

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 2016

Statement of financial position
As at 31 December 2016

	2016 \$'000	2015 \$'000
Equity		
Share capital	1,953,000	1,953,000
Reserves	(18,464)	(22,785)
Accumulated profits	346,789	264,783
Total equity attributable to owner of the Bank	2,281,325	2,194,998
Liabilities		
Deposits and balances of banks	334	30
Deposits of non-bank customers	29,129,367	28,646,441
Derivative financial instruments	7,816	18,068
Bills and drafts payable	84,621	67,067
Amounts due to intermediate holding company and its branches	276,154	251,242
Amounts due to related corporations	18,954	14,385
Current tax payable	26,417	23,312
Other liabilities	379,920	948,982
Subordinated notes	784,000	784,000
Deferred tax liabilities	-	858
Total liabilities	30,707,583	30,754,385
Total equity and liabilities	32,988,908	32,949,383
Assets		
Cash and balances with central bank	886,375	768,679
Singapore government securities and treasury bills	3,798,803	2,952,746
Other government securities and treasury bills	989,423	646,406
Derivative financial instruments	21,260	15,262
Debt securities	2,380,867	1,723,131
Loans and advances to banks	70,400	3,429
Loans and advances to customers	23,198,504	25,156,059
Bills receivable	247,227	140,877
Amounts due from intermediate holding company and its branches	963,401	1,107,404
Amounts due from related corporations	4,595	17,986
Other assets	124,486	104,619
Deferred tax assets	758	-
Property and equipment	3,987	3,324
Goodwill and intangible assets	298,822	309,461
Total assets	32,988,908	32,949,383

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

Alan Rupert Nisbet	Judy Hsu Chung Wei
Chan Meng Wah Alexander	Sebastian Ramon Arcuri
Viswanathan Ramachandran	

Statement of profit or loss
Year ended 31 December 2016

	2016 \$'000	2015 \$'000
Interest income	686,046	698,725
Interest expense	(239,337)	(215,253)
Net interest income	446,709	483,472
Fee and commission income	259,995	282,766
Fee and commission expense	(50,205)	(51,366)
Net fee and commission income	209,790	231,400
Dealing profits and foreign exchange income	36,212	24,294
Other income	12,005	10,262
Total non-interest income	258,007	265,956
Income before operating expenses	704,716	749,428
Staff costs	(244,324)	(213,477)
Other operating expenses	(258,895)	(318,904)
Total operating expenses	(503,219)	(532,381)
Operating profit before impairment loss on financial assets	201,497	217,047
Impairment losses	(80,344)	(124,219)
Profit before income tax	121,153	92,828
Income tax expense	(22,091)	(20,424)
Profit for the year	99,062	72,404

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.

	2016 \$'000	2015 \$'000
Ordinary shares	1,653,000	1,653,000
Disclosed reserves	328,306	241,998
Regulatory adjustments	(174,084)	(116,235)
Common Equity Tier 1 ("CET 1") Capital	1,807,222	1,778,763
Non-cumulative redeemable preference shares	300,000	300,000
Regulatory adjustments	(116,056)	(174,353)
Additional Tier 1 ("AT 1") Capital	183,944	125,647
Tier 1 Capital	1,991,166	1,904,410
Subordinated notes	784,000	784,000
Portfolio impairment provisions	41,852	53,907
Tier 2 Capital	825,852	837,907
Eligible Total Capital	2,817,018	2,742,317
Risk-Weighted Assets	14,256,742	15,598,777
Capital Adequacy Ratios		
Common Equity Tier 1	12.68%	11.40%
Tier 1	13.97%	12.21%
Total	19.76%	17.58%

Liquidity Coverage Ratio

Disclosure of the Bank's Liquidity Coverage Ratio for the year ended 31 December 2016 determined in accordance with the requirements of MAS 651 can be found in the Bank's website below:

<https://www.sc.com/sg/investor-relations/financial-results-pillar-3.html>

Independent auditors' report

Members of the Bank
Standard Chartered Bank (Singapore) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Standard Chartered Bank (Singapore) Limited ("the Bank"), which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS71.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("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 2016 and of the financial performance, changes in equity and cash flows of the Bank for the year ended on that date.

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 'Auditors' responsibilities for the audit of the financial statements' section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Directors' statement and Supplementary information.

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

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.

Auditors' 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 auditors' 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 judgment 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 controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Bank's 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 auditors' 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 auditors' 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.

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.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore
20 March 2017