

Bank of Singapore Limited Hong Kong Branch

Banking Disclosure Statement For the year ended

31 December 2023

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

Banking Disclosure Statement For the year ended 31 December 2023

The information in the Disclosure Statement is not audited and does not constitute statutory accounts.

The Statement is available at Bank of Singapore Limited, Hong Kong Branch at the following address:

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

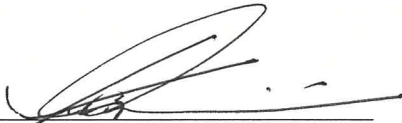
A copy of the Disclosure Statement has been lodged with the public registry of the Hong Kong Monetary Authority's Public Registry and is available on the website <https://www.bankofsingapore.com/disclosures-and-disclaimers/disclosures.html>, for public inspection.

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Statement Of Compliance

This Disclosure Statement has been prepared in accordance with the Banking (Disclosure) Rules and the disclosure standards set out in the Supervisory Policy Manual on “Guideline on the Application of the Banking (Disclosure) Rules” issued by the Hong Kong Monetary Authority on 16 August 2019. To the best of my knowledge, the disclosure is not false or misleading in any material respect.



Chan Wai Ming Rickie
Chief Executive
Bank of Singapore, Hong Kong Branch

18 APR 2024

Section A – Branch Information (Hong Kong Office)

| | Year ended | Year ended |
|--|-------------|-------------|
| | 31-Dec-2023 | 31-Dec-2022 |
| | HK\$'000 | HK\$'000 |
| (I) Income Statement Information | | |
| (a) Interest income | 1,002,007 | 419,897 |
| (b) Interest expense | (813,252) | (288,001) |
| (c) Other operating income | | |
| - Gains less losses arising from trading in foreign currencies | 77,903 | 59,658 |
| - Gains less losses on securities held for trading purposes | - | - |
| - Gains less losses from trading in interest rate derivatives | 199 | 2,849 |
| - Gains less losses from other trading activities | 23,019 | 26,179 |
| (d) Net fee and commission income | | |
| - Fees and commission income | 100,597 | 133,311 |
| - Fees and commission expenses | (1,816) | (3,352) |
| (e) Others | 919,063 | 652,910 |
| (f) Operating expenses | | |
| - Staff expenses | (571,152) | (573,346) |
| - Rental expenses | (69,942) | (93,502) |
| - Other expenses | (114,242) | (52,022) |
| (g) Impairment losses provisions for impaired loans and receivables | - | - |
| (h) Gains less losses from the disposal of property, plant and equipment and investment properties | - | - |
| (i) Profit before taxation | 552,384 | 284,581 |
| (j) Tax expense | (93,193) | (47,766) |
| (k) Profit after taxation | 459,191 | 236,815 |

(II) Statement of Financial Position Information

| | 31-Dec-2023 | 30-Jun-2023 |
|--|-------------------|-------------------|
| | HK\$'000 | HK\$'000 |
| Assets | | |
| (a) Cash and balances with banks, and other financial institutions (except those included in amount due from overseas offices) | 81,138 | 117,040 |
| (b) Due from Exchange Fund | 31,895 | 32,244 |
| (c) Placement with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices) | - | - |
| (d) Amount due from overseas offices | 12,077,541 | 10,816,539 |
| (e) Loans and receivables | | |
| - Loans and advances to customers | 7,446,561 | 8,431,311 |
| - Loans and advances to banks | - | - |
| - Accrued interest and other accounts | 853,991 | 1,194,749 |
| - Provisions for impaired loans and receivables | | |
| Individual impairment allowances | - | - |
| Collective impairment allowances | - | - |
| (f) Investment securities | 4,512,335 | 4,048,454 |
| Individual impairment allowances | - | - |
| (g) Property, plant and equipment and investment properties | 385,052 | 414,403 |
| (h) Total Assets | <u>25,388,513</u> | <u>25,054,740</u> |
| Liabilities | | |
| (a) Deposits and balances from banks and other financial institutions (except those included in amount due to overseas offices) | 5,754 | 77 |
| (b) Deposits from customers | | |
| - Demand deposits and current accounts | 3,272,755 | 3,297,670 |
| - Saving deposits | - | - |
| - Time, call and notice deposits | 9,758,377 | 8,391,363 |
| (c) Amount due to overseas offices | 9,200,122 | 10,523,284 |
| (d) Other liabilities (include reserves and current year's profit) | 3,015,539 | 2,769,447 |
| (e) Provisions | 135,966 | 72,899 |
| (f) Total Liabilities | <u>25,388,513</u> | <u>25,054,740</u> |

(III) Additional Information - Statement of Financial Position

| 1. Loans and Advances to Customers – impaired loans | 31-Dec-2023 | | 30-Jun-2023 | |
|---|-------------|--|-------------|--|
| | HK\$'000 | % to total loans and advances to customers | HK\$'000 | % to total loans and advances to customers |
| 1. Impaired loans and advances to customers* | | | | |
| - The amount of impaired loans and advances | - | | - | |
| - The amount of specific provisions | - | | - | |
| - The amount of collective provisions | - | | - | |
| - Market value of collateral | - | | - | |
| Covered portion of total overdue loans and advances | - | | - | |
| Uncovered portion of total overdue loans and advances | - | | - | |
| 2. No impaired loans and advances to banks as at 30 Jun 2023 and 31 Dec 2022 | | | | |
| 3. No impaired loans and advances to other financial institutions as at 30 Jun 2023 and 31 Dec 2022 | | | | |
| 4. No impaired loans and advances to other assets as at 30 Jun 2023 and 31 Dec 2022 | | | | |

*Impaired loans are advances to customers which have been classified as "substandard", "doubtful" and "loss" in accordance with the HKMA Return of Loans and Advances and Provisions (Form MA(BS)2A) completion instructions.

2. Loans and Advances to Customers by Geographical Segments

The gross amounts of loans and advances to customers by geographical areas are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when a loan or advances is guaranteed by a party in a country which is different from that of the country. Only countries constituting 10% or more of the aggregate total loans and advances to customers are disclosed.

| | 31-Dec-2023 | | | |
|-----------------------|---------------------------------------|---|---|--|
| | Total loans and advances to customers | Loans and advances overdue for more than 9 months and up to 12 months | Loans and advances overdue for more than 1 year and up to 2 years | Impaired loans and advances to customers |
| HK\$'000 | | | | |
| Hong Kong | 3,726,155 | - | - | - |
| British Virgin Island | 2,746,533 | - | - | - |
| Others | 973,873 | - | - | - |
| Total | 7,446,561 | - | - | - |

| | 30-Jun-2023 | | | |
|-------------------------|---------------------------------------|---|---|--|
| | Total loans and advances to customers | Loans and advances overdue for more than 9 months and up to 12 months | Loans and advances overdue for more than 1 year and up to 2 years | Impaired loans and advances to customers |
| HK\$'000 | | | | |
| Hong Kong | 6,246,335 | - | - | - |
| British Virgin Island * | 686,241 | - | - | - |
| Others | 1,498,735 | - | - | - |
| Total | 8,431,311 | - | - | - |

* The geographical segment that constitutes less than 10% of the total loans and advances is presented for comparative purpose only.

| 3. Loans and Advances to Customers by Industry Sector | 31-Dec-2023 | | 30-Jun-2023 | |
|--|------------------|---------------------|------------------|---------------------|
| | Gross Advances | Collateral covered* | Gross Advances | Collateral covered* |
| | HKD'000 | % | HKD'000 | % |
| 1. Loans and advances for use in Hong Kong | | | | |
| Industrial, commercial and financial sectors | | | | |
| - Financial concerns | 3,108,354 | 100% | 3,247,159 | 100% |
| - Property investment | 39,362 | 100% | 45,643 | 100% |
| Individuals | | | | |
| - Loans for the purchase of other residential properties | 25,449 | 100% | 36,693 | 100% |
| - Others | 4,273,396 | 100% | 5,101,816 | 100% |
| 2. Trade finance | - | | - | |
| 3. Loans and advances for use outside Hong Kong | - | | - | |
| Total loans and advances to customers | <u>7,446,561</u> | <u>100%</u> | <u>8,431,311</u> | <u>100%</u> |

* Where the collateral values are greater than gross loans and advances, only the amount of collateral up to the gross amount of loans and advances was included.

The sector analysis has been classified according to the usage of loans and advances based on categories and definition used by the Hong Kong Monetary Authority.

4. Overdue or Rescheduled Assets

| | 31-Dec-2023 | | 30-Jun-2023 | |
|---|-------------|--|-------------|--|
| | HK\$'000 | % to total loans and advances to customers | HK\$'000 | % to total loans and advances to customers |
| 1. Loans and advances to customers which have been overdue for | | | | |
| - more than 3 months but not more than 6 months | - | | - | |
| - more than 6 months but not more than 1 year | - | | - | |
| - more than 1 year | - | | - | |
| - The amount of individual impairment allowances | - | | - | |
| - The amount of collective impairment allowances | - | | - | |
| 2. Other assets to customers which have been overdue for | | | | |
| - more than 3 months but not more than 6 months | - | | - | |
| - more than 6 months but not more than 1 year | - | | - | |
| - more than 1 year | - | | - | |
| - The amount of individual impairment allowances | - | | - | |
| - The amount of collective impairment allowances | - | | - | |
| 3. Rescheduled assets to customers which have been overdue for | | | | |
| - more than 3 months but not more than 6 months | - | | - | |
| - more than 6 months but not more than 1 year | - | | - | |
| - more than 1 year | - | | - | |
| - The amount of individual impairment allowances | - | | - | |
| - The amount of collective impairment allowances | - | | - | |
| 4. Loans and advances to banks which have been overdue for | | | | |
| - more than 3 months but not more than 6 months | - | | - | |
| - more than 6 months but not more than 1 year | - | | - | |
| - more than 1 year | - | | - | |
| - The amount of individual impairment allowances | - | | - | |
| - The amount of collective impairment allowances | - | | - | |
| 5. No rescheduled assets to banks as at 30 Jun 2023 and 31 Dec 2022 | - | | - | |
| 6. No repossessed assets as at 30 Jun 2023 and 31 Dec 2022 | - | | - | |

5. International Claims

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognized risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only countries constituting 10% or more of the aggregate international claims after taking into account any recognized risk transfer is disclosed.

| | 31-Dec-2023 | | | | | |
|--|---------------|------------------------|--|-------------------------------------|---------------|---------------|
| | <u>Banks</u> | <u>Official sector</u> | <u>Non-bank private sector</u> | | <u>Others</u> | <u>Total</u> |
| | | | <u>Non-bank financial institutions</u> | <u>Non-financial private sector</u> | | |
| (HK\$ million) | | | | | | |
| Developed countries | 62 | 4,512 | - | - | - | 4,574 |
| of which United States | 8 | 4,512 | - | - | - | 4,520 |
| Offshore centers | 12,629 | - | - | 5,003 | - | 17,632 |
| of which Singapore | 12,629 | - | - | 105 | - | 12,734 |
| of which Hong Kong | - | - | - | 3,876 | - | 3,876 |
| Developing Latin America and Caribbean | - | - | - | - | - | - |
| Developing Africa and Middle East | - | - | - | 20 | - | 20 |
| Developing Asia and Pacific | 11 | - | - | 1,048 | - | 1,059 |
| Total | 12,702 | 4,512 | - | 6,071 | - | 23,285 |

5. International Claims (Continued)

| | 30-Jun-2023 | | | | | <u>Total</u> |
|--|---------------|------------------------|--|-------------------------------------|---------------|---------------|
| | <u>Banks</u> | <u>Official sector</u> | <u>Non-bank private sector</u> | | <u>Others</u> | |
| | | | <u>Non-bank financial institutions</u> | <u>Non-financial private sector</u> | | |
| (HK\$ million) | | | | | | |
| Developed countries | 100 | 4,050 | - | - | - | 4,150 |
| of which United States | 42 | 4,050 | - | - | - | 4,092 |
| Offshore centers | 11,586 | - | - | 5,052 | - | 16,638 |
| of which Singapore | 11,586 | - | - | 220 | - | 11,806 |
| of which Hong Kong | - | - | - | 3,418 | - | 3,418 |
| Developing Latin America and Caribbean | - | - | - | - | - | - |
| Developing Africa and Middle East | - | - | - | 20 | - | 20 |
| Developing Asia and Pacific | 9 | - | - | 1,184 | - | 1,193 |
| Total | 11,695 | 4,050 | - | 6,256 | - | 22,001 |

The above figures are prepared in according to the location and types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of International Banking Statistics.

6. Mainland Activities Exposures

| (HK\$'000) | 31-Dec-2023 | | |
|--|--------------------------------------|---------------------------------------|---------------------------|
| | <u>On-balance sheet exposure</u> | <u>Off-balance sheet exposure</u> | <u>Total Exposure</u> |
| Types of counterparties | | | |
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | - | - | - |
| 2. Local governments, local government-owned entities and their subsidiaries and JVs | - | - | - |
| 3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 498,389 | 2,083,970 | 2,582,359 |
| 4. Other entities of central government not reported in item 1 above | - | - | - |
| 5. Other entities of local government not reported in item 2 above | - | - | - |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | - | - | - |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | - | - | - |
| Total | <u>498,389</u> | <u>2,083,970</u> | <u>2,582,359</u> |
| Total asset after provision | <u>25,388,513</u> | | |
| On-balance sheet exposures as percentage of total assets | <u>1.96%</u> | | |

6. Mainland Activities Exposures (Continued)

| (HK\$'000) | 30-Jun-2023 | | |
|--|--------------------------------------|---------------------------------------|---------------------------|
| | <u>On-balance sheet exposure</u> | <u>Off-balance sheet exposure</u> | <u>Total Exposure</u> |
| Types of counterparties | | | |
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | - | - | - |
| 2. Local governments, local government-owned entities and their subsidiaries and JVs | - | - | - |
| 3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 519,828 | 2,312,323 | 2,832,151 |
| 4. Other entities of central government not reported in item 1 above | - | - | - |
| 5. Other entities of local government not reported in item 2 above | - | - | - |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | - | - | - |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | - | - | - |
| Total | <u>519,828</u> | <u>2,312,323</u> | <u>2,832,151</u> |
| Total asset after provision | <u>25,054,740</u> | | |
| On-balance sheet exposures as percentage of total assets | <u>2.07%</u> | | |

The above figures are prepared in according to the types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of Mainland Activities.

7. Currency Risk

The net position in a particular foreign currency is disclosed if the net position (in absolute terms) constitutes 10% or more of the total net positions in all foreign currencies. The positions are calculated in accordance with the Return of Foreign Currency Position (Form MA(BS)6) submitted to the HKMA.

| 31-Dec-2023 (HK\$ million) | USD | GBP* | JPY* | EUR* | CAD* | AUD* | SEK* | Others | Total |
|-------------------------------|----------|-------|---------|-------|-------|-------|------|---------|----------|
| Spot assets | 15,946 | 319 | 1,138 | 322 | 150 | 797 | 10 | 3,587 | 22,269 |
| Spot liabilities | (15,826) | (318) | (1,291) | (322) | (150) | (796) | (10) | (3,586) | (22,299) |
| Forward purchases | 7,817 | 100 | 4,868 | 99 | 41 | 569 | - | 4,092 | 17,586 |
| Forward sales | (7,970) | (100) | (4,715) | (99) | (41) | (569) | - | (4,092) | (17,586) |
| Net options position | - | - | - | - | - | - | - | - | - |
| Net long/ (short) position | (33) | 1 | - | - | - | 1 | - | 1 | (30) |
| Net structural position | - | - | - | - | - | - | - | - | - |
| 30-Jun-2023 (HK\$ million) | USD | GBP* | JPY* | EUR* | CAD* | AUD* | SEK* | Others | Total |
| Spot assets | 14,745 | 373 | 1,081 | 291 | 162 | 647 | 9 | 3,206 | 20,514 |
| Spot liabilities | (14,750) | (372) | (1,082) | (290) | (161) | (653) | (8) | (3,198) | (20,514) |
| Forward purchases | 817 | 82 | 560 | 160 | 26 | 102 | - | 485 | 2,232 |
| Forward sales | (817) | (82) | (560) | (160) | (26) | (94) | - | (493) | (2,232) |
| Net options position | - | - | - | - | - | - | - | - | - |
| Net long/ (short) position | (5) | 1 | (1) | 1 | 1 | 2 | 1 | - | - |
| Net structural position | - | - | - | - | - | - | - | - | - |

The above represents the Hong Kong dollar equivalent values of the individual currency.

* The currency that constitutes less than 10% of the total net position in all foreign currencies is presented for comparative purpose only.

(IV) Off-Balance Sheet Exposures
1. Contingent liabilities and commitments

(Notional amount)

| | 31-Dec-2023 | 30-Jun-2023 |
|--|-------------------|-------------------|
| | HK\$'000 | HK\$'000 |
| Direct credit substitutes | 109,443 | 104,736 |
| Other commitments | 21,340,290 | 24,287,864 |
| Others (including forward asset purchases, amounts owing on partly paid shares and securities, forward deposits placed, asset sales or other transactions with recourse) | <u>412,277</u> | <u>547,267</u> |
| | <u>21,862,010</u> | <u>24,939,867</u> |

2. Derivatives Transactions

(HK\$'000)

| | 31-Dec-2023 | | | 30-Jun-2023 | | |
|---|------------------|------------------|-----------------------------|------------------|------------------|-----------------------------|
| | Replacement cost | | Total Notional amount | Replacement cost | | Total Notional amount |
| | Positive | Negative | | Positive | Negative | |
| Exchange rate-related derivatives contracts | 262,782 | (264,812) | 42,509,194 | 131,506 | (131,080) | 28,547,577 |
| Interest rate contracts | 467 | (467) | 387,035 | 683 | (683) | 216,866 |
| Others | 62,167 | (62,026) | 2,581,886 | 65,387 | (65,244) | 4,398,347 |
| | <u>325,416</u> | <u>(327,305)</u> | <u>45,478,115</u> | <u>197,576</u> | <u>(197,007)</u> | <u>33,162,790</u> |

There are no bilateral netting arrangements for above derivatives contracts.

(V) Liquidity Information
1. Liquidity Maintenance Ratio (LMR)

| | Q4-2023 | Q4-2022 |
|-------------------------------------|---------|---------|
| | % | % |
| Average LMR for the 3-month period. | 68.18% | 65.73% |

The average liquidity maintenance ratio is the arithmetic mean of each month's average LMR calculated in accordance with the Banking (Liquidity) Rules.

(V) Liquidity (Continue)

2. Liquidity Gap

The following maturity profile is based on the remaining period to repayment on a contractual maturity basis at the end of the reporting period.

| | As at 31 Dec 2023 | | | | | | | Balancing amount |
|--|-------------------|----------|-------------|-------------------|--------------------------|----------------------------|-------------|------------------|
| | Total | Next day | 2 to 7 days | 8 days to 1 month | > 1 month up to 3 months | > 3 months up to 12 months | Over 1 year | |
| HK\$ million | | | | | | | | |
| Due from Exchange Fund | 32 | 32 | - | - | - | - | - | - |
| Due from banks | 12,231 | 4,833 | 4,083 | 163 | 885 | 2,267 | - | - |
| Debt securities | 4,512 | 4,512 | - | - | - | - | - | - |
| Loans and advances to customers | 7,454 | 510 | 5,844 | 747 | 129 | 221 | 3 | - |
| Other assets * | 1,099 | 17 | 352 | 207 | 22 | 66 | 49 | 390 |
| Total on-balance sheet assets | 25,328 | 9,904 | 10,279 | 1,117 | 1,036 | 2,554 | 52 | 390 |
| Total off-balance sheet claims | 768 | 304 | 387 | 59 | - | 15 | 3 | - |
| Deposit from customers | 13,118 | 3,702 | 1,775 | 2,871 | 2,493 | 2,277 | - | - |
| Due to banks | 9,239 | 707 | 631 | 4,353 | 3,497 | 51 | - | - |
| Other liabilities (including reserves) * | 2,971 | 428 | 86 | 166 | 143 | 150 | 369 | 1,633 |
| Total on-balance sheet liabilities | 25,328 | 4,837 | 2,492 | 7,390 | 6,133 | 2,478 | 369 | 1,633 |
| Total off-balance sheet obligations | 22,218 | 253 | 454 | 44 | 13 | 110 | 3 | 21,340 |
| Contractual Maturity Mismatch | | 5,118 | 7,720 | (6,258) | (5,110) | (19) | (317) | |
| Cumulative Contractual Maturity Mismatch | | 5,118 | 12,838 | 6,580 | 1,470 | 1,451 | 1,134 | |

(V) Liquidity (Continue)
2. Liquidity Gap (continue)

As at 31 Dec 2022

| | Total | Next day | 2 to 7 days | 8 days to 1 month | > 1 month up to 3 months | > 3 months up to 12 months | Over 1 year | Balancing amount |
|---|---------------|--------------|--------------|-------------------|--------------------------|----------------------------|-------------|------------------|
| HK\$ million | | | | | | | | |
| Due from Exchange Fund | 49 | 49 | - | - | - | - | - | - |
| Due from banks | 9,580 | 2,112 | 3,242 | 2,144 | 347 | 1,735 | - | - |
| Debt securities | 5,921 | 5,921 | - | - | - | - | - | - |
| Loans and advances to customers | 9,066 | 1,607 | 5,366 | 1,530 | 414 | 65 | 3 | 81 |
| Other assets * | 1,077 | 9 | 403 | 104 | 105 | 145 | 98 | 233 |
| Total on-balance sheet assets | 25,693 | 9,698 | 9,011 | 3,778 | 886 | 1,945 | 101 | 314 |
| Total off-balance sheet claims | 2,611 | 1,115 | 1,457 | 28 | 5 | 6 | - | - |
| Deposit from customers | 15,729 | 7,137 | 1,201 | 2,118 | 3,534 | 1,739 | - | - |
| Due to banks | 7,620 | 1,287 | 1,488 | 2,953 | 1,876 | 16 | - | - |
| Other liabilities (including reserves) * | 2,343 | 361 | 135 | 53 | 219 | 235 | 221 | 1,142 |
| Total on-balance sheet liabilities | 25,692 | 8,785 | 2,824 | 5,124 | 5,629 | 1,990 | 221 | 1,142 |
| Total off-balance sheet obligations | 30,445 | 741 | 1,126 | 3 | 735 | 102 | 8 | 27,730 |
| Contractual Maturity Mismatch | | 1,287 | 6,518 | (1,321) | (5,493) | (141) | (128) | |
| Cumulative Contractual Maturity Mismatch | | 1,287 | 7,805 | 6,484 | 991 | 850 | 722 | |

Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded.

* The other assets and other liabilities include derivative contracts; the total column reported their fair values, not total cash flow in each time buckets

(V) Liquidity (Continue)

3. Liquidity Risk Management

Liquidity risk is the risk that the Bank of Singapore Limited (the “Bank”) is unable to service its cash flow obligation as they fall due without incurring unacceptable costs or losses through fund raising and assets liquidation. The risk includes the inability of the Bank to manage unplanned decreases or changes in funding sources and the failure to recognize or address changes in market conditions that affect the Bank’s ability to liquidate assets quickly with minimal loss in value.

The key principles of the Bank liquidity management process involve monitoring against liquidity risk limits that are aligned to the Bank’s risk tolerance level approved by the BOS Board of Directors; managing cash flow to ensure that sufficient sources of funding are available to meet obligations under normal operating and stress conditions; maintaining an adequate liquidity asset buffer for regulatory requirements.

Governance

The Board of Directors is ultimately responsible for providing the strategic direction for management of bank’s balance sheet risk including liquidity risk and delegates the balance sheet risk management to BOS Group Chief Executive Office (“CEO”) who in turn sub-delegates to Asset Liability Management Committee (“ALCO”), which composed of senior staff from various departments. The responsibility includes approval of operational and procedural changes to policy and the assignment of limits for the Bank of Singapore Limited, Hong Kong Branch (the “Branch”).

Corporate Treasury (“CT”) manages the liquidity of the bank and Market Risk Management (“MRM”) is the primary risk control function and is responsible for monitoring and escalation of any liquidity limits breaches. Additionally, MRM is responsible for formulating and recommending liquidity risk management policy, triggers and limits to ALCO for review and approval. Internal Audit performs periodic reviews to ensure risk management functions are carried out effectively.

Liquidity Monitoring

The Bank manages liquidity risk on a consolidated balance sheet basis with OCBC Bank (the “Group”), through combination of positive cash flow management, match-funding its asset and liability as much as possible, and maintaining a portfolio of high quality liquid assets that is in excess of regulatory requirement. The Branch key sources of fund will be from client deposits or funding through the Group as the Branch does not deal with interbank market for its funding and any excess or shortage of funding is managed by the Group.

Liquidity Reporting

Cash flow analysis and projection reports under Business-As-Usual (“BAU”) scenario and Stress scenarios are generated by the Bank’s management information system to allow the Bank to assess the day to day maturity mismatch.

Liquidity stress test is performed on daily basis based on different scenarios to identify any negative cumulative flow for the next 30 days. Three stress scenarios are used, namely bank specific, general market crisis, and a crisis involving a combination of the two. Any breaches in stress result will be escalated to ALCO.

Early Warning Indicators (“EWI”) are used to identify any potential liquidity problem and trigger management response actions, which include the activation of Contingency Funding Plan (“CFP”).

(V) Liquidity (Continue)**3. Liquidity Risk Management (continue)****Contingency Planning**

The Branch maintains a “CFP” with below key objectives to:

- Identify and recognize a liquidity crisis;
- Define the appropriate management responsibilities and responses during a liquidity crisis;
- Establish the key processes for managing a liquidity crisis;
- Rectify areas of concern and ensure information flows remain timely to facilitate decision making.
- Define communication plans and funding strategies

CFP is reviewed annually to ensure that it stays relevant and a drill test is conducted on the contingency funding plan to ensure that it is operationally effective.

(VI) Disclosure On Remuneration

The Branch has adopted the remuneration policy of the head office, Bank of Singapore Limited. Bank of Singapore Limited is a wholly-owned subsidiary of OCBC Bank, and OCBC Bank is the sole shareholder. The remuneration framework of Bank of Singapore Limited is largely aligned with the remuneration policy of the OCBC Bank. The objective of the Bank’s remuneration policy is to attract, retain and motivate employees to contribute their best.

In relation to the disclosure on remuneration, such information on (but not be limited to) the decision-making process, firm-wide remuneration policy, criteria used for performance measurement and risk adjustment, the linkage between pay and performance, deferral policy and vesting criteria, and the parameters used for allocation of cash versus other forms of remuneration, aggregate information of Senior Management and Material Risk Takers, where applicable, in respect of guaranteed bonuses, sign-ons, severance payments and variable remuneration awarded during the financial year, and the breakdown of total compensation of OCBC Bank’s Chief Executive Officer, are disclosed in the Annual Report of OCBC Bank.

Section B – Bank Information

The following information relates to Bank of Singapore Limited, ultimately a wholly owned subsidiary of Overseas-Chinese Banking Corporation Limited. Please refer to the full annual accounts for further information.

(I) Capital and Capital Adequacy

| | <u>31-Dec-2023</u> | <u>31-Dec-2022*</u> |
|----------------------|--------------------|---------------------|
| | US\$'000 | US\$'000 |
| Shareholders' equity | 2,202,441 | 1,971,084 |
| Total capital ratio | 19.8% | 14.9% |
| Tier 1 capital ratio | 19.8% | 14.9% |

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

(II) Other Financial Information

| | <u>31-Dec-2023</u> | <u>31-Dec-2022*</u> |
|--------------------------|--------------------|---------------------|
| | US\$'000 | US\$'000 |
| Total assets | 37,963,625 | 39,007,493 |
| Total liabilities | 35,761,184 | 37,036,409 |
| Total loans and advances | 14,589,767 | 18,209,253 |
| Total customer deposits | 32,649,616 | 32,925,483 |
| | <u>Year ended</u> | <u>Year ended</u> |
| | <u>31-Dec-2023</u> | <u>31-Dec-2022</u> |
| | US\$'000 | US\$'000 |
| Pre-tax profit | 414,624 | 277,254 |

* The comparative information disclose the corresponding amounts for the preceding annual reporting period.