

# Standard Chartered Bank (Singapore) Limited

(Incorporated in Singapore)



8 Marina Boulevard, #27-01 Marina Bay Financial Centre Tower 1, Singapore 018981

## Audited accounts for the year ended 31 December 2014

### Balance Sheet As at 31 December 2014

|  | 2014<br>\$'000    | 2013<br>\$'000    |
|--|-------------------|-------------------|
| <b>Equity</b>  |                   |                   |
| Share capital  | 1,653,000         | 1,653,000         |
| Reserves   | (9,762)           | 4,097             |
| Accumulated profits  | 192,379           | 44,332            |
| <b>Total equity attributable to owner of the Bank</b>          | <b>1,835,617</b>  | <b>1,701,429</b>  |
| <b>Liabilities</b>   |                   |                   |
| Deposits and balances of banks                                 | 492               | -                 |
| Deposits of non-bank customers                                 | 29,655,479        | 30,586,607        |
| Derivative financial instruments                               | 26,779            | 8,932             |
| Bills and drafts payable                                       | 63,118            | 55,719            |
| Amounts due to intermediate holding company and its branches   | 139,542           | 108,997           |
| Amounts due to related corporations                            | 15,155            | 10,532            |
| Other liabilities  | 477,849           | 250,305           |
| Current tax payable  | 35,409            | 8,658             |
| Deferred tax liabilities                                       | 4,690             | 6,053             |
| Subordinated notes   | 784,000           | 784,000           |
| <b>Total liabilities</b>                                       | <b>31,202,513</b> | <b>31,819,803</b> |
| <b>Total equity and liabilities</b>                            | <b>33,038,130</b> | <b>33,521,232</b> |
| <b>Assets</b>  |                   |                   |
| Cash and balances with central bank                            | 921,784           | 757,142           |
| Singapore government securities and treasury bills             | 2,442,817         | 2,368,144         |
| Debt securities  | 2,061,066         | 1,943,662         |
| Loans and advances to banks                                    | 25,977            | 61,910            |
| Loans and advances to customers                                | 26,000,342        | 26,147,361        |
| Derivative financial instruments                               | 53,665            | 29,252            |
| Bills receivable   | 71,187            | 95,016            |
| Amounts due from intermediate holding company and its branches | 1,009,957         | 1,684,759         |
| Amounts due from related corporations                          | 9,678             | 4,872             |
| Other assets   | 120,165           | 114,677           |
| Goodwill and intangible assets                                 | 318,079           | 282,267           |
| Property and equipment   | 3,413             | 32,170            |
| <b>Total assets</b>  | <b>33,038,130</b> | <b>33,521,232</b> |

### Notes to the financial statements

The notes form an integral part of the audited financial statements and a full understanding of the statements cannot be achieved without reference to the complete set of financial statements. It can be obtained upon request from our branches.

### Directors

|                         |                          |                                |
|-------------------------|--------------------------|--------------------------------|
| Jaspal Singh Bindra     | Neeraj Swaroop           | (appointed on 31 March 2014)   |
| Alan Rupert Nisbet      | Lim Cheng Teck           | (appointed on 22 July 2014)    |
| Chan Meng Wah Alexander | Viswanathan Ramachandran | (appointed on 20 January 2015) |

### Independent auditors' report

Member of Standard Chartered Bank (Singapore) Limited

### Report on the financial statements

We have audited the accompanying financial statements of Standard Chartered Bank (Singapore) Limited (the "Bank"), which comprise the balance sheet as at 31 December 2014, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS66.

### Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

### Income Statement Year ended 31 December 2014

|  | Year ended<br>31/12/2014<br>\$'000 | Period from<br>8/10/2012 (date<br>of incorporation)<br>to 31/12/2013<br>\$'000 |
|--|------------------------------------|--|
| Interest income  | 701,750                            | 163,478  |
| Interest expense   | (180,825)                          | (42,243)   |
| <b>Net interest income</b>   | <b>520,925</b>                     | <b>121,235</b>   |
| Fee and commission income  | 301,268                            | 67,751   |
| Fee and commission expense   | (60,086)                           | (15,169)   |
| Dealing profits and foreign exchange income                        | 51,038                             | 17,493   |
| Other income   | 2,004                              | 3,210  |
| <b>Total non-interest income</b>                                   | <b>294,224</b>                     | <b>73,285</b>  |
| <b>Income before operating expenses</b>                            | <b>815,149</b>                     | <b>194,520</b>   |
| Staff costs  | (224,511)                          | (44,426)   |
| Other operating expenses   | (296,179)                          | (70,509)   |
| <b>Total operating expenses</b>                                    | <b>(520,690)</b>                   | <b>(114,935)</b>   |
| <b>Operating profit before impairment loss on financial assets</b> | <b>294,459</b>                     | <b>79,585</b>  |
| Impairment losses  | (110,340)                          | (22,957)   |
| <b>Profit before income tax</b>                                    | <b>184,119</b>                     | <b>56,628</b>  |
| Income tax expense   | (36,072)                           | (12,296)   |
| <b>Profit for the year/period</b>                                  | <b>148,047</b>                     | <b>44,332</b>  |

### Capital Adequacy Ratio

The table below shows the composition of the Bank's regulatory capital and its capital adequacy ratios, determined according to the requirements of MAS Notice 637.

|                                     | 2014<br>\$'000    | 2013<br>\$'000    |
|-------------------------------------|-------------------|-------------------|
| Ordinary shares                     | 1,653,000         | 1,653,000         |
| Disclosed reserves                  | 182,617           | 48,429            |
| Regulatory adjustments              | (301,385)         | (285,748)         |
| <b>Common Equity Tier 1 Capital</b> | <b>1,534,232</b>  | <b>1,415,681</b>  |
| <b>Tier 1 Capital</b>               | <b>1,534,232</b>  | <b>1,415,681</b>  |
| Subordinated notes                  | 784,000           | 784,000           |
| Portfolio impairment provisions     | 53,431            | 34,368            |
| <b>Tier 2 Capital</b>               | <b>837,431</b>    | <b>818,368</b>    |
| <b>Eligible Total Capital</b>       | <b>2,371,663</b>  | <b>2,234,049</b>  |
| <b>Risk-Weighted Assets</b>         | <b>17,067,760</b> | <b>17,793,428</b> |
| <b>Capital Adequacy Ratios</b>      |                   |                   |
| Common Equity Tier 1                | 8.99%             | 7.96%             |
| Tier 1                              | 8.99%             | 7.96%             |
| Total                               | 13.90%            | 12.56%            |

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, to give a true and fair view of the state of affairs of the Bank as at 31 December 2014 and the results, changes in equity and cash flows of the Bank for the year ended on that date.

### 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.

### KPMG LLP

Public Accountants and  
Chartered Accountants

### Singapore

31 March 2015