



**Standard Chartered Bank (Singapore) Limited**  
(Incorporated in Singapore)

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

**Audited accounts for the year ended 31 December 2020**

**Statements of financial position**  
As at 31 December 2020

|  | Group              |                    | Bank               |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2020<br>\$'000     | 2019<br>\$'000     | 2020<br>\$'000     | 2019<br>\$'000     |
| <b>Assets</b>  |                    |                    |                    |                    |
| Cash and balances with central bank                            | 20,193,162         | 13,462,018         | 20,193,162         | 13,462,018         |
| Singapore government securities and treasury bills             | 1,943,189          | 2,770,371          | 1,943,189          | 2,770,371          |
| Other government securities and treasury bills                 | 4,053,866          | 6,480,495          | 4,053,866          | 6,480,495          |
| Investment securities  | 6,232,177          | 7,309,812          | 6,232,177          | 7,309,812          |
| Derivative financial instruments                               | 3,510,840          | 1,876,278          | 3,510,840          | 1,876,278          |
| Loans and advances to banks                                    | 5,633,343          | 6,872,909          | 5,633,343          | 6,872,909          |
| Loans and advances to customers                                | 48,547,959         | 50,750,422         | 48,547,959         | 50,750,422         |
| Bills receivable   | 8,635,415          | 11,045,077         | 8,635,415          | 11,045,077         |
| Amounts due from intermediate holding company and its branches | 7,366,621          | 5,582,002          | 7,366,621          | 5,582,002          |
| Amounts due from related corporations                          | 449,925            | 658,585            | 449,925            | 658,585            |
| Amounts due from subsidiaries                                  | -                  | -                  | 592                | -                  |
| Other assets   | 4,176,698          | 2,966,471          | 4,176,698          | 2,966,471          |
| Property and equipment   | 172,849            | 169,299            | 172,849            | 169,299            |
| Investment in associate  | 54,050             | 31,013             | 51,229             | 28,388             |
| Investment in subsidiaries                                     | -                  | -                  | 50,000             | -                  |
| Goodwill and intangible assets                                 | 463,161            | 387,010            | 463,161            | 387,010            |
| <b>Total assets</b>  | <b>111,433,255</b> | <b>110,361,762</b> | <b>111,481,026</b> | <b>110,359,137</b> |
| <b>Liabilities</b>   |                    |                    |                    |                    |
| Deposits and balances of banks                                 | 6,420,318          | 3,405,366          | 6,420,318          | 3,405,366          |
| Deposits of non-bank customers                                 | 77,584,974         | 77,247,734         | 77,584,974         | 77,247,734         |
| Structured notes and deposits                                  | 1,317,306          | 475,705            | 1,317,306          | 475,705            |
| Derivative financial instruments and other trading liabilities | 3,902,685          | 2,112,255          | 3,902,685          | 2,112,255          |
| Bills and drafts payable                                       | 1,025,604          | 1,045,509          | 1,025,604          | 1,045,509          |
| Amounts due to intermediate holding company and its branches   | 5,142,873          | 10,412,934         | 5,142,873          | 10,412,934         |
| Amounts due to related corporations                            | 1,330,732          | 1,055,383          | 640,911            | 702,095            |
| Amounts due to subsidiaries                                    | -                  | -                  | 739,071            | 353,803            |
| Current tax payable  | 38,911             | 64,059             | 38,909             | 64,056             |
| Other liabilities  | 5,790,163          | 5,898,069          | 5,791,543          | 5,897,582          |
| Subordinated notes   | 1,242,207          | 726,763            | 1,242,207          | 726,763            |
| Deferred tax liabilities                                       | 17,266             | 29,546             | 17,266             | 29,546             |
| <b>Total liabilities</b>                                       | <b>103,813,039</b> | <b>102,473,323</b> | <b>103,863,667</b> | <b>102,473,348</b> |
| <b>Equity</b>  |                    |                    |                    |                    |
| Share capital  | 6,678,931          | 6,978,931          | 6,678,931          | 6,978,931          |
| Reserves   | 72,544             | 225,644            | 71,851             | 225,658            |
| Retained earnings  | 868,741            | 683,864            | 866,577            | 681,200            |
| <b>Total equity attributable to owner of the Bank</b>          | <b>7,620,216</b>   | <b>7,888,439</b>   | <b>7,617,359</b>   | <b>7,885,789</b>   |
| <b>Total liabilities and equity</b>                            | <b>111,433,255</b> | <b>110,361,762</b> | <b>111,481,026</b> | <b>110,359,137</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.

**Statements of profit or loss**  
Year ended 31 December 2020

|  | Group              |                    | Bank               |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2020<br>\$'000     | 2019<br>\$'000     | 2020<br>\$'000     | 2019<br>\$'000     |
| Interest income                                | 1,926,181          | 2,192,005          | 1,926,181          | 2,187,054          |
| Interest expense                               | (692,148)          | (1,021,762)        | (692,328)          | (1,017,165)        |
| Net interest income                            | 1,234,033          | 1,170,243          | 1,233,853          | 1,169,889          |
| Fee and commission income                      | 1,235,952          | 959,586            | 1,235,952          | 959,586            |
| Fee and commission expense                     | (310,468)          | (227,870)          | (310,299)          | (227,545)          |
| Net fee and commission income                  | 925,484            | 731,716            | 925,653            | 732,041            |
| Dividend income                                | 279                | 135                | 279                | 135                |
| Dealing and foreign exchange income            | 195,736            | 137,200            | 195,736            | 137,200            |
| Other income                                   | 181,913            | 40,268             | 181,913            | 40,268             |
| Total non-interest income                      | 1,303,412          | 909,319            | 1,303,581          | 909,644            |
| <b>Income before operating expenses</b>        | <b>2,537,445</b>   | <b>2,079,562</b>   | <b>2,537,434</b>   | <b>2,079,533</b>   |
| Staff costs                                    | (1,035,813)        | (684,118)          | (1,035,813)        | (684,118)          |
| Other operating expenses                       | (567,809)          | (603,624)          | (567,809)          | (603,624)          |
| <b>Total operating expenses</b>                | <b>(1,603,622)</b> | <b>(1,287,742)</b> | <b>(1,603,622)</b> | <b>(1,287,742)</b> |
| <b>Operating profit before impairment loss</b> | <b>933,823</b>     | <b>791,820</b>     | <b>933,812</b>     | <b>791,791</b>     |
| Impairment losses                              | (769,699)          | (202,718)          | (769,699)          | (202,718)          |
| <b>Operating profit after impairment loss</b>  | <b>164,124</b>     | <b>589,102</b>     | <b>164,113</b>     | <b>589,073</b>     |
| (Loss)/profit from an associate                | (510)              | 2,638              | -                  | -                  |
| <b>Profit before income tax</b>                | <b>163,614</b>     | <b>591,740</b>     | <b>164,113</b>     | <b>589,073</b>     |
| Income tax credit/ (expense)                   | 3,520              | (89,129)           | 3,521              | (89,126)           |
| <b>Profit for the year</b>                     | <b>167,134</b>     | <b>502,611</b>     | <b>167,634</b>     | <b>499,947</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 to Banks 637.

|   | Group             |                   | Bank              |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2020<br>\$'000    | 2019<br>\$'000    | 2020<br>\$'000    | 2019<br>\$'000    |
| Ordinary shares                               | 5,247,722         | 5,247,722         | 5,247,722         | 5,247,722         |
| Disclosed reserves                            | 758,181           | 610,840           | 756,016           | 608,190           |
| Regulatory adjustments                        | (514,173)         | (421,894)         | (514,173)         | (421,894)         |
| <b>Common Equity Tier 1 ("CET 1") Capital</b> | <b>5,491,730</b>  | <b>5,436,668</b>  | <b>5,489,565</b>  | <b>5,434,018</b>  |
| Non-cumulative redeemable preference shares   | 1,431,209         | 1,731,209         | 1,431,209         | 1,731,209         |
| Regulatory adjustments                        | (2,860)           | (2,820)           | (2,860)           | (2,820)           |
| <b>Additional Tier 1 ("AT1") Capital</b>      | <b>1,428,349</b>  | <b>1,728,389</b>  | <b>1,428,349</b>  | <b>1,728,389</b>  |
| <b>Tier 1 Capital</b>                         | <b>6,920,079</b>  | <b>7,165,057</b>  | <b>6,917,914</b>  | <b>7,162,407</b>  |
| Subordinated notes                            | 1,242,207         | 726,763           | 1,242,207         | 726,763           |
| Impairment allowances                         | 314,170           | 301,230           | 324,688           | 301,230           |
| Regulatory adjustments                        | (500)             | -                 | (500)             | -                 |
| <b>Tier 2 Capital</b>                         | <b>1,555,877</b>  | <b>1,027,993</b>  | <b>1,566,395</b>  | <b>1,027,993</b>  |
| <b>Eligible Total Capital</b>                 | <b>8,475,956</b>  | <b>8,193,050</b>  | <b>8,484,309</b>  | <b>8,190,400</b>  |
| <b>Risk-Weighted Assets</b>                   | <b>40,483,720</b> | <b>42,131,281</b> | <b>40,840,899</b> | <b>42,128,281</b> |
| <b>Capital Adequacy Ratios</b>                |                   |                   |                   |                   |
| Common Equity Tier 1                          | 13.57%            | 12.90%            | 13.44%            | 12.90%            |
| Tier 1  | 17.09%            | 17.01%            | 16.94%            | 17.00%            |
| Total   | 20.94%            | 19.45%            | 20.77%            | 19.44%            |

**Liquidity Coverage Ratio and Net Stable Funding Ratio**

Disclosure of the Bank's Liquidity Coverage Ratio and Net Stable Funding Ratio for the year ended 31 December 2020 in accordance with the requirements of MAS 651 and MAS 653 respectively can be found in the Bank's website below:

<https://www.sc.com/sg/about-us/financial-results-pillar-3/>

**Directors**

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

|                          |                         |
|--------------------------|-------------------------|
| Judy Hsu Chung Wei       | Patrick Lee Fook Yau    |
| Viswanathan Ramachandran | Koh Kok Yu Daniel       |
| Alan Rupert Nisbet       | Chan Meng Wah Alexander |
| Gu ChenWei               | Low Lily                |

**Name of Subsidiaries**

Prunelli Singapore Asset Purchaser Pte Ltd  
SC Bank Solutions (Singapore) Limited

**Independent auditors' report to the member of 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") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Bank as at 31 December 2020, the statements of profit or loss, statements of comprehensive income and statements of changes in equity of the Group and the Bank and the consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the Bank 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 Group and the Bank as at 31 December 2020 and of the financial performance, changes in equity of the Group and the Bank and cash flows of the Group 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) 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.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Areas of focus  | How our audit addressed the risk factors  |
|---|---|
| <p><b>Impairment of Loans and Bills Receivable</b></p> <p>At 31 December 2020, the Group's loans and bills receivable comprised 56% of Total Assets. We have identified this as a key audit matter as the Group's expected credit loss (ECL) calculations for loans and bills receivable involve significant judgements and estimates. In respect of non credit-impaired exposures, areas where we have identified with greater levels of management judgement are:</p> <ul style="list-style-type: none"> <li>the selection of economic scenarios and corresponding probability weightages applied;</li> <li>the significant increase in credit risk (SICR) determination criteria;</li> <li>the PD, LGD, and EAD model assumptions; and</li> <li>the adjustments to the model-driven ECL results to address model limitations or emerging trends.</li> </ul> <p>In respect of credit-impaired exposures, expected credit loss for loans and bills receivables is considered to be a matter of significance as it requires the application of judgement and use of subjective assumptions by management in identifying impaired exposures and estimating future recoverable amount.</p> <p>For Commercial, Corporate &amp; Institutional Banking (CCIB)'s loan portfolio, management is required to monitor borrowers' repayment abilities individually based on their knowledge for any allowance for impairment.</p> | <p><i>Non credit-impaired exposures</i></p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the relevant key manual or automated controls related to the Group's ECL computation processes with a focus on:</p> <ul style="list-style-type: none"> <li>the validation of models;</li> <li>the selection and implementation of economic scenarios and probabilities;</li> <li>the staging of credit exposures based on the Group's SICR criteria; and</li> <li>the governance over post model adjustments.</li> </ul> <p>We involved our internal modelling specialists in performing the following procedures for a sample of portfolios:</p> <ul style="list-style-type: none"> <li>independently reviewed the model validation results;</li> <li>evaluated the reasonableness of the probabilities of default (PD), loss given default (LGD) and exposure at default (EAD) models by performing sensitivity analyses, benchmarking or back-testing; and</li> <li>evaluated the Group's assessment of SICR.</li> </ul> <p>We involved our internal economists in performing the following procedures for a sample of portfolios:</p> <ul style="list-style-type: none"> <li>assessed the appropriateness of macroeconomic variables and key assumptions used in economic scenarios; and</li> <li>evaluated the reasonableness of the economic scenarios and corresponding probabilities applied by comparing to other scenarios from a variety of external sources, as well as EY internally developed forecasts.</li> </ul> <p>We also inspected the Group's IFRS 9 Impairment Committee's decisions to assess the appropriateness of management's rationale over the post model adjustments in response to economic uncertainties by analysing the scenarios used and calculation of the post model adjustments.</p> <p><i>Credit-impaired exposures</i></p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls related to the credit impaired loans estimation process by performing the following:</p> <ul style="list-style-type: none"> <li>obtained an understanding of and evaluated the Group Special Asset Management (GSAM) processes for identifying impairment indicators and consequently, the grading of loans;</li> <li>inspected the Group's Credit Issue Committee and Executive Risk Committee minutes;</li> <li>considered the magnitude of the credit exposures, macroeconomic factors and industry trends in our audit sampling, and extended our audit coverage over customers in higher risk industries such as Aviation, Commodities, Hospitality, Retail and Tourism;</li> <li>assessed, for a sample of impaired loans: <ul style="list-style-type: none"> <li>management's forecasts in estimating future recoverable amount which include, but not limited to, the timing and amount of projected cash flow and the valuation of collaterals in each recovery scenarios, and the corresponding weightages applied, and analysed that the effects of Covid-19 and/or any other significant events have been reflected in these assumptions. Where possible, we compared these key assumptions to external evidence such as valuation reports.</li> <li>whether impairment events had occurred and whether impairments had been identified in a timely manner.</li> </ul> </li> </ul> |

**Other matter**

The financial statements of the Group and the Bank for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 30 March 2020.

**Other information**

Management is responsible for other information. The other information comprises the general information, directors' statement and supplementary information, 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. 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 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.
- 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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 control 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 and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

**Ernst & Young LLP**

Public Accountants and Chartered Accountants

Singapore  
25 March 2021