differences	24	#	#
Total income tax expense		<u>53</u>	<u>57</u>

The tax on profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2024 US\$ million	2023 US\$ million
Profit before income tax	378	414
Tax calculated using Singapore tax rate of 17% (2023: 17%)	64	70
Effect of concessionary tax rate at 13.5%*	(10)	(9)
Effect of different tax rates in overseas branches	(1)	(1)
Under/(Over)provision in prior years	#	(3)
Non-deductible expenses	2	2
Others	(2)	(2)
	<u>53</u>	<u>57</u>

* The Bank's profit derived from certain Financial Sector Incentive activities are subject to income tax at a concessionary tax rate of 13.5% (FY2023: 13.5%) under Section 43J of the Income Tax Act.

Organisation for Economic Co-operation and Development ("OECD") Pillar Two Model Rules

The Bank is part of Oversea-Chinese Banking Corporation Limited and its subsidiaries, a multinational enterprise group that is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules. Pillar Two legislation was enacted in Singapore, the jurisdiction in which the Bank is incorporated, and came into effect from 1 January 2025.

The Bank applies the FRS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Bank does not have any exposure to Pillar Two legislation as at 31 December 2024.

Based on management's assessment, the Bank does not expect any material impact from exposure to Pillar Two legislation in the financial year 2025.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10. Property, plant and equipment

	2024 US\$ million	2023 US\$ million
Property, plant and equipment	106	97
Right-of-use assets	47	56
	<u>153</u>	<u>153</u>

Property, plant and equipment

	Leasehold improvements US\$ million	Furniture and fittings US\$ million	Computers and others US\$ million	Total US\$ million
Cost				
At 1 January 2024	30	6	196	232
Additions	#	1	38	39
Disposals/written-off	(3)	(1)	(#)	(4)
At 31 December 2024	<u>27</u>	<u>6</u>	<u>234</u>	<u>267</u>
Accumulated depreciation				
At 1 January 2024	24	6	105	135
Depreciation charge for the year	2	#	28	30
Disposals/written-off	(3)	(1)	(#)	(4)
At 31 December 2024	<u>23</u>	<u>5</u>	<u>133</u>	<u>161</u>
Carrying amounts				
At 31 December 2024	<u>4</u>	<u>1</u>	<u>101</u>	<u>106</u>
Cost				
At 1 January 2023	35	6	158	199
Additions	#	1	38	39
Disposals/written-off	(5)	(1)	(#)	(6)
At 31 December 2023	<u>30</u>	<u>6</u>	<u>196</u>	<u>232</u>
Accumulated depreciation				
At 1 January 2023	28	6	86	120
Depreciation charge for the year	1	1	19	21
Disposals/written-off	(5)	(1)	(#)	(6)
At 31 December 2023	<u>24</u>	<u>6</u>	<u>105</u>	<u>135</u>
Carrying amounts				
At 31 December 2023	<u>6</u>	<u>1</u>	<u>90</u>	<u>97</u>

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10. Property, plant and equipment (continued)

Right-of-use assets

	Property US\$ million
Cost	
At 1 January 2024	106
Additions	#
	<u>106</u>
Accumulated depreciation	
At 1 January 2024	50
Depreciation charge for the year	9
	<u>59</u>
Carrying amounts	
Balance as at 31 December 2024	<u>47</u>
Cost	
At 1 January 2023	79
Additions	28
Termination of lease	(1)
	<u>106</u>
Accumulated depreciation	
At 1 January 2023	42
Depreciation charge for the year	9
Termination of lease	(1)
	<u>50</u>
Carrying amounts	
Balance as at 31 December 2023	<u>56</u>

11. Goodwill

	2024 US\$ million	2023 US\$ million
At 1 January and 31 December	<u>168</u>	<u>168</u>

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Goodwill (continued)

Impairment test for goodwill

For impairment testing, goodwill is allocated to the Bank which is identified as one cash generating unit. The recoverable amount is determined based on value-in-use calculations which applies a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. The discount rates applied to the cash flow projections are derived from the pre-tax weighted average cost of capital plus a reasonable risk premium at the date of assessment. Cash flows beyond the fifth year are extrapolated using the terminal growth rates (weighted average growth rate to extrapolate cash flows beyond the projected years).

The terminal growth rate used does not exceed management's expectation of the long term average growth rate of the industry and countries which the Bank operates. The discount rate and terminal growth rate used is tabulated below:

	2024	2023
	%	%
Discount rate	13.5	10.8
Terminal growth rate	2.0	2.0

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

12. Intangible assets

	Customer relationships and core deposits US\$ million
Cost	
At 1 January 2024/31 December 2024	<u>59</u>
Accumulated amortisation	
At 1 January 2024	42
Amortisation charge for the year	<u>6</u>
At 31 December 2024	<u>48</u>
Carrying amounts	
At 31 December 2024	<u>11</u>
Cost	
At 1 January 2023/31 December 2023	<u>59</u>
Accumulated amortisation	
At 1 January 2023	36
Amortisation charge for the year	<u>6</u>
At 31 December 2023	<u>42</u>
Carrying amounts	
At 31 December 2023	<u>17</u>

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***13. Investment in subsidiaries**

	2024 US\$ million	2023 US\$ million
At 1 January	27	28
Disposal	-	(1)
Less: Impairment of subsidiary	(8)	-
At 31 December	<u>19</u>	<u>27</u>

List of principal subsidiaries

<u>Name of subsidiaries</u>	Country of incorporation/Principal place of business	Effective equity	
		2024 %	2023 %
BOS Trustee Limited	Singapore	100	100
BOS Wealth Management Europe, S.A.	Luxembourg	100	100
BOS Wealth Management Malaysia Berhad	Malaysia	100	100

The principal activities of BOS Trustee Limited are those of trustees, executors, administrators, receivers, attorneys and agents.

The principal activities of BOS Wealth Management Malaysia Berhad and BOS Wealth Management Europe, S.A. are the provision of investment advisory services.

The principal subsidiaries listed above are audited by PricewaterhouseCoopers LLP Singapore and its network firms.

The Bank's subsidiaries do not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from their respective local statutory and regulatory requirements within which its subsidiaries operate.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Unconsolidated structured entities

Unconsolidated structured entities ("USE") refer to structured entities that are not controlled by the Bank.

The Bank acts as the investment manager of the USE and earns a management fee based on a fixed percentage of the aggregate value of the capital commitment made by shareholders. It does not participate in capital contribution nor the profits of the USE.

The following table summarises the Bank's interests in the USE:

	2024 US\$ million	2023 US\$ million
Management fee earned	#	1
Assets under management	1,309	712

15. Cash and balances with central banks

	2024 US\$ million	2023 US\$ million
Balances with Monetary Authority of Singapore ("MAS")	139	134
Balances with Hong Kong Monetary Authority ("HKMA")	4	4
	<u>143</u>	<u>138</u>

Balances with MAS include the mandatory minimum cash balance in compliance with MAS Notice 758 which is not available for use in the Bank's day-to-day operations.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Balances and placements with and loans to banks

	Note	2024 US\$ million	2023 US\$ million
Gross balances and placements with and loans to banks		302	203
Less: loss allowances	18	(#)	(#)
		<u>302</u>	<u>203</u>

Included in balances and placements with and loans to banks are margin receivables from third party brokers of approximately US\$14 million (2023: US\$17 million) and an amount of approximately US\$288 million (2023: US\$186 million) which is repayable on demand or money at call, of which US\$286 million (2023: US\$186 million) are cash balances which has been included in cash and cash equivalents in the statement of cash flows.

17. Loans and advances to non-bank customers

	Note	2024 US\$ million	2023 US\$ million
Gross loans and advances to non-bank customers		13,313	14,664
Less: loss allowances			
- credit-impaired loans		(4)	(65)
- non credit-impaired loans		(15)	(9)
	18	<u>(19)</u>	<u>(74)</u>
		<u>13,294</u>	<u>14,590</u>

18. Loss allowances (charge)/write-back

The loss allowances balance set out as follows:

	Note	2024 US\$ million	2023 US\$ million
Balances and placements with and loans to banks	16	#	#
Loans and advances to non-bank customers	17	19	74
Total loss allowances balance		<u>19</u>	<u>74</u>

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. Loss allowances (charge)/write-back (continued)

Movements of loss allowances are set out as follows:

	<u>Stage 1</u> US\$ million	<u>Stage 2</u> US\$ million	<u>Stage 3</u> US\$ million	<u>Total</u> US\$ million
At 1 January 2024	9	#	65	74
Remeasurement	2	#	19	21
New financial assets originated or purchased	89	1	1	91
Financial assets that have been derecognised	(85)	(1)	(20)	(106)
Recognised in profit or loss	6	#	#	6
Write-offs	-	-	(53)	(53)
Interest recognised on impaired loans	-	-	(8)	(8)
At 31 December 2024	15	#	4	19

	<u>Stage 1</u> US\$ million	<u>Stage 2</u> US\$ million	<u>Stage 3</u> US\$ million	<u>Total</u> US\$ million
At 1 January 2023	12	#	60	72
Remeasurement	(1)	#	(#)	(1)
New financial assets originated or purchased	73	#	1	74
Financial assets that have been derecognised	(75)	(#)	(1)	(76)
Recognised in profit or loss	(3)	#	#	(3)
Write-offs	-	-	(3)	(3)
Interest recognised on impaired loans	-	-	8	8
At 31 December 2023	9	#	65	74

There were insignificant movements between stages and in foreign exchange for 2024 and 2023.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. Loss allowances (charge)/write-back (continued)

The following tables set out information about the credit quality.

Balances and placements with and loans to banks

	<u>Stage 1</u> US\$ million	<u>Stage 2</u> US\$ million	<u>Stage 3</u> US\$ million	<u>Total</u> US\$ million
Pass	206	25	-	231
Less: loss allowances	(#)	(#)	-	(#)
At 31 December 2024	206	25	-	231
Pass	203	#	-	203
Less: loss allowances	(#)	(#)	-	(#)
At 31 December 2023	203	#	-	203

Loans and advances to non-bank customers

	<u>Stage 1</u> US\$ million	<u>Stage 2</u> US\$ million	<u>Stage 3</u> US\$ million	<u>Total</u> US\$ million
Pass	13,103	-	-	13,103
Special mention	-	161	-	161
Substandard	-	-	49	49
Less: loss allowances	(14)	(1)	(4)	(19)
At 31 December 2024	13,089	160	45	13,294
Pass	14,428	-	-	14,428
Special mention	-	129	-	129
Substandard	-	-	37	37
Doubtful	-	-	70	70
Less: loss allowances	(9)	(#)	(65)	(74)
At 31 December 2023	14,419	129	42	14,590

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***19. Amounts due from/(to) holding company and related companies**

The amounts due from/(to) holding company and related companies comprise current account balances and placements with and borrowings from these entities, including interest receivables or payables. The amounts due from holding company and related companies include balances totalling approximately US\$3 million (2023: US\$6 million), which are repayable on demand or money at call, and which have been included in cash and cash equivalents in the statement of cash flows.

20. Other investments

	2024 US\$ million	2023 US\$ million
FVTPL financial assets:		
- Unquoted debt securities*	#	#
- Unquoted fund investment	1	2
FVOCI financial assets:		
- Other government securities	655	654
	<u>656</u>	<u>656</u>

Other government securities relate to United States treasury bills held. The credit quality of the treasury bills are of investment grade, indicating good capacity to meet financial commitments with low credit risks by the obligor.

* Issued by holding company

21. Other assets

	Note	2024 US\$ million	2023 US\$ million
Interest receivables		34	48
Income tax receivables		4	-
Sundry debtors		63	72
Physical precious metals		714	738
Security trade receivables		241	240
Defined benefit plan	27	#	-
Others		27	43
		<u>1,083</u>	<u>1,141</u>

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. Share capital, other equity instruments and other reserves

Share capital

	2024		2023	
	No. of shares million	US\$ million	No. of shares million	US\$ million
Issued and fully-paid: Ordinary shares	977	996	977	996

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equally with regards to the Bank's residual assets. The ordinary shares have no par value.

On 31 July 2024, the Bank declared an interim dividend of US\$109 million (2023: US\$120 million) for the financial year ended 31 December 2024, which was paid on 23 September 2024.

At the annual general meeting to be held, a final tax-exempt dividend of US\$105 million in respect of the financial year ended 31 December 2024 will be proposed. The dividends will be accounted for as a distribution in the 2025 financial statements (2023 :US\$110 million which was paid on 14 June 2024).

Other equity instruments

	2024 US\$ million	2023 US\$ million
USD 200 million 4.75% non-cumulative perpetual capital securities ("Capital Securities")	200	200

The Capital Securities issued by the Bank on 11 December 2015 are non-cumulative perpetual capital securities. They qualify as Additional Tier 1 Capital under the MAS Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore ("MAS Notice 637"). The Capital Securities can be written down in whole or in part if the Bank is determined by MAS to be non-viable.

The Capital Securities may, subject to MAS approval, be redeemed at the option of the Bank, at any time, for taxation reasons or if the Capital Securities would not qualify as Additional Tier 1 capital or would not qualify as eligible capital in the calculation of the capital adequacy ratio.

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***22. Share capital, other equity instruments and other reserves (continued)****Other equity instruments (continued)**

The Capital Securities bear a fixed distribution rate of 4.75% per annum from the issue date. The non-cumulative distributions may only be paid out of distributable reserves semi-annually in June and December, unless cancelled by the Bank at its option. The Capital Securities constitute unsecured and subordinated obligations, ranking pari passu among themselves.

During the financial year ended 31 December 2024, the Bank made a distribution of US\$10 million to its equity holders (2023: US\$10 million).

Other reserves

Other reserves of the Bank is mainly comprises of regulatory loss allowance reserve ("RLAR"). RLAR is a regulatory loss allowance reserve set aside by the Bank in accordance with MAS Notice 612 to maintain a minimum level of loss allowance

23. Deposits of non-bank customers

	2024 US\$ million	2023 US\$ million
Current account	8,549	9,688
Fixed deposits	23,077	22,962
	<u>31,626</u>	<u>32,650</u>

24. Deferred tax liabilities, net

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same taxation authority.

	Note	2024 US\$ million	2023 US\$ million
At 1 January		6	6
Credited to profit or loss	9	(#)	(#)
At 31 December		<u>6</u>	<u>6</u>
Deferred tax liabilities/(assets)			
Property, plant and equipment		6	7
Intangible assets		2	2
Others		<u>(2)</u>	<u>(3)</u>
		<u>6</u>	<u>6</u>

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. Other liabilities

	Note	2024 US\$ million	2023 US\$ million
Accrued operating expenses		110	120
Interest payables		156	181
Defined benefit plan	27	-	3
Lease liabilities		52	60
Physical precious metals		763	749
Others		289	310
		1,370	1,423

Each lease payment is allocated between the liability and interest expense. Interest expense incurred is charged to the statement of comprehensive income over the lease term, which amounted to US\$3 million (2023: US\$3 million) for the financial year ended 31 December 2024, as disclosed below.

The right-of-use assets are depreciated over the lease term on a straight-line basis, as disclosed in Note 2.13.

	1 January 2024 US\$ million	Principal and interest payments US\$ million	Non-cash changes			31 December 2024 US\$ million
			Additions US\$ million	Interest expense US\$ million	Foreign exchange movement US\$ million	
Lease liabilities	60	(10)	-	3	(1)	52

	1 January 2023 US\$ million	Principal and interest payments US\$ million	Non-cash changes			31 December 2023 US\$ million
			Additions US\$ million	Interest expense US\$ million	Foreign exchange movement US\$ million	
Lease liabilities	40	(10)	28	3	(1)	60

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. Employee benefits

Share-based compensation plans

Employee Share Purchase ("ESP") Plan

In July 2024, the OCBC Bank (the "Group") launched its 19th offering of ESP Plan for Group employees, which commenced on 1 September 2024 and will expire on 31 August 2026. Under the offering, the Bank granted rights to acquire 1,027,838 (2023: 1,147,749) ordinary shares in OCBC Bank. The fair value of rights, determined using the binomial valuation model was US\$1 million (2023: US\$1 million).

	2024	2023
Acquisition price (US\$)	10.62	9.45
Share price (US\$)	10.87	9.81
Expected volatility based on last 250 days historical volatility as of acceptance date (%)	13.19	12.97
Risk-free rate based on 2-year swap rate (%)	2.83	3.36
Expected dividend yield (%)	6.54	4.91

Movements in the number of acquisition rights of the ESP Plan are as follows:

	2024 Number of acquisition rights	Average price	2023 Number of acquisition rights	Average price
At 1 January	2,028,455		2,090,991	
Subscriptions	1,027,838		1,147,749	
Forfeited/lapsed	(191,925)		(267,633)	
Exercised	(955,744)		(942,652)	
At 31 December	1,908,624		2,028,455	
Share price		US\$9.92		US\$9.31

At 31 December 2024, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2023: 1.2 years).

Deferred Share Plan ("DSP")

DSP aims to increase the performance-orientation and retention factor in compensation packages of executives, and foster an ownership culture within the Group. It also aligns the interests of executives with the sustained business performance of the Group. Selected executives are eligible to participate in the DSP.

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***26. Employee benefits (continued)****Share-based compensation plans (continued)****Deferred Share Plan ("DSP") (continued)**

Half (50%) of the share awards will vest after two years with the remaining 50% vesting at the end of three years in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

During the year, 2,330,559 (2023: 3,069,014) deferred shares were released to employees under the DSP. Total awards of 867,128 (2023: 1,284,180) ordinary shares were granted and accepted by eligible executives under the DSP for the financial year ended 31 December 2024. The fair value of the shares at grant date was US\$12 million (2023: US\$16 million).

27. Defined benefit plan

These are plans applicable to staff located in the Manila Representative Office. The Bank makes contribution to a non-contributory defined benefit plan that provides retirement benefits for employees upon retirement. The plan entitles a retired employee to receive a lump sum payment based on 150% of plan salary per year of credited service. Annual contributions are paid to the fund at a rate necessary to adequately finance the accrued liabilities of the plan calculated.

	Note	2024 US\$ million	2023 US\$ million
Fair value of plan assets	(i)	(3)	(1)
Present value of defined benefits obligations	(ii)	3	4
Total defined benefit plan		<u>(#)</u>	<u>3</u>

(i) Fair value of plan assets

Plan assets comprise mainly fixed income securities.

Movement in fair value of plan assets are set out as follows:

	2024 US\$ million	2023 US\$ million
Fair value of plan assets assumed	1	2
Exchange differences	(1)	-
Contributions paid into the plan	3	-
Benefits paid/Return on plan assets	#	(1)
Fair value of plan assets at 31 December	<u>3</u>	<u>1</u>

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***27. Defined benefit plan (continued)***(ii) Movement in the present value of the defined benefit obligations*

Movement in the present value of the defined benefit obligations is set out as follows:

	2024 US\$ million	2023 US\$ million
Defined benefit obligations at 1 January	4	4
Exchange differences	(1)	-
Benefits paid/Remeasurements of defined benefit obligation	(#)	(#)
Defined benefit obligations at 31 December	3	4

(ii) Movement in the present value of the defined benefit obligations (continued)

Expenses recognised in profit and loss mainly relate to payments under obligations net off the return on plan assets.

Actuarial assumptions

Principal actuarial assumptions at the balance sheet date:

	2024 %	2023 %
Discount rate at 31 December	5.75	6.25
Expected return on plan assets at 1 January	5.75	6.75
Future salary increases	4.00	4.00

Actuarial valuations are made based on information of current members of the plan as follows:

	2024	2023
Average annual plan salary (US\$)	54,375	56,292
Average age	40.14	40.34
Average credited service	9.59	9.11
Average future working life years	14.37	14.39

As of the year end, the Bank is expected to pay US\$0.2 million (2023: US\$3 million) in contributions to its defined benefit plan.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28. Contingent liabilities

In the normal course of its banking business, the Bank issues guarantees and standby letters of credit. Guarantees are contracts that require the Bank to make specific payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument, while standby letters of credit commit the Bank to make payments to third parties on production of documents.

	2024 US\$ million	2023 US\$ million
Direct credit substitutes:		
- Guarantees	33	35
- Standby letters of credit	315	387
	<u>348</u>	<u>422</u>

29. Commitments

	2024 US\$ million	2023 US\$ million
Undrawn credit lines and other commitments to extend credit	41,826	44,130
Forward loans	1,991	109
	<u>43,817</u>	<u>44,239</u>

Undrawn credit lines and other commitments to extend credit relate to loans, overdrafts, leverage loans and guarantee facilities. Drawdown of these credit lines and commitments are subject to provision of adequate collaterals acceptable to the Bank.

As at 31 December 2024, the Bank's contractual commitments amounted to US\$7 million (2023: US\$8 million).

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. Derivative financial instruments

The table below sets out the notional principal amounts, positive and negative fair values of the Bank's outstanding derivative financial instruments at balance sheet date. Positive and negative fair values represent the mark-to-market values of the derivative contracts.

	Notional principal amounts US\$ million	Positive fair values US\$ million	Negative fair values US\$ million
2024			
Foreign exchange derivatives:			
Spot and forward foreign exchange	16,145	194	187
Currency options	26,657	172	172
	42,802	366	359
Equity derivatives:			
Options	5,154	156	156
Interest rate derivatives:			
Swaps	1,251	14	14
Options	81	#	#
	1,332	14	14
Commodity derivatives:			
Precious metals – bought	1,043	5	15
Precious metals – sold	1,055	15	5
Commodity options	8,271	101	101
	10,369	121	121
	59,657	657	650
2023			
Foreign exchange derivatives:			
Spot and forward foreign exchange	28,951	219	341
Currency options	32,605	160	160
	61,556	379	501
Equity derivatives:			
Options	2,951	88	88
Interest rate derivatives:			
Swaps	768	16	16
Options	44	#	#
	812	16	16
Commodity derivatives:			
Precious metals – bought	522	7	2
Precious metals – sold	517	2	7
Commodity options	8,707	76	76
	9,746	85	85
	75,065	568	690

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***30. Derivative financial instruments (continued)**

The below foreign exchange, equity, interest rate and commodity derivatives include financial instruments entered into with the holding company:

	Notional principal amounts US\$ million	Positive fair values US\$ million	Negative fair values US\$ million
2024			
Foreign exchange derivatives	20,711	134	227
Equity derivatives	2,577	5	151
Interest rate derivatives	666	11	3
Commodity derivatives	5,062	23	94
	<u>29,016</u>	<u>173</u>	<u>475</u>
2023			
Foreign exchange derivatives	32,886	140	359
Equity derivatives	1,475	3	85
Interest rate derivatives	406	14	3
Commodity derivatives	4,633	12	70
	<u>39,400</u>	<u>169</u>	<u>517</u>

31. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Significant related party transactions have been disclosed throughout the financial statements, except for the key management personnel compensation which is as follows:

	2024 US\$ million	2023 US\$ million
Key management personnel compensation:		
- Short-term employee benefits	12	10
- Post-employment benefits	#	#
- Other long-term benefits	4	3
	<u>16</u>	<u>13</u>

Compensation paid to key management personnel includes salaries, bonuses, defined contribution plans, defined benefit plan, share-based compensation plans and other benefits-in-kind. Key management personnel comprise members of the Management Committee and directors of the Bank.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management

Exposure to market, credit, liquidity and operational risks arise in the normal course of the Bank's business. Market risk includes foreign currency risk and interest rate risk. The Bank has written risk management policies and guidelines which set out its overall business strategies, its tolerance of risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner.

The Bank is in principle not involved in clean lending. All loans are fully secured. Hence, collateral management next to assessment of borrower quality is essential.

Credit extensions to our private banking and wealth management clients are subject to a comprehensive credit assessment, setting of limits, as well as continuous risk monitoring. Joint approvals from the business and risk units also ensure objectivity in credit extensions. Loan advance rates are dependent on the quality, liquidity, and diversification of the collateral portfolio. Credit exposures that are secured by marketable securities are subject to daily valuation and independent price verification.

The Bank uses analytical tools to ensure that the value of securities collateral nearly always remain higher than the outstanding loan. Appropriate stress tests are performed, and models used are subjected to independent validation.

Certain risk measures have been defined to reflect the risk appetite of the Bank. The Board has approved certain limits which reflect the overall approved risk appetite for the Bank. Risk management monitors to ensure that the risk exposures are controlled and kept within the approved limits set by the Bank.

(i) Market risk

Market risk is the risk of income and/or market value loss due to fluctuations in factors such as interest rates, foreign exchange rates, equity and commodity prices or their volatilities and correlations arising from banking activities. The Bank's market risk arises from customer-related businesses. In principle, the Bank does not have proprietary trading book.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(i) Market risk

(a) Currency risk

The table below summarises the Bank's major foreign exchange position for selected balance sheet items. "Others" include mainly Sterling Pound, Japanese Yen, Australian Dollar and Euro.

	USD US\$ million	SGD US\$ million	HKD US\$ million	CHF US\$ million	Others US\$ million	Total US\$ million
2024						
Selected balance sheet items						
Loans and advances to non-bank customers	4,225	1,138	1,320	2,882	3,729	13,294
Due from holding and related companies	18,645	1,832	275	31	3,406	24,189
Deposits of non-bank customers	20,943	3,539	1,127	51	5,966	31,626
Due to holding and related companies	788	26	478	1,962	1,413	4,667
2023						
Selected balance sheet items						
Loans and advances to non-bank customers	4,980	1,413	1,477	2,613	4,107	14,590
Due from holding and related companies	18,077	583	124	3	1,515	20,302
Deposits of non-bank customers	20,618	3,799	1,182	33	7,018	32,650
Due to holding and related companies	36	238	8	134	494	910

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(i) *Market risk (continued)*

(b) *Interest rate risk*

Interest Rate Risk in the Banking Book ("IRRBB") is the risk of potential loss of capital or reduction in earnings from adverse interest rate movements that affect the banking book positions. The primary goal of IRRBB management is to ensure that interest rate risk exposures are consistent with the Bank's risk appetite and maintained within the defined risk tolerances.

The Bank assesses IRRBB impact from the perspective of both capital and earnings. Economic value of equity ("EVE") sensitivity evaluates the potential impact on the net present value of banking book positions, and net interest income ("NII") sensitivity estimates the potential change in earnings over a one-year horizon under various interest rate shock scenarios.

As at December 2024, the Bank's EVE had the maximum simulated reduction of US\$24 million, (2023: US\$4 million) under the supervisory prescribed Short Rate Up¹ interest rate scenario. This was primarily driven by the impact from loans, intragroup lending and government securities holdings which would have a lower economic value under a rising interest rate environment, partially offset by the impact from deposits. For the Bank's NII, the scenario with the most adverse impact on net interest income was the Parallel Down¹ scenario, with a simulated decrease by US\$45 million (2023: US\$82 million). The lower NII was due to reduced interest income from loans and intragroup lending under a downward interest rate shock scenario, partially offset by lower interest expense from deposits.

¹ Short Rate Up scenario assumes yield curves short rates up while Parallel Down scenario assumes the yield curves to move parallel downward. Different shocks will be applied for different currencies based on supervisory prescriptions (eg. Short Rate Up – 200bps Short for SGD and 300bps Short for USD, while Parallel Down – 150bps for SGD and 200bps for USD).

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(ii) Credit risk

Credit risk is managing the potential risk of financial loss resulting from the failure of a customer or counterparty to settle their financial and contractual obligations to the Bank as and when they fall due.

Credit risk is constantly assessed, measured and managed in accordance with the Bank's Credit Risk Management policies. Limits are established for each customer that has a credit facility from the Bank. The Bank typically takes collateral to secure amounts due under credit facilities granted to its customers. Collateralisation is also assessed specifically at a customer level.

Borrowing customers are classified as Pass, Special Mention, Substandard, Doubtful and Loss, in accordance with MAS Notice 612. The Bank has an established process for early identification of possible changes in the creditworthiness of customers and takes corrective action as appropriate. As part of the corrective action, the Bank may restructure facilities, renegotiate loan terms, or as final resort, repossess collateral. Once facilities have been restructured or renegotiated, accounts are reviewed regularly by management to ensure that all criteria are met and that future payments are likely to occur. These loans continue to be subjected to close monitoring for identification of objective evidence of impairment and if considered to be credit-impaired, assess the loss allowances required.

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***32. Financial risk management (continued)***(ii) Credit risk (continued)***Maximum exposure to credit risk without taking into account any collateral and other credit enhancements**

The following table presents the Bank's maximum exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposure to credit risk equals their carrying amount. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For commitments, the maximum exposure to credit risk is the lower of full amount of the advance value of collaterals less total liabilities or undrawn credit facilities granted to customers.

	2024	2023
	US\$ million	US\$ million
Credit risk exposure of on-balance sheet assets:		
Cash and balances with central banks	143	138
Balances and placements with and loans to banks	302	203
Loans and advances to non-bank customers	13,294	14,590
Due from holding and related companies	24,189	20,302
Derivative financial instruments	657	568
Other investments	656	656
Other assets	1,057	1,109
	40,298	37,566
Credit risk exposure of off-balance sheet items:		
Contingent liabilities	348	422
Commitments	43,817	44,239
	44,165	44,661
Total credit risk exposure	84,463	82,227

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(ii) Credit risk (continued)

Risk concentrations of the maximum exposure to credit risk

The Bank's credit risk exposure, before taking into account any collateral held or other credit enhancement can be analysed by the following geographical regions:

2024	Asia US\$ million	Pacific Rim US\$ million	Europe US\$ million	North America US\$ million	Middle East US\$ million	Others US\$ million	Total US\$ million
Cash and balances with central banks	143	-	-	-	-	-	143
Balances and placements with and loans to banks	95	14	62	114	16	1	302
Loans and advances to non-bank customers	6,686	49	697	2	908	4,952	13,294
Due from holding and related companies	24,189	-	-	-	-	-	24,189
Derivative financial instruments	448	#	26	#	35	148	657
Other investments	655	-	-	1	-	#	656
Other assets	196	3	765	#	12	81	1,057
Contingent liabilities	73	#	100	-	6	169	348
Commitments	27,147	189	872	9	3,258	12,342	43,817
Total	59,632	255	2,522	126	4,235	17,693	84,463

"Others" include Africa and British Virgin Islands.

represents amounts less than US\$0.5 million

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(ii) Credit risk (continued)

Risk concentrations of the maximum exposure to credit risk (continued)

The Bank's credit risk exposure, before taking into account any collateral held or other credit enhancement can be analysed by the following geographical regions:

2023	Asia US\$ million	Pacific Rim US\$ million	Europe US\$ million	North America US\$ million	Middle East US\$ million	Others US\$ million	Total US\$ million
Cash and balances with central banks	138	-	-	-	-	-	138
Balances and placements with and loans to banks	120	1	55	3	23	1	203
Loans and advances to non-bank customers	7,355	58	814	2	939	5,422	14,590
Due from holding and related companies	20,302	-	-	-	-	-	20,302
Derivative financial instruments	377	#	40	-	30	121	568
Other investments	654	-	-	1	-	1	656
Other assets	212	1	832	1	12	51	1,109
Contingent liabilities	118	-	80	-	6	218	422
Commitments	25,405	197	1,129	14	3,369	14,125	44,239
Total	54,681	257	2,950	21	4,379	19,939	82,227

"Others" include Africa and British Virgin Islands.

represents amounts less than US\$0.5 million

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

32. Financial risk management (continued)**(ii) Credit risk (continued)****Risk concentrations of the maximum exposure to credit risk (continued)**

Credit risk exposures by counterparty type are presented in the table below:

	Gross maximum exposure 2024 US\$ million	Net maximum exposure 2024 US\$ million	Gross maximum exposure 2023 US\$ million	Net maximum exposure 2023 US\$ million
Individuals and corporates	55,724	-	59,279	-
Banks/financial institutions	28,085	28,085	22,294	22,294
Governments	654	654	654	654
	84,463	28,739	82,227	22,948

The gross maximum exposure is before the effect of mitigation through the use of master netting and collateral agreements. The exposures to individuals and corporates are generally secured through the use of collateral agreements and result in no net exposure to credit risk. Net maximum exposure to banks/financial institutions and Governments represent clean loans for which the Bank does not take any collateral and other credit enhancements to mitigate its credit risk less any allowances for loans.

Collateral and other credit enhancements

The amount and type of collateral required depends on the assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- Cash (deposits or current accounts)
- Debt securities
- Structured notes/mutual funds
- Equities
- Mortgages over properties
- Charges over insurance policies
- Banker's guarantees/standby letters of credit

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(ii) Credit risk (continued)

Credit quality per class of financial assets by geographical regions

MAS Notice 612 requires the Bank to categorise credit facilities into respective credit grades as follows:

	<u>Pass</u> US\$ million	<u>Special mention</u> US\$ million	<u>Substandard</u> US\$ million	<u>Doubtful</u> US\$ million	<u>Total</u> US\$ million
2024					
Asia	6,684	9	12	-	6,705
Pacific Rim	49	-	-	-	49
Europe	532	134	31	-	697
North America	2	-	-	-	2
Middle East	903	5	-	-	908
Others	4,932	14	6	-	4,952
Gross loans and advances to non-bank customers	13,102	162	49	-	13,313
Loss allowances					19
Net loans and advances to non-bank customers					13,294
Balances and placements with and loans to banks	302	-	-	-	302
Contingent liabilities	348	-	-	-	348
Commitments	43,774	9	34	-	43,817
Total					57,761
	<u>Pass</u> US\$ million	<u>Special mention</u> US\$ million	<u>Substandard</u> US\$ million	<u>Doubtful</u> US\$ million	<u>Total</u> US\$ million
2023					
Asia	7,367	53	9	-	7,429
Pacific Rim	57	-	-	-	57
Europe	772	31	12	-	815
North America	2	-	-	-	2
Middle East	931	8	-	-	939
Others	5,299	37	16	70	5,422
Gross loans and advances to non-bank customers	14,428	129	37	70	14,664
Loss allowances					74
Net loans and advances to non-bank customers					14,590
Balances and placements with and loans to banks	203	-	-	-	203
Contingent liabilities	422	-	-	-	422
Commitments	44,102	68	43	26	44,239
Total					59,454

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

32. Financial risk management (continued)*(ii) Credit risk (continued)***Loans and advances to non-bank customers by industry:**

	2024 US\$ million	2023 US\$ million
Analysed by industry		
Manufacturing	48	47
Building and construction	292	391
General commerce	39	42
Transport, storage and communication	24	25
Business service	54	70
Financial institutions, investment and holding companies	6,394	6,985
Professionals and individuals	6,450	7,088
Others	12	16
	13,313	14,664

Amount arising from expected credit losses: inputs, assumptions and techniques used for estimating impairment*Significant increase in credit risk*

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical credit assessment and including forward-looking information.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each balance sheet date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

Credit risks of a particular exposure is deemed to have increased significantly since initial recognition if they meet the following criteria:

- special mention;
- 30 days past due; or
- obligors who exhibits potential weaknesses, which may adversely affect the repayment by the obligor at a future date, in meeting financial obligations.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(ii) Credit risk (continued)

Amount arising from expected credit losses: inputs, assumptions and techniques used for estimating impairment (continued)

Determining whether credit risk has increased significantly (continued)

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Incorporation of forward looking information

The Bank incorporates forward-looking information into both the assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

Measurement of ECL – Explanation of Inputs, Assumptions and Estimation Techniques

The key inputs into the measurement of ECL are the following variables:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

These parameters are derived from internally developed statistical models as developed based on historical data. They are adjusted to reflect forward-looking information.

PD represents the likelihood of a borrower defaulting on its financial obligation at the time of default, either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internal and external compiled data.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(ii) Credit risk (continued)

Amount arising from expected credit losses: inputs, assumptions and techniques used for estimating impairment (continued)

Measurement of ECL – Explanation of Inputs, Assumptions and Estimation Techniques (continued)

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs includes claim seniority, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and existing market conditions. They are estimates at a certain date and are derived using statistical models. These statistical models are developed using internally compiled data and incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD based on the current exposure to the counterparty and potential future exposure. The EAD of a financial asset is its gross carrying amount.

The ECL is determined by the PD, LGD and EAD for each individual exposure. The ECLs are first determined by the product of these three components, which are then adjusted to take into account forward-looking information. The ECLs are finally discounted to the balance sheet date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(ii) Credit risk (continued)

Amount arising from expected credit losses: inputs, assumptions and techniques used for estimating impairment (continued)

Measurement of ECL – Explanation of Inputs, Assumptions and Estimation Techniques (continued)

Credit-impaired financial assets

At each balance sheet date, the Bank assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

There are no other significant credit losses recognised except as disclosed in Note 18.

(iii) 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 within the approved limits by a combination of positive cash flow management, the maintenance of portfolios of high quality liquid assets and diversification of its funding base through its holding company.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(iii) Liquidity risk (continued)

Maturity analysis of financial assets and liabilities

The table below shows an analysis of financial assets and liabilities at balance sheet date analysed according to contractual maturity. The amounts up to 12 months are considered to be current, and those over 1 year are considered to be non-current.

2024	Within 1 week US\$ million	1 week to 1 month US\$ million	1 to 3 months US\$ million	3 to 12 months US\$ million	1 to 3 years US\$ million	Over 3 years US\$ million	Total US\$ million
Financial assets							
Cash and balances with central banks	4	-	-	-	-	139	143
Balances and placements with and loans to banks	302	-	-	-	-	-	302
Loans and advances to non-bank customers	6,842	4,507	1,236	604	161	144	13,294
Due from holding and related companies	3,774	5,831	9,855	4,719	8	2	24,189
Derivative financial instruments	657	-	-	-	-	-	657
Other investments	-	200	378	77	-	1	656
Other assets	964	70	8	8	3	4	1,057
Total	12,343	10,608	11,477	5,408	172	290	40,298
Financial liabilities							
Deposits of non-bank customers	15,416	6,448	5,181	3,572	7	2	31,626
Deposits and balances of banks	13	-	-	-	-	-	13
Due to holding and related companies	707	1,005	1,769	1,019	162	5	4,687
Derivative financial instruments	650	-	-	-	-	-	650
Other liabilities	1,062	43	60	60	20	32	1,277
Total	18,848	7,496	7,010	4,651	189	39	38,233
Net liquidity gap	(6,505)	3,112	4,467	757	(17)	251	
Contingent liabilities							
Guarantees	33	-	-	-	-	-	33
Standby letters of credit	315	-	-	-	-	-	315
Total	348	-	-	-	-	-	348
Commitments	43,817	-	-	-	-	-	43,817

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(iii) Liquidity risk (continued)

Maturity analysis of financial assets and liabilities (continued)

2023	Within 1 week US\$ million	1 week to 1 month US\$ million	1 to 3 months US\$ million	3 to 12 months US\$ million	1 to 3 years US\$ million	Over 3 years US\$ million	Total US\$ million
Financial assets							
Cash and balances with central banks	4	-	-	-	-	134	138
Balances and placements with and loans to banks	203	-	-	-	-	-	203
Loans and advances to non-bank customers	8,216	4,713	1,006	421	27	207	14,590
Due from holding and related companies	3,079	3,480	7,904	5,602	237	-	20,302
Derivative financial instruments	568	-	-	-	-	-	568
Other investments	-	259	318	77	-	2	656
Other assets	1,006	79	13	5	-	6	1,109
Total	13,076	8,531	9,241	6,105	264	349	37,566
Financial liabilities							
Deposits of non-bank customers	16,028	5,833	5,057	5,721	11	-	32,650
Deposits and balances of banks	28	-	-	-	-	-	28
Due to holding and related companies	229	67	350	225	28	11	910
Derivative financial instruments	690	-	-	-	-	-	690
Other liabilities	1,068	40	70	78	19	39	1,314
Total	18,043	5,940	5,477	6,024	58	50	35,592
Net liquidity gap	(4,967)	2,591	3,764	81	206	299	
Contingent liabilities							
Guarantees	35	-	-	-	-	-	35
Standby letters of credit	387	-	-	-	-	-	387
Total	422	-	-	-	-	-	422
Commitments	44,239	-	-	-	-	-	44,239

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(iii) Liquidity risk (continued)

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Bank's financial liabilities at balance sheet date based on contractual undiscounted repayment obligations.

2024

Non-derivative financial liabilities

Deposits of non-bank customers	16,416	6,448	5,181	3,572	7	2	31,626
Deposits and balances of banks	13	-	-	-	-	-	13
Due to holding and related companies	707	1,005	1,769	1,019	162	5	4,667
Other liabilities	1,062	43	61	62	22	36	1,286

Derivative financial instruments:

- Contractual amounts payable	650	-	-	-	-	-	650
	18,848	7,496	7,011	4,653	191	43	38,242

Contingent liabilities

Guarantees	33	-	-	-	-	-	33
Standby letters of credit	315	-	-	-	-	-	315
	348	-	-	-	-	-	348

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(iii) Liquidity risk (continued)

Analysis of financial liabilities by remaining contractual maturities (continued)

2023

Non-derivative financial liabilities

Deposits of non-bank customers
Deposits and balances of banks
Due to holding and related companies
Other liabilities

	Within 1 week US\$ million	1 week to 1 month US\$ million	1 to 3 months US\$ million	3 to 12 months US\$ million	1 to 3 years US\$ million	Over 3 years US\$ million	Total US\$ million
16,028	5,833	5,057	5,721	11	-	-	32,650
28	-	-	-	-	-	-	28
229	67	350	225	28	11	11	910
1,068	40	71	80	21	45	45	1,325

Derivative financial instruments:

- Contractual amounts payable

690	-	-	-	-	-	-	690
18,043	5,940	5,478	6,026	60	56	56	35,603

Contingent liabilities

Guarantees
Standby letters of credit

35	-	-	-	-	-	-	35
387	-	-	-	-	-	-	387
422	-	-	-	-	-	-	422

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***32. Financial risk management (continued)***(iv) Fair value measurements*

The following table is a summary of financial instruments for which carrying amounts do not approximate fair value.

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	US\$ million	US\$ million	US\$ million	US\$ million
Financial assets				
Loans and advances to non-bank customers	13,294	13,197	14,590	14,505
Amount due from holding company	24,185	24,619	20,291	20,728
Financial liabilities				
Deposits of non-bank customers	31,626	31,610	32,650	32,625
Amount due to holding company	4,637	4,626	877	870

Where possible, fair values of financial instruments have been estimated using market prices. Where market prices are not available, values have been estimated using quoted prices for financial instruments with similar characteristics, or otherwise using suitable valuation techniques where practicable to do so. The fair value information presented represents the Bank's best estimate of those values and may be subject to certain assumptions and limitations. Although management has employed its best judgement in the estimation of fair values, there is inevitably a significant element of subjectivity involved in the calculations. The fair values presented in the table set out above are at a specific date and may be significantly different from the amounts which will be actually paid or received on the maturity or settlement date.

The methodologies and assumptions used in estimating fair values for those financial instruments which are not already recorded at fair value in the financial statements depend on the terms and risk characteristics of the various instruments and include the following:

Financial instruments for which the carrying amount approximates fair value

These financial instruments include balances with banks, government securities, other investments, derivatives, call deposits by banks and non-bank customers, interest receivables and payables, and short term amounts due from and to holding company and related companies. The carrying amount of these financial instruments is an approximation of the fair value because they are either (i) carried at market value, (ii) short-term in nature or reprice frequently, or (iii) are receivable or payable on demand.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(iv) Fair value measurements (continued)

Loans and advances to non-bank customers, amount due from holding company and amount due from related companies

The fair value is principally estimated by discounting anticipated cash flows. The discount rates applied are based on the current interest rates of similar loans to borrowers with similar credit ratings.

Deposits of non-bank customers, amount due to holding company and amount due to related companies

Fair value is calculated using discounted cash flow models, based on the deposit type and its related maturity, applying either market rates, where applicable, or current rates offered for deposits of similar remaining maturities.

Fair value hierarchy

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 – inputs that are quoted market prices (unadjusted) in active markets for identical instruments
- Level 2 – inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices or similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(iv) Fair value measurements (continued)

Fair value hierarchy (continued)

Other valuation techniques include net present value and discounted cash flow models comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

However, where the Bank measures portfolios of financial assets and financial liabilities on the basis of net exposures, it applies judgement in determining appropriate portfolio level adjustments such as bid-ask spread. Such adjustments are derived from observable bid-ask spreads for similar instruments and adjusted for factor specific to the portfolio.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***32. Financial risk management (continued)***(iv) Fair value measurements (continued)***Fair value hierarchy (continued)**

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the balance sheet date during which the change has occurred. There were no transfers between Levels 1, 2 and 3 during the financial year ended 31 December 2024 and 31 December 2023.

The table below analyses financial instruments measured at fair value at the end of the balance sheet date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the balance sheet.

	Level 1 US\$ million	Level 2 US\$ million	Level 3 US\$ million	Total US\$ million
2024				
Financial assets				
Derivative financial instruments	20	436	201	657
Other investments	655	#	1	656
Total	675	436	202	1,313
Financial liabilities				
Derivative financial instruments	20	429	201	650
Total	20	429	201	650
2023				
Financial assets				
Derivative financial instruments	20	416	132	568
Other investments	654	#	2	656
Total	674	416	134	1,224
Financial liabilities				
Derivative financial instruments	22	536	132	690
Total	22	536	132	690

BANK OF SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

32. Financial risk management (continued)*(iv) Fair value measurements (continued)***Movement and assumptions used in Level 3 fair value**

The following table presents the changes in Level 3 financial assets and financial liabilities as at the balance sheet date:

	Financial assets at FVTPL US\$ million
1 January 2024	134
Gain recognised in profit and loss, under "Net trading income"	68
31 December 2024	<u>202</u>
Change in unrealised gain for assets held at the end of the financial year included in profit or loss, under "Net trading income"	<u>68</u>
	Financial assets at FVTPL US\$ million
1 January 2023	138
Loss recognised in profit and loss, under "Net trading income"	(4)
31 December 2023	<u>134</u>
Change in unrealised loss for assets held at the end of the financial year included in profit or loss, under "Net trading income"	<u>(4)</u>

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(iv) Fair value measurements (continued)

Movement and assumptions used in Level 3 fair value (continued)

	Financial liabilities at FVTPL US\$ million
1 January 2024	132
Loss recognised in profit and loss, under "Net trading income"	69
31 December 2024	201
Change in fair value	69
	Financial liabilities at FVTPL US\$ million
1 January 2023	137
Gain recognised in profit and loss, under "Net trading income"	(5)
31 December 2023	132
Change in fair value	(5)

The following table shows the Bank's valuation technique used in measuring the financial assets in Level 3 of the fair value hierarchy.

Valuation technique	Significant unobservable input	Inter-relationship between key unobservable inputs
Adjusted net assets method	Net asset value ("NAV") of the financial assets	The estimated fair value would increase (decrease) if the NAV of the financial assets increased (decreased).
Option Pricing model	Volatility/Correlation	The estimated fair value would increase (decrease) if the volatility increased (decreased).

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(v) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

2024

Financial assets

Cash and balances with central banks	-	-	-	-	-	143	-	143
Balances and placements with and loans to banks	-	-	-	-	-	302	-	302
Loans and advances to non-bank customers	-	-	-	-	-	13,294	-	13,294
Due from holding and related companies	-	-	-	-	-	24,189	-	24,189
Derivative financial instruments	657	-	-	-	-	-	-	657
Other investments	1	655	-	-	-	-	-	656
Other assets	-	-	-	-	-	1,057	26	1,083
Total	658	655	655	38,985	26	40,324		

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(v) Financial instruments by category (continued)

The carrying amount of the different categories of financial instruments are as follows:

2023

Financial assets

Cash and balances with central banks	-	-	138	-	138
Balances and placements with and loans to banks	-	-	203	-	203
Loans and advances to non-bank customers	-	-	14,590	-	14,590
Due from holding and related companies	-	-	20,302	-	20,302
Derivative financial instruments	568	-	-	-	568
Other investments	2	654	-	-	656
Other assets	-	-	1,109	32	1,141
Total	570	654	36,342	32	37,598

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(v) Financial instruments by category (continued)

The carrying amount of the different categories of financial instruments are as follows:

2024

Financial liabilities

Deposits of non-bank customers	-	31,626	-	-	31,626
Deposits and balances of banks	-	13	-	-	13
Due to holding and related companies	-	4,667	-	-	4,667
Derivative financial instruments	650	-	-	-	650
Other liabilities	-	1,277	93	-	1,370
Total	650	37,583	93	93	38,326

For the financial year ended 31 December 2024

<u>FVTPL</u>	<u>Amortised</u>	<u>Non-financial</u>	
US\$ million	cost	assets/ liabilities	Total
US\$ million	US\$ million	US\$ million	US\$ million
-	32,650	-	32,650
-	28	-	28
-	910	-	910
690	-	-	690
-	1,314	109	1,423
690	34,902	109	35,701

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(vi) *Offsetting financial assets and financial liabilities*

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Bank's balance sheet position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the balance sheet.

The similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the tables below unless they are offset in the balance sheet.

The Bank's derivative transactions that are not transacted on an exchange are entered into under International Derivatives Swaps and Dealers Association ("ISDA") Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transaction.

The above ISDA and similar master netting arrangements do not meet the criteria for offsetting in the balance sheet. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties. In addition, the Bank and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Bank places and receives collateral in the form of cash margins in respect of derivative transactions.

Such collateral is subject to the standard industry terms of ISDA Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but must be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions upon the counterparty's failure to post collateral.

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(vi) Offsetting financial assets and financial liabilities (continued)

Types of financial assets/liabilities	Gross amounts subject to master netting agreements US\$ million	Gross amounts offset subject to master netting agreements US\$ million	Net amounts presented in balance sheet subject to master netting agreements US\$ million	Related amounts not offset in the balance sheet		Net amount US\$ million
				Financial instruments US\$ million	Cash collateral placed US\$ million	
2024						
Financial assets						
Derivative financial instruments	195	-	195	184	10	1
Total	195	-	195	184	10	1
Financial liabilities						
Derivative financial instruments	487	-	487	184	302	1
Total	487	-	487	184	302	1

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(vi) Offsetting financial assets and financial liabilities (continued)

Types of financial assets/liabilities	Gross amounts subject to master netting agreements US\$ million	Gross amounts offset subject to master netting agreements US\$ million	Net amounts presented in balance sheet subject to master netting agreements US\$ million	Related amounts not offset in the balance sheet		Net amount US\$ million
				Financial instruments US\$ million	Cash collateral placed US\$ million	
2023						
Financial assets						
Derivative financial instruments	205	-	205	197	8	-
Total	205	-	205	197	8	-
Financial liabilities						
Derivative financial instruments	544	-	544	197	260	87
Total	544	-	544	197	260	87

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Financial risk management (continued)

(vi) Offsetting financial assets and financial liabilities (continued)

The tables below reconcile the 'Net amounts of financial assets and financial liabilities', as set out above, to the line items presented in the balance sheet.

Types of financial assets	Net carrying amounts subject to master netting agreements	Line item in balance sheet	Carrying amount in balance sheet	Financial assets not in scope of offsetting disclosures	Note
2024					
Derivative financial instruments	195	Derivative financial instruments	657	462	29
2023					
Derivative financial instruments	205	Derivative financial instruments	568	363	29
Types of financial liabilities					
2024					
Derivative financial instruments	487	Derivative financial instruments	650	163	29
2023					
Derivative financial instruments	544	Derivative financial instruments	690	146	29

BANK OF SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Bank of Singapore Limited on 14 February 2025.

BANK OF SINGAPORE LIMITED

MAS NOTICE 608 SUPPLEMENTARY INFORMATION

For the financial year ended 31 December 2024

Capital

The main objectives of the Bank's capital management are to ensure the Bank complies with externally imposed capital requirements and that the Bank maintains healthy capital ratios in order to support its business and to maximise shareholders' value. The activities are executed on the basis of established policies, guidelines and procedures.

The adequacy of the Bank's capital is monitored using the rules and ratios established by the Monetary Authority of Singapore ("MAS") in supervising the Bank.

The Bank had complied with the minimum 8% and 10% for Tier 1 Capital Adequacy Ratio ("CAR") and Total CAR respectively required by MAS Notice 637 in 2024 and 2023.

	2024	2023
	US\$ million	US\$ million
Tier 1 capital		
Ordinary shares	996	996
Perpetual capital securities	200	200
Disclosed reserves	1,095	1,006
	2,291	2,202
Tier 1 eligible capital	1,976	1,949
Tier 2 capital	1	1
Total eligible capital	1,977	1,950
Risk weighted assets	10,571	9,867
Tier 1 CAR	18.7%	19.8%
Total CAR	18.7%	19.8%

The supplementary information above does not form part of the financial statements.