Company Registration No. 201804195C

Maybank Singapore Limited and its Subsidiary

Annual Financial Statements
31 December 2024

Building a better
working world

Maybank Singapore Limited and its Subsidiary

General information

Directors

Datuk Yee Yang Chien	(Appointed on 15 August 2024)
Datuk Karownakaran @ Karunakaran	(Retired on 30 September 2024)
Dato' Khairussaleh bin Ramli	
Anthony Brent Elam	
Spencer Lee Tien Chye	
Wong Heng Ning Kevin	
Lee Yong Guan	
Renato Tinio De Guzman	

Company Secretary

Melissa Tham Lyn-Li	(Resigned on 3 April 2024)
Koh Ngin Joo	(Appointed on 12 August 2024)

Registered Office

2 Battery Road
#01-01 Maybank Tower
Singapore 049907

Auditor

Ernst & Young LLP

Index

The directors are pleased to present their statement to the member of Maybank Singapore Limited (the "Bank") and its subsidiary (the "Group") together with the audited consolidated financial statements for the financial year ended 31 December 2024.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying statement of comprehensive income of the Group and the Bank, statement of financial position of the Group and the Bank, statement of changes in equity of the Group and the Bank and consolidated statement of cash flows of the Group together with notes thereto are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Bank as at 31 December 2024 and the consolidated financial performance, changes in equity and cash flows of the Group, and of the financial performance and the changes in equity of the Bank for the financial year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Directors

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

Datuk Yee Yang Chien	(Appointed on 15 August 2024)
Dato' Khairussaleh bin Ramli	
Anthony Brent Elam	
Spencer Lee Tien Chye	
Wong Heng Ning Kevin	
Lee Yong Guan	
Renato Tinio De Guzman	

Arrangements to enable directors to acquire shares or debentures

Except as disclosed in this statement, 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.

Malayan Banking Berhad ("Maybank") has implemented an employee's share scheme named as the Maybank Group Employees' Share Grant Plan ("ESGP") which is governed by the ESGP By-Laws approved by the shareholders of the ultimate parent company, Maybank at an Extraordinary General Meeting held on 6 April 2017. The ESGP was implemented on 14 December 2018 ("ESGP2018") and it is in force for a period of seven (7) years from the effective date. A total of five (5) awards have been made under the ESGP2018 from 2018 to 2022. Four (4) out of the five (5) awards made have been vested to eligible employees in 2021 to 2024. The last tranche of the ESGP2018 Award (i.e. fifth ESGP Award) was made in September 2022 and will vest in 2025. Starting from 2023, there will be no additional new awards to be issued to staff under the ESGP2018.

Arrangements to enable directors to acquire shares or debentures (cont'd)

As a continuation of the existing ESGP, the establishment of a new ESGP plan ("ESGP2023") was approved by the shareholders of Maybank at an Extraordinary General Meeting held on 3 May 2023. This plan will run concurrently with the ESGP2018 until its expiration. The ESGP2023 was implemented on 20 September 2023 for eligible talents and senior management and it is in force for a period of ten (10) years from the effective date. The first and second awards under the ESGP2023 that were granted in 2023 and 2024, will vest in 2026 and 2027, respectively, subject to the fulfilment of the ESGP vesting conditions as well as meeting the performance criteria at the Maybank Group and individual levels.

Both ESGP2018 and ESGP2023 are administered by the Nomination and Remuneration Committee of the Board ("NRC") of Maybank.

The ESGP consists of two (2) types of performance-based awards: Employees' Share Grant Plan ("ESGP Shares") and Cash-settled Performance-based Employees' Share Grant Plan ("CESGP"). The ESGP Shares may be settled by way of issuance and transfer of new Maybank shares or by cash at the absolute discretion of the NRC of Maybank.

The number of ESGP Shares awarded is based on the assumption that the Maybank Group and the eligible employees have met average performance targets. The eligible employees are given thirty (30) days from the award date to accept the offer. The ESGP Shares under the ESGP may be granted over a five-year period and each grant will be vested based on a three-year cliff vesting schedule (i.e. vested at the end of three (3) years from the ESGP grant dates).

During the financial year, none of the directors of the Bank or their nominees held shares acquired pursuant to the ESGP except as disclosed in the next section of this statement.

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Bank for the purpose of section 164 of the Singapore Companies Act 1967 (the Act), none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Bank or its related corporations, except as follows:

	Direct interest		Deemed interest	
Malayan Banking Berhad	**As at 1.1.2024 or date of appointment**	**As at 31.12.2024**	**As at 1.1.2024 or date of appointment**	**As at 31.12.2024**
(Ordinary shares)				
Spencer Lee Tien Chye	105,631	105,631	273,698[1]	273,698[1]

[1] 273,698 Ordinary shares held by his spouse

Share options

During the financial year, there were:

(a) no share options granted by the Bank to any person to subscribe for unissued shares in the Bank; and

(b) no shares issued by virtue of the exercise of options to take up unissued shares of the Bank.

As at the end of the financial year, there were no unissued shares of the Bank under option.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Datuk Yee Yang Chien
Chairman

Dato' Khairussaleh bin Ramli
Director

Singapore
19 February 2025

Independent auditor's report to the Member of Maybank Singapore Limited and its subsidiary

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Singapore Limited (the "Bank") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Bank as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, the statement of comprehensive income and statement of changes in equity of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, the statement of comprehensive income and the statement of changes in equity of the Bank are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Bank as at 31 December 2024 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group, and of the financial performance and the changes in equity of the Bank for the financial 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements of the Group and the Bank. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

Risk area and rationale	*Our response*
Expected credit losses (ECL) of bills receivable and loans and advances to non-bank customers At 31 December 2024, bills receivable and loans and advances to non-bank customers represent 63.4% of the total assets of the Group and of the Bank, of which individual and collective ECL allowances for bills receivable and loans and advances to non-bank customers was S$106.9 million and S$176.8 million respectively. SFRS(I) 9 Financial Instruments requires the Bank to account for collective ECL to take into account forward-looking information. This covers both Stage 1 and Stage 2 exposures. Individually assessed ECL takes into account the assumptions of the timing and probability of cash flows for Stage 3 exposures. The measurement of ECL requires the application of significant judgement and increased complexity which includes the identification of on-balance sheet and off-balance sheet credit exposures with significant deterioration in credit quality, assumptions used in the ECL models (for exposures assessed individually or collectively) such as the expected future cash flows, forward-looking macroeconomic factors and probability weighted multiple scenarios.	Our audit procedures included the assessment of key controls over the origination, ongoing internal credit quality assessments, recording and monitoring of bills receivables and loans and advances to non-bank customers. We also assessed the processes and effectiveness of key controls over the transfer criteria (for the three stages of credit exposures under SFRS(I) 9 in accordance with credit quality), impairment measurement methodologies, model governance, maintenance and validation of ECL models, inputs, basis and assumptions used by the Group and Bank in staging the credit exposures and computation of ECL. For staging and identification of non-retail credit exposures with significant deterioration in credit quality, we assessed and tested the appropriateness of the transfer criteria applied by the Group and Bank. For Stage 1 and 2 exposures, we assessed the reasonableness of management's assumptions and estimates relating to the collective ECL. In addition, we assessed and tested the Group and the Bank's ECL models, including model inputs, model design and model performance for significant portfolios. We also assessed whether historic experience is representative of current circumstances and the losses incurred in the portfolios and assessed the reasonableness of forward-looking adjustments, macroeconomic factor analysis and probability-weighted multiple scenarios. We evaluated if changes in modelling approaches, parameters and assumptions are needed and if any changes made were appropriate and approved. We also assessed the reasonableness of changes in modelling assumptions made. With respect to individually assessed ECL which are mainly in relation to the impaired assets in Stage 3, we reviewed and tested a sample of loans and advances to non-bank customers to evaluate the timeliness of identification of these exposures by the Group and the Bank against the Group and the Bank's identification criteria. For cases where impairment has been identified, we assessed the Group and the Bank's assumptions on the expected future cash flows, including the value of realizable collaterals based on available market information and the consideration of multiple realization scenarios of these collaterals. We also assessed management's assumptions to external evidence where available. We also assessed the adequacy of disclosures in the financial statements in relation to the Group and the Bank's exposures to credit risk. In addition, we involved our credit modelling specialists and IT specialists in the performance of these procedures where their specific expertise was required.

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 SFRS(I)s, 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.

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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group 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 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 the subsidiary 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

19 February 2025

Maybank Singapore Limited and its Subsidiary

Consolidated statement of comprehensive income
For the financial year ended 31 December 2024

	Note	Group 2024 S$'000	Group 2023 S$'000	Bank 2024 S$'000	Bank 2023 S$'000
Interest income	4(a)	1,482,987	1,321,666	1,498,603	1,321,666
Interest expense	4(b)	(961,278)	(848,970)	(979,125)	(848,970)
Net interest income		521,709	472,696	519,478	472,696
Fee and commission income	5	317,123	233,929	317,123	233,929
Fee and commission expense	5	(36,684)	(48,785)	(36,684)	(48,785)
Net fee and commission income		280,439	185,144	280,439	185,144
Dealing profits and foreign exchange income	6	37,199	27,948	37,199	27,948
Other income	7	62,598	56,467	64,467	56,467
Total other items of income		99,797	84,415	101,666	84,415
Income before operating expenses		901,945	742,255	901,583	742,255
Staff and other remuneration	8	(350,405)	(303,340)	(350,405)	(303,340)
Other operating expenses	9	(202,277)	(187,216)	(202,277)	(187,216)
Operating profit before impairment		349,263	251,699	348,901	251,699
Allowances for impairment losses on financial assets	10	(19,183)	(71,483)	(19,183)	(71,483)
Profit before taxation		330,080	180,216	329,718	180,216
Taxation	11	(49,338)	(29,838)	(49,338)	(29,838)
Net profit after taxation		280,742	150,378	280,380	150,378
Profit for the year attributable to the owner		280,742	150,378	280,380	150,378
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss					
Net change in fair value on debt securities at fair value through other comprehensive income ("FVOCI")		2,636	151,299	2,636	151,299
Net changes in allowance for expected credit losses ("ECL") of debt securities at FVOCI		(100)	(13)	(100)	(13)
Reclassification to profit or loss from sale/redemption of debt securities at FVOCI		(1,916)	(145)	(1,916)	(145)
Income tax relating to components of other comprehensive income	27	(98)	(20,405)	(98)	(20,405)
Other comprehensive income for the year, net of income tax		522	130,736	522	130,736
Total comprehensive income for the year		281,264	281,114	280,902	281,114
Total comprehensive income attributable to the owner		281,264	281,114	280,902	281,114

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Maybank Singapore Limited and its Subsidiary

Consolidated statement of financial position
As at 31 December 2024

	Note	Group 2024 S$'000	Group 2023 S$'000	Bank 2024 S$'000	Bank 2023 S$'000
Assets					
Cash and balances with central bank	12	1,434,802	1,148,184	1,434,802	1,148,184
Government securities and treasury bills	13	3,757,590	3,742,413	3,757,590	3,742,413
Other Debt securities	14	215,754	260,854	215,754	260,854
Balances and placements with and loans to banks	16	150,669	104,838	150,669	104,838
Bills receivable	17	2,442	1,481	2,442	1,481
Loans and advances to non-bank customers	17	28,038,079	24,767,346	28,038,079	24,767,346
Amounts due from related corporations	19	10,336,845	8,921,468	10,336,845	8,921,468
Other assets	20	116,751	158,943	116,583	158,943
Deferred tax assets	27	1,189	3,028	1,189	3,028
Intangible assets	21	84,675	73,659	84,675	73,659
Right-of-use assets	22	58,995	56,646	58,995	56,646
Property and equipment	23	29,462	24,222	29,462	24,222
Total assets		44,227,253	39,263,082	44,227,085	39,263,082
Liabilities					
Amounts due to central bank	24	-	57,098	-	57,098
Deposits of non-bank customers	25	39,744,880	35,244,521	39,744,880	35,244,521
Bills payable		89,718	130,649	89,718	130,649
Amounts due to related corporations	19	87,727	8,388	87,921	8,388
Current income tax payable		50,532	36,476	50,532	36,476
Other liabilities	26	275,481	261,625	275,481	261,625
Lease liabilities	22	61,282	57,717	61,282	57,717
Subordinated notes	28	504,916	504,916	504,916	504,916
Debt securities issued	29	1,042,146	639,385	1,042,146	639,385
Total liabilities		41,856,682	36,940,775	41,856,876	36,940,775
Equity attributable to the owner					
Share capital	30	2,000,000	2,000,000	2,000,000	2,000,000
Retained earnings		368,378	320,636	368,016	320,636
Fair value adjustment reserve		2,193	1,671	2,193	1,671
Total equity attributable to the owner		2,370,571	2,322,307	2,370,209	2,322,307
Total liabilities and equity attributable to the owner		44,227,253	39,263,082	44,227,085	39,263,082
Off-balance sheet items					
Contingent liabilities	32	239,617	266,406	239,617	266,406
Commitments	33	9,817,696	9,537,637	9,817,696	9,537,637
Financial derivatives (notional)	34	4,964,643	5,702,621	4,964,643	5,702,621
Total off-balance sheet items		15,021,956	15,506,664	15,021,956	15,506,664

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated statement of changes in equity
For the financial year ended 31 December 2024

	Group			
	Share capital S$'000	Retained earnings S$'000	Fair value adjustment Reserve S$'000	Total S$'000
At 1 January 2024	2,000,000	320,636	1,671	2,322,307
Profit for the year	-	280,742	-	280,742
Other comprehensive income:				
Net change in fair value of debt securities at FVOCI	-	-	2,636	2,636
Net changes in allowance for ECL of debt securities at FVOCI	-	-	(100)	(100)
Reclassification to profit or loss	-	-	(1,916)	(1,916)
Income tax relating to components of other comprehensive income	-	-	(98)	(98)
Total comprehensive income for the year	-	280,742	522	281,264
Dividend paid	-	(233,000)	-	(233,000)
At end of financial year	2,000,000	368,378	2,193	2,370,571
At 1 January 2023	2,000,000	230,258	(129,065)	2,101,193
Profit for the year	-	150,378	-	150,378
Other comprehensive income:				
Net change in fair value of debt securities at FVOCI[(a)]	-	-	151,299	151,299
Net changes in allowance for expected credit losses of debt securities at FVOCI	-	-	(13)	(13)
Reclassification to profit or loss	-	-	(145)	(145)
Income tax relating to components of other comprehensive income	-	-	(20,405)	(20,405)
Total comprehensive income for the year	-	150,378	130,736	281,114
Dividend paid	-	(60,000)	-	(60,000)
At end of financial year	2,000,000	320,636	1,671	2,322,307

(a) Included in here is an impact on reclassification. Refer to Note 35(a) for more details.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in equity
For the financial year ended 31 December 2024

	Bank			
	Share capital S$'000	Retained earnings S$'000	Fair value adjustment Reserve S$'000	Total S$'000
At 1 January 2024	2,000,000	320,636	1,671	2,322,307
Profit for the year	-	280,380	-	280,380
Other comprehensive income:				
Net change in fair value of debt securities at FVOCI	-	-	2,636	2,636
Net changes in allowance for ECL of debt securities at FVOCI	-	-	(100)	(100)
Reclassification to profit or loss	-	-	(1,916)	(1,916)
Income tax relating to components of other comprehensive income	-	-	(98)	(98)
Total comprehensive income for the year	-	280,380	522	280,902
Dividend paid	-	(233,000)	-	(233,000)
At end of financial year	2,000,000	368,016	2,193	2,370,209
At 1 January 2023	2,000,000	230,258	(129,065)	2,101,193
Profit for the year	-	150,378	-	150,378
Other comprehensive income:				
Net change in fair value of debt securities at FVOCI[a]	-	-	151,299	151,299
Net changes in allowance for expected credit losses of debt securities at FVOCI	-	-	(13)	(13)
Reclassification to profit or loss	-	-	(145)	(145)
Income tax relating to components of other comprehensive income	-	-	(20,405)	(20,405)
Total comprehensive income for the year	-	150,378	130,736	281,114
Dividend paid	-	(60,000)	-	(60,000)
At end of financial year	2,000,000	320,636	1,671	2,322,307

[a] Included in here is an impact on reclassification. Refer to Note 35(a) for more details.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated statement of cash flows
For the financial year ended 31 December 2024

	Note	Group 2024 S$'000	Group 2023 S$'000
Cash flows from operating activities			
Profit before taxation		330,080	180,216
Adjustments for:			
Depreciation and amortisation	9	40,655	42,599
Finance cost	9	2,458	1,535
Gain on termination of leases		(205)	(126)
Gain on disposal of property and equipment		-	(257)
Provision for impairment loss for contingent liabilities, bills receivable and loans and advances to non-bank customers	10	31,854	69,080
(Write back)/provision for impairment loss for securities	10	(158)	245
(Write back)/provision for impairment loss for balances and placements with and loans to banks and amounts due from related corporations	10	(4,243)	7,908
Operating profit before changes in operating assets and liabilities		400,441	301,200
(Increase)/decrease in operating assets:			
Bills receivable		(961)	11,494
Loans and advances to non-bank customers		(3,303,102)	(480,833)
Other assets		42,192	(27,194)
Amounts due from related corporations		(4,370,293)	(107)
Restricted balances with central bank		(160,000)	160,000
		(7,792,164)	(336,640)
Increase/(decrease) in operating liabilities:			
Amounts due to central bank		(57,098)	(352,267)
Deposits of non-bank customers		4,500,359	4,793,052
Bills payable		(40,931)	31,407
Other liabilities		14,368	(4,112)
Amounts due to related corporations		79,338	(716)
		4,496,036	4,467,364
Finance cost paid		(2,458)	(1,535)
Income taxes paid		(33,468)	(31,538)
Zakat paid		(73)	(17)
Net cash flows (used in)/generated from operating activities		(2,931,686)	4,398,834

Consolidated statement of cash flows
For the financial year ended 31 December 2024

	Note	Group 2024 S$'000	Group 2023 S$'000
Net cash flows from investing activities			
Purchase of government securities and treasury bills		(13,832)	(1,187,993)
Proceeds from/(purchase of) other debt securities		44,534	(43,873)
Purchase of property and equipment and intangible assets		(40,392)	(27,843)
Disposal of property and equipment		-	257
Net cash flows used in investing activities		(9,690)	(1,259,452)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	22	(15,099)	(14,604)
Change in subordinated notes (non-cash)*	28	-	-
Issuance of debt securities		2,177,687	756,676
Repayment of debt securities		(1,813,610)	(1,051,933)
Change in debt securities (non-cash)*		38,687	126,170
Dividend paid	31	(233,000)	(60,000)
Net cash flows generated from/(used in) financing activities		154,665	(243,691)
Net (decrease)/increase in cash and cash equivalents for the year		(2,786,711)	2,895,691
Cash and cash equivalents at beginning of year		8,827,782	5,932,091
Cash and cash equivalents at end of year	38	6,041,071	8,827,782

*Refers to the accrued interest and foreign exchange movement.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Maybank Singapore Limited (the "Bank"), incorporated in Singapore on 1 February 2018, has its registered office at 2 Battery Road, #01-01 Maybank Tower, Singapore 049907.

The immediate holding company is Cekap Mentari Berhad ("CMB"), which in turn is a directly wholly-owned subsidiary of Malayan Banking Berhad (ultimate holding company).

The Monetary Authority of Singapore ("MAS") had on 3 October 2018 issued a full banking licence with Qualifying Full Bank privileges to the Bank.

The Bank offers retail, private wealth and SME banking services.

The Bank incorporated a special purpose vehicle, Silver Fern Covered Bonds Pte. Ltd ("subsidiary"), on 1 February 2024. The subsidiary act as a bankruptcy-remote structured entity to provide guarantee to the bondholders under the USD10 Billion Global Covered Bond Programme (the "Programme") (refer Note 29). The bonds issued under the Programme are traded on the Stock Exchange of Singapore.

2. Summary of material accounting policy information

2.1 *Basis of preparation*

The consolidated financial statements of the Group comprise the Bank and its subsidiary. The financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") as required by the Singapore Companies Act, 1967 (the "Act").

The consolidated financial statements of the Group, expressed in Singapore dollars ("SGD" or "S$"), are prepared in accordance with the historical cost convention, except as otherwise disclosed in the accounting policies below. All information presented has been rounded to the nearest thousand ("S$'000"), unless otherwise stated.

The preparation of consolidated financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in Note 3.

2.2 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Bank and its subsidiary. The financial statements of the Group's subsidiary is prepared for the same reporting date as the Group, using consistent accounting policies for transactions and events in similar circumstances.

2. Summary of material accounting policy information (cont'd)

2.2 *Basis of consolidation (cont'd)*

The subsidiary is consolidated from the date of incorporation, being the date on which the Group obtains control and continues to be consolidated until the date that such control effectively ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has three (3) elements of control as below:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investees to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interests in the former subsidiary;
- Recognises the fair value of the consideration received;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of any investments retained in the former subsidiary;
- Recognises any gains or losses in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to income statements or retained earnings, if required in accordance with SFRS (I).

All of the above will be accounted for from the date of loss of control.

Structured entities

Structured entities are consolidated when the substance of the relationship between the Bank and the structured entity indicates the Bank has power over the contractual relevant activities of the structured entity, is exposed to variable returns, and can use that power to affect the variable return exposure.

In determining whether to consolidate a structured entity to which assets have been transferred, the Bank takes into account its ability to direct the relevant activities of the structured entity. These relevant activities are generally evidenced through a unilateral right to liquidate the structured entity, investment in a substantial proportion of the securities issued by the structured entity or where the Bank holds specific subordinate securities that embody certain controlling rights.

2. Summary of material accounting policy information (cont'd)

2.2 *Basis of consolidation (cont'd)*

The Bank may further consider relevant activities embedded within contractual arrangements such as call options which give the practical ability to direct the entity, special relationships between the structured entity and investors, and if a single investor has a large exposure to variable returns of the structured entity. Judgement is required in determining control over structured entities. The purpose and design of the entity is considered, along with a determination of what the relevant activities are of the entity and who directs these.

Further judgements are made around which investor is exposed to and absorbs the variable returns of the structured entity. The Bank will have to weigh up all of these facts to consider whether the Bank, or another involved party is acting as a principal in its own right or as an agent on behalf of others. Judgement is further required in the ongoing assessment of control over structured entities, specifically if market conditions have an effect on the variable return exposure of different investors.

2.3 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024.

2.4 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 *Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to SFRS(I) 19: Subsidiaries without Public Accountability Disclosures	1 January 2027

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application, except for SFRS(I)18 where the bank is currently working to identify all impacts the amendment to SFRS(I)18 will have on the primary financial statements and notes to the consolidated financial statements.

2. Summary of material accounting policy information (cont'd)

2.5 *Income and expense recognition*

Revenue comprises interest income, fees and commission income and other income of the Group. Revenue is measured as the fair value of consideration received or receivable excluding discounts, rebates and sales taxes or duties. The Group assesses its revenue arrangements to determine if it is acting as principal or agent.

Interest income and expense are recognised in profit or loss using the effective interest rate ("EIR") method. Interest on impaired financial assets is recognised at the original effective interest rate of the financial asset applied to the carrying amount as reduced by any allowance for impairment. The EIR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The Group does not purchase or originate credit impaired ("POCI") financial assets.

Income or expense that forms an integral part of the effective interest or profit rate of a financial instrument is recognised as an adjustment to the effective interest or profit rate and recorded as part interest income or expense in the income statements.

Fee and commission income that are integral to financial asset are recognised as an adjustment to the effective interest/profit are included in the measurement of the effective interest rate.

Fee income relating to loan facilities, trade finance facilities and guarantees, where they are charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature, is recognised on an effective interest rate basis or on a straight line basis where applicable over the relevant period.

Other fees and commission income that are earned from the provision of services are recognised as the related services are performed.

Other income comprises dealing profits and foreign exchange income arising from gains or losses (net) on financial derivatives at fair value through profit or loss, foreign exchange differences and sales margin received from related corporation. Service fee income is recognised over the period in which the services are provided.

2.6 *Financial instruments - Date of recognition*

All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date i.e. the date that an asset is delivered to or by an entity. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

2. Summary of material accounting policy information(cont'd)

2.7 *Financial instruments - Initial recognition and measurement*

All financial assets and financial liabilities are measured initially at their fair value plus or minus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics, measured at either:

(a) Amortised cost ("AC");
(b) Fair value through other comprehensive income ("FVOCI"); or
(c) Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at AC or at FVTPL. FVTPL measurement is used when financial liabilities are held for trading, are derivative instruments or where fair value designation is applied.

(a) *Cash and balances with central bank, balances and placements with and loans to banks, bills receivable, loans and advances to non-bank customers and amounts due from related corporations at amortised cost*

The Group measures cash and balances with central bank, balances and placements with and loans to banks, bills receivable, loans and advances to non-bank customers and amounts due from related corporations at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order 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.

The details of these conditions are outlined below.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

2. Summary of material accounting policy information (cont'd)

2.7 *Financial instruments - Initial recognition and measurement (cont'd)*

(a) *Cash and balances with central bank, balances and placements with and loans to banks, bills receivable, loans and advances to non-bank customers and amounts due from related corporations at amortised cost (cont'd)*

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sale of the financial instruments.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

<u>The SPPI test</u>

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium or discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2. Summary of material accounting policy information (cont'd)

2.7 *Financial instruments - Initial recognition and measurement (cont'd)*

(b) *Debt securities at FVOCI*

Debt securities are measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income ("OCI"). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The ECL calculation for debt securities at FVOCI is explained in Note 2.12(a). Where the Group holds more than one investment in the same security, they are deemed to be disposed off on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

(c) *Contingent liabilities and loan commitments*

Financial guarantees are contracts that require the Group to make specified 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.

Financial guarantee contracts are initially recognised at their fair values, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.12 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of such commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position.

The nominal values of these instruments together with the corresponding ECL are disclosed in Notes 17, 32, and 33.

2. Summary of material accounting policy information (cont'd)

2.7 *Financial instruments - Initial recognition and measurement (cont'd)*

(d) *Offsetting of financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position of the Group and of the Bank if there is a current legally enforceable right to offset the recognized amount and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The financial assets and liabilities of the Group and the Bank that are subject to offsetting, enforceable master netting arrangements and similar agreements are disclosed in Note 19.

2.8 *Reclassification of financial assets and liabilities*

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances. In 2023, there was a change in the business model resulting in reclassifications.

2.9 *Derecognition of financial assets and liabilities*

(a) *Derecognition due to substantial modification of terms and conditions*

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired financial assets ("POCI").

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan.
- Introduction of an equity feature.
- Change in counterparty.
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2. Summary of material accounting policy information (cont'd)

2.9 *Derecognition of financial assets and liabilities (cont'd)*

(b) *Derecognition other than for substantial modification*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

2.10 *Fair value*

Fair value is the amount which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. Fair value of financial instruments is based on their quoted price in an active market (including recent market transactions) at the end of the reporting period without any deduction for transaction cost. If a quoted market price is not available, the fair value of the instrument is estimated using valuation techniques. Valuation techniques include the use of recent arm's length prices, pricing models or discounted cash flow techniques.

The best evidence of fair value of a financial instrument at initial recognition is the transaction price unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique which variables include only data from observable markets.

For subsequent measurement of financial assets or financial liabilities at fair value through profit or loss, the Group values such assets and liabilities using quoted market prices or dealer price quotations for financial instruments traded in active markets without any deduction for transaction cost.

2. Summary of material accounting policy information (cont'd)

2.11 *Derivative financial instruments and hedge accounting*

(a) *Derivative financial instruments*

Derivative financial instruments arise from transactions undertaken by the Group in the foreign exchange, interest rate, and equities derivative markets.

Derivative financial instruments are recognised initially at fair value on the date that the derivatives are entered into. Subsequent to initial recognition, the derivative financial instruments are re-measured at fair value. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in the income statements.

Certain derivatives embedded in other derivatives are treated as separate derivatives when their economic characteristics and risk are not closely related to those of the host contract and the host contract is not carried at fair value.

Assets, including gains, resulting from derivatives financial instruments which are marked-to-market are included in "Other Assets" arising from derivative financial instruments. Liabilities, including losses, resulting from such contracts are included in "Other Liabilities" arising from derivative financial instruments.

(b) *Hedge accounting*

The Group use derivative instruments to manage exposures to interest rates and foreign currencies risks. In order to manage particular risks, the Group apply hedge accounting for transactions which meet specified criteria.

At the inception of the hedge relationship, the Group formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for understanding the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on ongoing basis.

Fair value hedges that meet the strict criteria for hedge accounting are accounted for as follows:

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging instrument is recognised in the income statements. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying amount of the hedged item in the statements of financial position and is also recognised in the income statements.

For fair value hedges relating to items carried at amortised cost, any adjustments to carrying amount is amortised over the remaining term of the hedge using the EIR method. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value adjustments is recognised immediately in the income statements.

2. Summary of material accounting policy information (cont'd)

2.12 *Impairment*

(a) *Financial assets*

The Group records allowances for ECL for financial assets not held at FVTPL, together with loan commitments and contingent liabilities, referred to as 'financial instruments' in this section. Equity instruments are not subject to impairment under SFRS(I) 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime ECL or "LTECL"), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' ECL ("12mECL").

The 12mECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When financial instruments are first recognised, the Group recognises an allowance based on 12mECL. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast exposure at default ("EAD") and multiplied by the expected Loss Given default ("LGD") and discounted by an approximation to the original EIR. Stage 1 also include facilities where the credit risk has improved and have been reclassified from Stage 2.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL, with probability of default ("PD") and LGDs are estimated over the lifetime of the financial instrument and discounted by an approximation to the original EIR. Stage 2 loans also include facilities, where the credit risk has improved and have been reclassified from Stage 3.

Stage 3: Financial instruments are considered credit-impaired, and the Group recognises the lifetime ECL for these loans, with the PD set at 100%.

There are three main components to measure ECL which are the PD model, the LGD model and the EAD model. The models are to leverage as much as possible on existing Basel models and perform the required adjustments to produce a SFRS(I) 9 compliant model.

2. Summary of material accounting policy information (cont'd)

2.12 *Impairment (cont'd)*

(a) *Financial assets (cont'd)*

ECL are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. The forward-looking information is based on the group economist's assessment of the assumptions and analysis provided by the group's research arm, Maybank IBG Research. In addition, the group research arm's assumptions and analysis are also based on the collation of macroeconomic data obtained from various sources such as, but not limited to regulators, government and foreign ministries as well as independent research organisations. Where applicable, the Group incorporates forward-looking adjustments in credit risk factors of PD and LGD used in ECL calculation; taking into account the impact of multiple probability-weighted future forecast economic scenarios.

Examples of macro-economic variables used in the models include but are not limited to the following:

- Gross Domestic Product ("GDP") growth
- Unemployment rates
- Resident unemployment rate
- Residential Property Price Index
- US Investment Grade Option-Adjusted Spread

The Group applies the following scenarios to reflect an unbiased probability-weighted range of possible future outcomes in estimating the forward looking ECL:

- Base scenario: This scenario reflects that current macro-economic conditions continue to prevail; and
- Upside and Downside scenarios: These scenarios are set relative to the base scenario; reflecting best and worst-case macro-economic conditions based on subject matter expert's best judgment from current economic conditions.

LTECL must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options, except for certain revolver financial instruments such as credit cards and overdrafts. The expected life for these revolver facilities generally refers to their behavioural life.

For credit-impaired financial assets deemed individually significant, the Group assesses ECL on individual borrower basis, and performs collective assessment for other financial assets as per the Group's policy.

ECL for debt securities measured at FVOCI does not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

2. Summary of material accounting policy information (cont'd)

2.12 *Impairment (cont'd)*

(b) *Collateral valuation*

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit, guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position.

It is generally assessed, at a minimum, at inception and re-assessed on an annual basis. Details of the impact of the Group's various collaterals are disclosed in Note 35(b)(iv).

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collaterals are valued based on data provided by internal valuers and independent third party valuers.

(c) *Collateral repossessed*

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

In its normal course of business, the Group does not physically repossess collaterals in its retail and corporate portfolio, but engages external agents for the sale of collaterals to settle outstanding debt. Any surplus funds are returned to the customers or obligors. As a result of this practice, collaterals under legal repossession processes are not recorded on the balance sheet.

(d) *Write-offs*

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement of comprehensive income.

2. Summary of material accounting policy information (cont'd)

2.12 *Impairment (cont'd)*

(e) *Non-financial assets*

The carrying amounts of the Group's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. An impairment loss is recognised in profit or loss unless it reverses a previous revaluation.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.13 *Deposits of non-bank customers*

These deposits comprise current, time, savings and other deposits from retail and wholesale activities. Recognition occurs upon the establishment of contractual obligations.

2.14 *Bills receivable and payable*

Bills receivable and bills payable are classified as financial assets at amortised cost and financial liabilities at amortised cost, respectively.

2.15 *Singapore and other government securities and treasury bills*

Singapore and other government securities and treasury bills are classified as either AC or FVOCI (refer to Note 13), depending on the objective of holding the securities.

2.16 *Other debt securities*

Other debt securities are either held to collect the contractual cash flows, where it is classified as AC, or held to collect and for sale, where it is held as FVOCI (refer to Note 14).

2. Summary of material accounting policy information (cont'd)

2.17 *Loans and advances to non-bank customers*

Loans and advances to non-bank customers are stated at amortised cost net of impairment losses.

2.18 *Property and equipment*

All items of property and equipment are initially recorded at cost. Subsequent to recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing or property and equipment are recognised in profit or loss as incurred.

On disposal of an item of property and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation is provided on a straight line basis so as to write-off items of property and equipment over their estimated useful lives as follows:

Renovation	-	5 years or lease terms
Office equipment, furniture and fittings	-	5 years
Computer and electrical equipment	-	2 to 10 years
Motor vehicles	-	5 years

Construction-in-progress, representing renovation-in-progress are stated at cost. This includes acquisition cost, materials, direct labour and other directly related expenses. Construction-in-progress is not depreciated until such time as the relevant asset is completed and ready for operational use.

Depreciation methods, useful lives and residual values if not insignificant, are reassessed annually.

2.19 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Software development costs are capitalised as intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available-for-use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development. Amortisation is charged to profit or loss using a straight-line method over their useful lives not exceeding 10 years. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense is recognised in the statement of comprehensive income.

2. Summary of material accounting policy information (cont'd)

2.20 *Leases*

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are subject to impairment assessment in line with the Group's policy as described in Note 2.12(e).

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of material accounting policy information (cont'd)

2.21 *Taxes*

Income tax expense comprises current income tax and deferred tax. Current income tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set-off current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current income tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credit and deductible temporary differences, to the extent that is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.22 *Foreign currencies*

The functional currency represents the currency in which transactions are predominantly denominated in the respective books and reflects the economic substance of the underlying events and circumstances relevant to the books.

The Group adopts SGD as its functional currency. Monetary assets and liabilities denominated in currencies other than SGD are translated into SGD at rates of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions. Transactions in foreign currencies during the period are converted at rates of exchange ruling on transaction dates. Exchange differences are dealt with through profit or loss.

2. Summary of material accounting policy information (cont'd)

2.23 *Repurchase and resale agreements*

The Group enters into purchases (sales) of investments under agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price with a related corporation.

Securities purchased under resale agreements are securities which the Group purchase with a commitment to resell at future dates. The commitments to resell the securities, which represent the consideration paid, are reflected as assets on the statements of financial position and are classified at amortised cost. The difference between the purchase and resale prices is recognised in the income statements and is accrued over the life of the agreement using the EIR method.

2.24 *Provisions*

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.25 *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, non-restricted balances with central banks, balances and placements with and loans to banks and nostro and money market deposits with related corporations, which are payable on demand. Bank balances with central bank includes amounts held for regulatory liquidity reserves. Restricted balances with central bank refer to balances placed in custody with the central bank and is not available for use in the Group's day-to-day operations.

2.26 *Employee benefits*

(a) *Defined contribution plans*

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss as incurred.

(b) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Summary of material accounting policy information (cont'd)

2.27 *Share capital*

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

2.28 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.29 *Dividend*

Dividends declared on ordinary shares are recognised as a liability and deducted from equity in the period in which all relevant approvals have been obtained.

2. Summary of material accounting policy information (cont'd)

2.30 *Islamic banking activities*

Islamic Banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles. In the context of the information presented in this document that apply to Islamic banking activities, each reference to conventional terms shall be construed to mean its corresponding Islamic equivalent as indicated below:

No.	Conventional	Islamic
1	Lender	Financier / Bank
2	Lending	Financing
3	Borrower	Customer
4	Borrowing	Financing
5	Repayment	Payment
6	Loan	Financing
7	Borrow	Finance
8	Interest (other than references to Directors' interests)	Profits/ Dividend/ Hibah

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a significant adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, the Group's management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements. These are as follows:

(a) *Fair value of derivative financial instruments*

For financial instruments measured at fair value, where the fair values cannot be derived directly from active markets, the Group uses a variety of methods and makes assumptions based on market conditions that existed at the end of each reporting period. Models such as estimated discounted cash flows are used to determine fair value for derivative financial instruments not traded in an active market (refer to Note 36). The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

3. Significant accounting estimates and judgements (cont'd)

Judgments made in applying accounting policies (cont'd)

(b) *Taxes*

Significant judgement is required in estimating the provision for income tax. There are many transactions and interpretations of tax law for which the outcome will not be established until sometime later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice on the tax treatments where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

This assessment relies on estimates and assumptions and may involve judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

The amendments to SFRS(I) 12 have been introduced in response to the OECD's BEPS Pillar Two rules. Maybank Group is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules. As at the reporting date, Singapore has enacted Pillar Two legislation and the legislation is effective from 1 January 2025.

In this connection, Maybank Singapore Limited applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS(I) 12.

Under the legislation, Maybank Group is required to pay a top-up tax for the difference between its Global Anti-Base Erosion ("GloBE") effective tax rate per jurisdiction and the 15% minimum rate.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in Maybank Group. Based on the assessment, the effective tax rate for Singapore is above 15% hence, top up tax should not apply.

Maybank Singapore Limited continues to follow Pillar Two legislative developments to evaluate the potential future impact on its operations, financial position and cash flows.

3. Significant accounting estimates and judgements (cont'd)

Judgments made in applying accounting policies(cont'd)

(c) *Lease Term of Contracts with Renewal Options*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of two to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group includes the renewal period as part of the lease term for leases of premises due to the significance of these assets to its operations.

(d) *Consolidation of a structured entity*

In February 2024, Silver Fern Covered Bonds Pte. Ltd. ("structured entity") was incorporated for the purpose of segregating the cover pool to ensure bankruptcy remoteness from the Bank as the covered bonds issuer under USD10 billion Global Covered Bond Programme.

The Group assessed that in substance the relationship between the Bank and the structured entity indicates the Bank has power over the contractual relevant activities of the structured entity, is exposed to variable returns, and can use that power to affect the variable return exposure and is able to influence the returns through power. Judgement is required in determining control over the structured entity. The purpose and design of the entity is considered, along with a determination of what the relevant activities are of the entity and who directs these. Further judgements are made around which investor is exposed to and absorbs the variable returns of the structured entity.

The Group assessed that the structured entity meets the definition of a subsidiary and is consolidated. Refer to Note 29 for more information.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

3. Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(a) *Expected Credit Loss of bills receivable and loans and advances to non-bank customers*

The Group reviews individually significant bills receivable and loans and advances at each reporting date to assess whether an ECL should be recorded in the income statements. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the ECL. In estimating these cash flows, the Group makes judgements about the borrower's or the customer's financial situation and the net realisable value of collateral. These estimates are based on assumptions on a number of factors and actual results may differ, resulting in future changes to the allowances.

The Group's ECL calculations under SFRS(I) 9 are outputs of models developed by the Group Model Development Team with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

(i) Transfer criteria for assessing if there has been a significant increase in credit risk;
(ii) The segmentation of financial assets when their ECL is assessed on a collective basis;
(iii) Modelling approaches and the choice of inputs used for the development of ECL models;
(iv) Determination of associations between macroeconomic scenarios and, macro-economic inputs, such as unemployment levels and collateral values, including the selection of forward-looking macroeconomic scenarios and their probability weightings.

The above methodology is consistent with Malayan Banking Berhad group's accounting policy and SFRS(I) 9 ECL methodology.

The carrying amount of the Group's bills receivable and loans and advances to non-bank customers at the end of the reporting period is disclosed in Note 17 to the consolidated financial statements.

<u>Management overlays and model adjustments</u>

The Group assessed adjustments to address certain model limitations due to risks from the current economic environment or to address model limitations. Overlay assessment was made based on the methodology developed by the Group Model Development Team and the ECL impact arising from the overlays taken for such model limitations are approved by the relevant committees of the Group. The drivers for such estimation continue to evolve with the economic environment.

3. Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty **(cont'd)**

(b) *Leases - Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires an estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make entity-specific estimates.

(c) *Effective interest rate*

The Group's EIR method recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour of the loans and deposits.

As at 31 December 2024, a reassessment was made of the estimates used in respect of the expected behaviour of the mortgage loan portfolio. This resulted in a decrease in P&L of approximately S$58,700,000.

4(a). Interest income

Interest income comprises interest arising from various types of lending and investment activities.

The breakdown of interest income is as follows:

	Group		Bank	
	2024	**2023**	**2024**	**2023**
	S$'000	S$'000	S$'000	S$'000
Related corporations	339,859	324,587	355,475	324,587
Islamic banking activities (profit-based)	75,648	66,938	75,648	66,938
Loans and borrowings	1,067,480	930,141	1,067,480	930,141
	1,482,987	1,321,666	1,498,603	1,321,666

Income from Islamic banking activities refers to profit income arising from Islamic financing & investment activities, of which S$1,733,000 was from a related corporation.

Interest income from a related corporation attributed to reverse repo agreements was S$168,402,000 (2023: S$196,473,000) (Note 15) whilst interest income from other balances with other related corporations was S$173,190,000 (2023: S$128,113,000) (Note 19).

4(a). Interest income (cont'd)

Interest income derived from each class of financial instruments were as follows:

	Group		Bank	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Financial assets at FVOCI	72,771	84,888	72,771	84,888
Financial assets at amortised cost	1,410,216	1,236,778	1,425,832	1,236,778
	1,482,987	1,321,666	1,498,603	1,321,666

Interest income derived from financial assets at amortised cost was calculated using the EIR method. Included in interest income was interest income of S$14,510,000 (2023: S$10,339,000) from impaired loans to customers.

4(b). Interest expense

Interest expense refers to interest incurred on deposits and borrowings.

The breakdown of interest expense is as follows:

	Group		Bank	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Related corporations	18,994	18,572	36,841	18,572
Islamic banking activities *	25,039	51,406	25,039	51,406
Others	917,245	778,992	917,245	778,992
	961,278	848,970	979,125	848,970

Interest expense included S$18,551,000 (2023: S$18,500,000) in interest for S$500,000,000 subordinated notes subscribed by a related corporation (Note 28) and S$51,647,000 (2023: S$37,428,000) in interest for debt securities issued.

* Refers to profit/ dividend/ hibah expense arising from Islamic deposits activities.

Interest expense derived from each class of financial instruments were as follows:

	Group		Bank	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Financial liabilities at amortised cost using the EIR method	892,722	776,017	910,569	776,017
Other interest expense				
Financial liabilities designated at FVTPL	68,556	72,953	68,556	72,953
	961,278	848,970	979,125	848,970

5. Fee and commission income and expense

Fee and commission income comprises mainly remittance and credit card commissions, trade financing fees, credit-related fees and wealth management fees.

	Group and Bank	
	2024	2023
	S$'000	S$'000
Fee and commission income:		
A related corporation	45,160	18,849
Islamic banking activities	8,307	7,473
Others	263,656	207,607
	317,123	233,929

Fee and commission expense comprises mainly card and network-related charges, brokerage fees and safe custody fees.

	Group and Bank	
	2024	2023
	S$'000	S$'000
Fee and commission expense:		
A related corporation	-	53
Islamic banking activities	201	478
Others	36,483	48,254
	36,684	48,785

6. Dealing profits and foreign exchange income

	Group and Bank	
	2024	2023
	S$'000	S$'000
Fair value loss on interest rate derivatives	(8,351)	(1,219)
Fair value gains on foreign exchange derivatives	41,197	22,013
Fair value loss on hedged item	(396)	-
Fair value gain on hedging instrument	396	-
Sales margin received from related corporation	4,353	7,154
	37,199	27,948

7. Other income

	Group		Bank	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Government grants	250	469	250	469
Gain on sale of FVOCI securities	1,916	146	1,916	146
Service fee income charged to related corporations	60,415	55,458	62,284	55,458
Others	17	394	17	394
	62,598	56,467	64,467	56,467

Service fee income charged to related corporations included overhead expenses charged under service level agreements. Transfer prices between related corporations are on an arm's length basis in a manner similar to transactions with third parties.

8. Staff and other remuneration

	Group and Bank	
	2024	2023
	S$'000	S$'000
Wages, salaries and bonuses	260,730	233,663
Directors' remuneration	988	1,025
Commission	38,775	21,071
Contribution to defined contribution plan	25,156	27,078
Staff allowances	11,203	10,552
Others	13,553	9,951
	350,405	303,340

The above included employment-related government grants received during the year totalling S$787,000 (2023: S$500,000) and key management remuneration as disclosed in Note 40.

9. Other operating expenses

	Note	Group and Bank 2024 S$'000	Group and Bank 2023 S$'000
Amount paid/payable to Statutory Auditor:			
- audit fees		532	401
- audit related services		226	185
- non-audit related fees		280	325
Depreciation of property and equipment	23	7,633	7,376
Depreciation of right-of-use assets	22	16,520	15,468
Amortisation of intangible assets	21	16,502	19,755
Rental and maintenance of premises, property and equipment		22,761	22,135
Administration expenses		56,341	47,548
Information and technology expenses		9,209	9,083
Service charges and fees		32,532	30,844
Irrecoverable GST and other taxes		6,584	5,005
Finance cost	22	2,458	1,535
Expenses allocated by related corporations		20,552	19,698
Others		10,147	7,858
		202,277	187,216

Overhead expenses allocated by related corporations include overhead expenses charged by related corporations under service level agreements. Transfer prices between related corporations are on an arm's length basis in a manner similar to transactions with third parties. These expenses include marketing-related costs shared with a related corporation.

Rental expenses allocated by related corporation amounted to S$11,121,000 (2023: S$10,907,000). Low value assets expenses are included in rental expenses which amounted to S$224,000 (2023: 221,000).

10. Allowances for/(write-back) impairment losses on financial assets

	Note	Group and Bank 2024 S$'000	Group and Bank 2023 S$'000
Investment securities	13, 14	(158)	245
Balances and placements with and loans to banks and amounts due from related corporations		(4,243)	7,908
Bills receivable and loans and advances to non-bank customers (Note 17)		32,369	68,464
Contingent liabilities		(515)	615
Bad debts recovered		(8,520)	(5,996)
Bad debts written-off		250	247
		19,183	71,483

11. Taxation

	Note	Group and Bank 2024 S$'000	2023 S$'000
Current income tax expense			
Current year		50,393	31,772
(Over)/underprovisions in respect of previous year		(2,869)	5,561
		47,524	37,333
Deferred tax expense			
Movements in temporary differences	27	1,741	(7,512)
		1,741	(7,512)
Zakat		73	17
Total tax expense		49,338	29,838

Reconciliation of tax expense

The following represents a numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:

	Group and Bank 2024 S$'000	2023 S$'000
Profit before taxation	330,080	180,216
Tax at statutory income tax rate of 17%	56,114	30,637
Adjustments:		
Tax exempt revenue	(43)	(73)
Tax incentives*	(6,361)	(2,647)
Expenses not deductible for tax purposes	445	251
(Over)/Under provisions in respect of previous years	(2,869)	5,561
Others	2,052	(3,891)
	49,338	29,838

* Chargeable income arising from the Group's qualifying transactions is taxed at concessionary tax rate of 13.5% pursuant to the Financial Sector Incentive - Standard Tier ("FSI-ST") Scheme.

12. Cash and balances with central bank

Cash and balances with central bank include cash on hand of S$63,877,000 (2023: S$57,707,000) and balances with central bank of S$1,370,925,000 (2023: S$1,090,477,000). The amount is unsecured and non-interest-bearing.

Included in balances with central bank is the balance held in custody for regulatory maintenance of S$300,000,000 (2023: S$140,000,000) which is not available for use in the Group's day-to-day operations.

13. Government securities and treasury bills

	Group and Bank	
	2024	**2023**
	S$'000	S$'000
Fair value through other comprehensive income	1,997,170	2,021,815
Amortised cost	1,760,638	1,720,870
Allowance for impairment	(218)	(272)
	3,757,590	3,742,413

All government securities and treasury bills are of investment grade.

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	S$'000	S$'000	S$'000	S$'000
Government securities and treasury bills at FVOCI				
At 1 January 2024	2,021,815	-	-	2,021,815
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	1,992,694	-	-	1,992,694
Changes in fair value	135	-	-	135
Amount derecognised through disposal or maturity (excluding write offs)	(2,017,474)	-	-	(2,017,474)
At 31 December 2024	1,997,170	-	-	1,997,170

13. Government securities and treasury bills (cont'd)

	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
Government securities and treasury bills at FVOCI [(a)]				
At 1 January 2023	2,170,390	-	-	2,170,390
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	1,818,409	-	-	1,818,409
Changes in fair value	5,064	-	-	5,064
Amount derecognised through disposal or maturity (excluding write offs)	(1,972,048)	-	-	(1,972,048)
At 31 December 2023	2,021,815	-	-	2,021,815

All government securities and treasury bills measured at FVOCI during the year are classified as Stage 1. There are no transfers in ECL staging during the year and the loss allowance of these financial assets is measured at an amount equal to a 12-month ECL.

[(a)] Included in here is an impact on reclassification. Refer to Note 35(a) for more details.

	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
Government securities and treasury bills at amortised cost				
At 1 January 2024	1,720,870	-	-	1,720,870
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	149,437	-	-	149,437
Amount derecognised through disposal or maturity (excluding write offs)	(109,669)	-	-	(109,669)
At 31 December 2024	1,760,638	-	-	1,760,638

13. Government securities and treasury bills (cont'd)

	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
Government securities and treasury bills at amortised cost [(a)]				
At 1 January 2023	251,133	-	-	251,133
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	1,469,737	-	-	1,469,737
Amount derecognised through disposal or maturity (excluding write offs)	-	-	-	-
At 31 December 2023	1,720,870	-	-	1,720,870

All government securities and treasury bills measured at amortised cost during the year are classified as Stage 1. There are no transfers in ECL staging during the year and the loss allowance of these financial assets is measured at an amount equal to a 12-month ECL.

(a) Included in here is an impact on reclassification. Refer to Note 35(a) for more details.

14. Other Debt securities

	Group and Bank 2024 S$'000	Group and Bank 2023 S$'000
Fair value through other comprehensive income	57,049	98,196
Amortised cost	158,725	162,682
Allowance for impairment at amortised cost	(20)	(24)
	215,754	260,854

14. Other Debt securities (cont'd)

All other debt securities are of investment grade.

	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
Other debt securities at FVOCI				
At 1 January 2024	98,196	-	-	98,196
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	-	-	-	-
Changes in fair value	(549)	-	-	(549)
Amount derecognised through disposals or maturity (excluding write offs)	(40,598)	-	-	(40,598)
At 31 December 2024	57,049	-	-	57,049
Other debt securities at FVOCI [(a)]				
At 1 January 2023	143,606	-	-	143,606
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	96,011	-	-	96,011
Changes in fair value	2,185	-	-	2,185
Amount derecognised through disposals or maturity (excluding write offs)	(143,606)	-	-	(143,606)
At 31 December 2023	98,196	-	-	98,196

All debt securities measured at FVOCI during the year are classified as Stage 1. There are no transfers in ECL staging during the year and the loss allowance of these financial assets is measured at an amount equal to a 12-month ECL.

(a) Included in here is an impact on reclassification. Refer to Note 35(a) for more details.

14. Other Debt securities (cont'd)

	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
Other debt securities at amortised cost				
At 1 January 2024	162,682	-	-	162,682
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	-	-	-	-
Amount derecognised through disposals or maturity (excluding write offs)	(3,957)	-	-	(3,957)
At 31 December 2024	158,725	-	-	158,725
Other debt securities at amortised cost [(a)]				
At 1 January 2023	55,414	-	-	55,414
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
New assets purchased	162,682	-	-	162,682
Amount derecognised through disposals or maturity (excluding write offs)	(55,414)	-	-	(55,414)
At 31 December 2023	162,682	-	-	162,682

All other debt securities measured at amortised cost during the year are classified as Stage 1. There are no transfers in ECL staging during the year and the loss allowance of these financial assets is measured at an amount equal to a 12-month ECL.

(a) Included in here is an impact on reclassification. Refer to Note 35(a) for more details.

15. Repurchase and Resale agreements

During its normal course of business, the Group sells securities under agreements to repurchase ("Repos") and purchases securities under agreements to resell ("Reverse Repos"), for which the Group has the right to pledge or resell the securities.

At the end of the reporting period, payables under Repos and receivables under Reverse Repos are as follows:

	Fair value of payables under repos and receivables under reverse repos		Principal amount of corresponding payables and receivables	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Repo				
Government securities and treasury bills	(64,669)	-	(65,082)	-
Reverse repo				
Government securities and treasury bills	4,222,715	4,927,831	4,238,827	4,934,166
Other debt Securities	907,455	726,622	911,842	707,882

Corresponding receivables/payables are classified under amounts due from/to related corporations (Note 19). All resale agreements are entered into with a related corporation of an investment grade and classified as Stage 1. There are no transfers in ECL staging during the year and the loss allowance of these financial assets is measured at an amount equal to a 12-month ECL and amounts to S$2,668,000 (2023: S$7,781,000).

16. Balances and placements with and loans to banks

	Group and Bank	
	2024	2023
	S$'000	S$'000
Gross balances and placements with and loans to banks	150,710	104,898
Allowance for impairment:		
Stage 1 - 12 months' ECL	(41)	(60)
Net of impairment	150,669	104,838

Included in balances and placements with and loans to banks are nostro accounts.

All balances and placements with and loans to banks placed during the year are classified as Stage 1. There are no transfers in ECL staging during the year and the loss allowance of these financial assets is measured at an amount equal to a 12-month ECL.

17. Bills receivable and loans and advances to non-bank customers

	Group and Bank 2024 S$'000	Group and Bank 2023 S$'000
Bills receivable	2,442	1,481
Loans and advances to non-bank customers	28,321,740	25,066,306
Allowance for impairment	(283,661)	(298,960)
Net of impairment	28,040,521	24,768,827

An analysis of movements in bills receivable and loans and advances to non-bank customers and corresponding ECL allowances are as follows:

	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
Gross Bills receivable and loans and advances to non-bank customers				
At 1 January 2024	23,867,182	990,122	210,483	25,067,787
Transfers to Stage 1	368,882	(365,743)	(3,139)	-
Transfers to Stage 2	(935,577)	941,483	(5,906)	-
Transfers to Stage 3	(96,368)	(32,231)	128,599	-
New assets originated, staged as at year end	12,184,663	278,197	18,190	12,481,050
Amount written off	-	-	(47,668)	(47,668)
Amount derecognised or repaid (excluding write offs)	(8,478,734)	(609,868)	(88,385)	(9,176,987)
At 31 December 2024	26,910,048	1,201,960	212,174	28,324,182
At 1 January 2023	23,911,876	617,606	104,059	24,633,541
Transfers to Stage 1	205,337	(198,455)	(6,882)	-
Transfers to Stage 2	(727,196)	731,883	(4,687)	-
Transfers to Stage 3	(113,281)	(42,187)	155,468	-
New assets originated, staged as at year end	8,812,655	204,084	19,475	9,036,214
Amount written off	-	-	(35,092)	(35,092)
Amount derecognised or repaid (excluding write offs)	(8,222,209)	(322,809)	(21,858)	(8,566,876)
At 31 December 2023	23,867,182	990,122	210,483	25,067,787

17. Bills receivable and loans and advances to non-bank customers (cont'd)

	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
ECL allowances of bills receivable and loans and advances to non-bank customers				
At 1 January 2024	115,044	90,011	93,905	298,960
Transfers to Stage 1	24,715	(23,362)	(1,353)	-
Transfers to Stage 2	(20,009)	23,250	(3,241)	-
Transfers to Stage 3	(3,009)	(2,354)	5,363	-
New assets originated, staged as at year end	31,756	15,501	9,962	57,219
Impact of ECL during the year	(47,414)	18,207	57,684	28,477
Changes in model assumptions	(8,275)	28,091	-	19,816
Amount written off	-	-	(47,668)	(47,668)
Amount derecognised or repaid (excluding write offs)	(33,924)	(31,413)	(7,806)	(73,143)
At 31 December 2024	58,884	117,931	106,846	283,661
ECL allowances of bills receivable and loans and advances to non-bank customers				
At 1 January 2023	131,655	72,182	61,751	265,588
Transfers to Stage 1	25,359	(23,691)	(1,668)	-
Transfers to Stage 2	(9,957)	11,995	(2,038)	-
Transfers to Stage 3	(1,776)	(8,099)	9,875	-
New assets originated, staged as at year end	53,224	19,773	13,413	86,410
Impact of ECL during the year	(23,654)	29,184	51,259	56,789
Changes in model assumptions	(19,336)	(2,734)	-	(22,070)
Amount written off	-	-	(35,092)	(35,092)
Amount derecognised or repaid (excluding write offs)	(40,471)	(8,599)	(3,595)	(52,665)
At 31 December 2023	115,044	90,011	93,905	298,960

ECL for undrawn loan commitments are included in the ECL allowances of bills receivable and loans and advances to non-bank customers, as part of the exposures at default.

Changes in model assumptions refer to ECL taken to address model limitations and this is referred to as management overlays and model adjustments amounting to S$30,718,000 (2023: S$10,902,000).

18. Impaired credit facilities

	Group and Bank	
	2024	2023
	S$'000	S$'000
Gross Impaired loans and advances to customers	212,174	210,483

Impaired credit facilities represent all outstanding credit facilities, including direct credit substitutes and transaction related contingencies, if any, classified as sub-standard, doubtful and loss in accordance with the MAS's loan grading guidelines under MAS Notice to Bank No. 612 "Credit Files, Grading and Provisioning". As at 31 December 2024, there was no impaired direct credit substitutes and transaction related contingencies (2023: S$Nil). All impaired credit facilities are classified as "Stage 3", as disclosed in Note 17.

19. Amounts due from/due to related corporations

Amounts due from related corporations comprise placements and other balances with related corporations of the Group. Included in amounts due from related corporation are placements of S$5,073,103,000 (2023: S$3,220,658,000) which are unsecured and bear interest from 0.0% to 5.2% (2023: 0.0% to 5.4%) per annum. It also includes payables under repurchase agreements of S$65,082,000 (2023: Nil) and receivables under resale agreements of S$5,150,669,000 (2023: S$5,642,048,000) which are interest bearing with interest , ranging from 4.46% (2023: not applicable) per annum for payables and 3.0% to 5.4% (2023: 3.5% to 5.4%) per annum for receivables (Note 15).

Amounts due to related corporations also comprises current accounts maintained by other related corporations with the Group. These amounts are unsecured and non-interest bearing.

During the year, an interest-bearing intercompany loan that matures in June 2027 of S$1,311,331,000 provided to Silver Fern Covered Bonds Pte. Ltd. was netted against amount due to Silver Fern Covered Bonds Pte. Ltd. of S$1,311,331,000 arising from the sale of mortgage portfolio.

20. Other assets

		Group		Bank	
	Note	2024	2023	2024	2023
		S$'000	S$'000	S$'000	S$'000
Derivative financial instruments	34	22,999	26,278	22,999	26,278
Sundry deposits		7,419	7,244	7,419	7,244
GST input tax		15,963	12,623	15,795	12,623
Sundry debtors		58,773	43,660	58,773	43,660
Government grant receivable		-	338	-	338
Margin placed with related corporation		11,597	68,800	11,597	68,800
		116,751	158,943	116,583	158,943

Margin placed with related corporation balances are interest-bearing at market interest rates.

21. Intangible assets

	Note	Group and Bank IT software S$'000
Cost		
At 1 January 2023		172,333
Additions		29,363
Disposals		-
Write-off		-
Transfer		(10,843)
At 31 December 2023 and at 1 January 2024		190,853
Additions		56,053
Disposals		(54)
Write-off		-
Transfer		(28,535)
At 31 December 2024		218,317
Accumulated amortisation		
At 1 January 2023		97,439
Amortisation charge for the year	9	19,755
Disposals		-
At 31 December 2023 and at 1 January 2024		117,194
Amortisation charge for the year	9	16,502
Disposals		(54)
At 31 December 2024		133,642
Net book value		
At 31 December 2024		84,675
At 31 December 2023		73,659

Included in intangible assets are IT software work-in-progress of approximately S$32,353,000 (2023: S$33,173,000). Upon completion, it will be reflected as "Transfer" to completed software for amortisation.

22. Leases

The Group has various operating lease agreements for office premises, data centre and ATM space. Most leases contain renewable options. Lease terms do not contain restrictions on the Group's activities concerning additional debt or further leasing. Termination refers to expiry of existing leases with no exercise of renewal options during the period.

The movement in right-of-use assets are as follows:

Group and Bank	Note	Premises S$'000	Data Centre S$'000	ATM Space S$'000	Total S$'000
Cost					
At 1 January 2023		70,588	19,238	1,420	91,246
Additions		-	18,546	402	18,948
Modifications		13,954	-	-	13,954
Termination		(576)	(13,286)	(358)	(14,220)
At 31 December 2023 and at 1 January 2024		83,966	24,498	1,464	109,928
Additions		-	-	-	-
Modifications		10,661	7,900	308	18,869
Termination		-	(5,950)	(694)	(6,644)
At 31 December 2024		94,627	26,448	1,078	122,153
Accumulated depreciation					
At 1 January 2023		34,832	16,284	911	52,027
Depreciation charge for the year	9	10,140	4,951	377	15,468
		-	-	-	-
Termination		(576)	(13,286)	(351)	(14,213)
At 31 December 2023 and at 1 January 2024		44,396	7,949	937	53,282
Depreciation charge for the year	9	11,103	5,058	359	16,520
Termination		-	(5,950)	(694)	(6,644)
At 31 December 2024		55,499	7,057	602	63,158
Net book value					
At 31 December 2024		39,128	19,391	476	58,995
At 31 December 2023		39,570	16,549	527	56,646

22. Leases (cont'd)

The movement in lease liabilities are as follows:

	Note	Group and Bank 2024 S$'000	2023 S$'000
At beginning of year		57,717	39,550
Additions		-	32,778
Termination		-	(7)
Modification		18,664	-
Repayment		(17,557)	(16,139)
Finance cost	9	2,458	1,535
At end of year		61,282	57,717

The impact of the application of SFRS(I) 16 to the statement of comprehensive income for the financial year ended 31 December 2024 and 2023 is shown as below:

	Group and Bank 2024 S$'000	2023 S$'000
Depreciation of right-of-use assets	16,520	15,469
Finance cost	2,458	1,535
Expense relating to leases of short-term and low-value assets	235	826
Total expense recognised in the income statement	19,213	17,830

The impact of the application of SFRS(I) 16 on the disclosure in the statement of cash flows for the financial year ended 31 December 2024 and 2023 is shown as below:

	Group and Bank 2024 S$'000	2023 S$'000
Total cash outflows for leases		
Payment of principal portion of lease liabilities	15,099	14,604
Finance cost paid	2,458	1,535
	17,557	16,139

23. Property and equipment

Group and Bank	Note	Renovation S$'000	Office equipment, furniture and fittings & others S$'000	Computer and electrical equipment S$'000	Motor vehicles S$'000	Construction-in-progress S$'000	Total S$'000
Cost							
At 1 January 2024		15,668	1,164	39,927	912	3,058	60,729
Additions		4,864	407	8,105	-	4,843	18,219
Disposals		(144)	(28)	(71)	-	-	(243)
Transfers		(1,535)	-	1,535	-	(5,346)	(5,346)
At 31 December 2024		18,853	1,543	49,496	912	2,555	73,359
Accumulated depreciation							
At 1 January 2024		10,910	783	24,664	150	-	36,507
Depreciation charge for the year	9	1,780	121	5,550	182	-	7,633
Disposals		(144)	(28)	(71)	-	-	(243)
At 31 December 2024		12,546	876	30,143	332	-	43,897
Net book value							
At 31 December 2024		6,307	667	19,353	580	2555	29,462

23. Property and equipment (cont'd)

	Note	Renovation S$'000	Office equipment, furniture and fittings & others S$'000	Computer and electrical equipment S$'000	Motor vehicles S$'000	Construction-in-progress S$'000	Total S$'000
Cost							
At 1 January 2023		12,886	912	31,971	557	5,488	51,814
Additions		235	217	3,594	710	4,627	9,383
Disposals		(1)	-	(54)	(355)	-	(410)
Transfers		2,548	35	4,416	-	(7,057)	(58)
At 31 December 2023		15,668	1,164	39,927	912	3,058	60,729
Accumulated depreciation							
At 1 January 2023		9,151	674	19,264	452	-	29,541
Depreciation charge for the year	9	1,760	109	5,454	53	-	7,376
Disposals		(1)	-	(54)	(355)	-	(410)
At 31 December 2023		10,910	783	24,664	150	-	36,507
Net book value							
At 31 December 2023		4,758	381	15,263	762	3,058	24,222

24. Amounts due to central bank

	Group and Bank 2024 S$'000	2023 S$'000
Amounts due to central bank at amortised cost	-	57,098

The above relates to S$Nil (2023: S$57,098,000) outstanding balance due to central bank which is drawn under the MAS SGD facility for ESG loan funding. These amounts are secured and bear interest at a fixed rate of Nil (2023: 0.1% per annum) with maturity dates in 2024.

25. Deposits of non-bank customers

	Group and Bank 2024 S$'000	2023 S$'000
Conventional banking activities	37,451,276	31,499,229
Islamic banking activities	920,313	1,874,709
Financial liabilities at amortised cost	38,371,589	33,373,938
Financial liabilities designated at FVTPL	1,373,291	1,870,583
Total deposits of non-bank customers	39,744,880	35,244,521

Included in deposits of non-bank customers is certain structured deposits designated at FVTPL. This designation is permitted under SFRS(I) 9 Financial Instruments as it reduces accounting mismatch. These instruments are managed by the Group on the basis of their fair values and include terms with derivative characteristics.

26. Other liabilities

	Note	Group and Bank 2024 S$'000	2023 S$'000
Derivative financial instruments	34	33,995	63,180
Sundry creditors		75,318	84,690
Provisions and accrued operating expenses		132,185	112,440
ECL for contingent liabilities	32	800	1,315
Margin placed by related corporation		33,183	-
		275,481	261,625

The margin placed by related corporation is in relation to reverse repos entered with them. These balances are interest-bearing at market interest rates.

27. Deferred tax assets

Movements in deferred tax assets during the financial year are as follows:

Group and Bank	At 1/1/2024 S$'000	(Charged)/credited to Profit or loss S$'000 (Note 11)	(Charged)/credited to Fair value adjustment reserve S$'000	At 31/12/2024 S$'000
Deferred tax assets/(liabilities)				
Government and other debt securities - FVOCI	(210)	-	(98)	(308)
Property and equipment and leases	(8,169)	(2,355)	-	(10,524)
Others	11,407	614	-	12,021
Net deferred tax assets	3,028	(1,741)	(98)	1,189

	At 1/1/2023 S$'000	(Charged)/credited to Profit or loss S$'000 (Note 11)	(Charged)/credited to Fair value adjustment reserve S$'000	At 31/12/2023 S$'000
Deferred tax assets/(liabilities)				
Government and other debt securities - FVOCI	20,195	-	(20,405)	(210)
Property and equipment and leases	(9,608)	1,439	-	(8,169)
Others	5,334	6,073	-	11,407
Net deferred tax assets	15,921	7,512	(20,405)	3,028

28. Subordinated Notes

	Group and Bank 2024 S$'000	Group and Bank 2023 S$'000
Subordinated note at amortised cost	504,916	504,916

On 26 March 2020, the Group had issued an S$500,000,000 3.7% subordinated notes due 2030 (the "Notes"). The Notes were issued in denominations of S$250,000 and shall bear interest on their outstanding principal amount at 3.7% p.a. in respect of the period from the issue date 26 March 2020 until reset date 26 March 2025. The Notes were fully subscribed by a related corporation, which is a bank.

29. Debt securities issued

	Group and Bank	
	2024	2023
	S$'000	S$'000
Debt securities issued at amortised cost [A]	309,944	639,385
Secured debt securities designated as fair value hedge [B]	732,202	-
	1,042,146	639,385

[A] Debt securities were issued under a perpetual unsecured and unsubordinated USD Commercial Paper Programme ["USCP"] of up to USD10 billion established by Maybank Singapore Limited. Maturities range from overnight to up to 187 days from date of issue as agreed upon by the issuer and the purchaser of the USCPs. USCPs are issued at par less a discount representing an interest factor or, if interest bearing, at par.

[B] During the year, covered bonds of EUR500 million were issued by the Group under its USD10 billion Global Covered Bonds Programme. Covered bond is a senior obligation of the Group backed by a cover pool comprising mortgage portfolio that have been ring-fenced via contractual structures in a bankruptcy-remote structured entity, Silver Fern Covered Bonds Pte. Ltd. The mortgage portfolio continues to be recognised on the Group's balance sheet as the Group remains exposed to the risks and rewards associated with them. The covered bonds were issued on 29 May 2024 and will mature on 7 June 2027. An intercompany loan was provided to Silver Fern Covered Bonds Pte. Ltd during the year (Note 19).

As at 31 December 2024, the carrying value of secured debt securities designated as fair value hedge includes accrued interest payable of S$13,823,000 and fair value loss on hedged item of S$396,000, while the carrying value of mortgage portfolio assigned was S$1,237,255,000.

Consolidated Structured Entity

The structured entity consolidated by the Group is listed below:

Name of entity	**Purpose of consolidated structured entity**	**Incorporated in**
Silver Fern Covered Bonds Pte. Ltd.	Covered bond guarantor	Singapore

Silver Fern Covered Bonds Pte. Ltd. is a bankruptcy-remote structure entity established in conjunction with the Group's USD10 billion Global Covered Bond Programme.

30. Share capital

	Group and Bank			
	2024		2023	
	No of shares '000	S$'000	No of shares '000	S$'000
At end of year	2,000,000	2,000,000	2,000,000	2,000,000

31. Dividends

	Group and Bank	
	2024 S$'000	2023 S$'000
Declared and paid during the financial year:		
Dividends on ordinary shares		
Interim dividend for 2024: S$0.0665 per share	133,000	-
Final dividend for 2023: S$0.05 per share	100,000	-
Final dividend for 2022: S$0.03 per share	-	60,000
	233,000	60,000

32. Contingent liabilities

	Group and Bank	
	2024 S$'000	2023 S$'000
Direct credit substitutes	41,810	41,675
Transaction-related contingencies	109,902	138,901
Trade-related contingencies	87,905	85,830
	239,617	266,406

Included in direct credit substitutes and trade-related contingencies are financial guarantees, shipping guarantees and letter of credit of S$93,518,000 (2023: S$98,497,000) subject to ECL in which the Group has direct exposures. The Group has assessed that the remaining contingent liabilities are scoped out for ECL purposes as the Group is not exposed to any contractual credit commitments on these products.

32. Contingent liabilities (cont'd)

An analysis of movements in the contingent liabilities that are subject to ECL and corresponding ECL allowances are as follows:

Gross carrying amount of contingent liabilities	**Stage 1** S$'000	**Stage 2** S$'000	**Stage 3** S$'000	**Total** S$'000
At 1 January 2024	82,190	16,307	-	98,497
Transfers to Stage 1	8,330	(8,330)	-	-
Transfers to Stage 2	(4,960)	4,960	-	-
Transfers to Stage 3	-	-	-	-
New exposures originated as at year end	53,796	11,364	-	65,160
Amount written off	-	-	-	-
Exposures extinguished or matured (excluding write offs)	(63,486)	(6,653)	-	(70,139)
At 31 December 2024	75,870	17,648	-	93,518
At 1 January 2023	86,698	4,497	-	91,195
Transfers to Stage 1	90	(90)	-	-
Transfers to Stage 2	(8,762)	8,762	-	-
Transfers to Stage 3	-	-	-	-
New exposures originated as at year end	63,050	6,374	-	69,424
Amount written off	-	-	-	-
Exposures extinguished or matured (excluding write offs)	(58,886)	(3,236)	-	(62,122)
At 31 December 2023	82,190	16,307	-	98,497

32. Contingent liabilities (cont'd)

ECL allowances of contingent liabilities	Stage 1 S$'000	Stage 2 S$'000	Stage 3 S$'000	Total S$'000
At 1 January 2024	702	613	-	1,315
Transfers to Stage 1	378	(378)	-	-
Transfers to Stage 2	(63)	63	-	-
Transfers to Stage 3	-	-	-	-
New exposures originated as at year end	264	72	-	336
Impact of ECL during the year	(285)	106	-	(179)
Amount written off	-	-	-	-
Exposures derecognised or matured (excluding write offs)	(470)	(202)	-	(672)
At 31 December 2024	526	274		800
At 1 January 2023	528	172	-	700
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(183)	183	-	-
Transfers to Stage 3	-	-	-	-
New exposures originated as at year end	527	70	-	597
Impact of ECL during the year	42	262	-	304
Amount written off	-	-	-	-
Exposures derecognised or matured (excluding write offs)	(212)	(74)	-	(286)
At 31 December 2023	702	613	-	1,315

33. Commitments

	Group and Bank 2024 S$'000	2023 S$'000
Credit commitments:		
- Undrawn credit lines and other commitments to extend credit	9,615,907	9,533,928

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. These balances are subject to ECL and are included in the ECL allowances of bills receivable and loans and advances to non-bank customers (Note 17).

33. Commitments (cont'd)

Other commitments include:

	Group and Bank	
	2024	2023
	S$'000	S$'000
Forward deposits placed	1,540	3,522
Forward securities purchased	200,000	-
Forward deposits taken	249	187
Total commitments	9,817,696	9,537,637

34. Derivative financial instruments and hedge accounting

The derivative financial instruments shown in the following tables are held for trading and hedging purposes. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative receivables) and negative (derivative payables) fair values at the end of the reporting period are analysed below.

Positive and negative fair values are the mark-to-market values of the derivative contracts. Notional principal amounts are the amounts of principal underlying the contract at the end of the reporting period.

Group and Bank

2024	Notional amounts S$'000	Assets (Note 20) S$'000	Liabilities (Note 26) S$'000
Trading derivatives			
Foreign exchange derivatives			
Forward foreign exchange	2,061,376	6,642	2,942
Options	274,136	2,597	2,569
	2,335,512	9,239	5,511
Interest rate derivatives			
Swaps	1,378,801	8,221	16,841
Options	477,556	56	6,556
	1,856,357	8,277	23,397
Other derivatives			
Equities	65,502	5,087	5,087

34. Derivative financial instruments and hedge accounting (cont'd)

2024 (cont'd)	Notional amounts S$'000	Assets (Note 20) S$'000	Liabilities (Note 26) S$'000
Derivatives used as fair value hedge			
Cross Currency Interest rate derivatives			
Swaps	707,272	396	-
Total	4,964,643	22,999	33,995

2023	Notional amounts S$'000	Assets (Note 20) S$'000	Liabilities (Note 26) S$'000
Trading derivatives			
Foreign exchange derivatives			
Forward foreign exchange	2,770,028	4,186	8,967
Options	65,552	192	670
	2,835,580	4,378	9,637
Interest rate derivatives			
Swaps	1,902,191	21,888	28,763
Options	933,548	12	24,780
	2,835,739	21,900	53,543
Other derivatives			
Equities	31,302	-	-
Total	5,702,621	26,278	63,180

Derivative assets and derivative liabilities are offset and the net amounts are reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Fair value hedge

In 2024, included within hedging derivatives are derivatives where the Group have used to apply hedge accounting.

Fair value hedge is used by the Group to hedge against changes in the fair value of covered bonds due to movements in interest rate and currency.

34. Derivative financial instruments and hedge accounting (cont'd)

Fair value hedge (cont'd)

For the financial year ended 31 December 2024, the Group recognised the following net gain/(loss) for existing hedges:

	The Group 2024 S$'000	The Group 2023 S$'000
Gain on the hedging instrument	396	-
Loss on the hedged item attributable to the hedged risk	(396)	-

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

2024	Gross amount of recognised financial assets/ liabilities S$'000	Gross amount offset in the statement of financial position S$'000	Amount presented in the statement of financial position S$'000	Amount not offset in the statement of financial position: Financial instruments S$'000	Amount not offset in the statement of financial position: Financial collateral received/ pledged S$'000	Net amount S$'000
Financial assets						
Derivative assets	36,803	(13,804)	22,999	(4,747)	-	18,252
Financial liabilities						
Derivative liabilities	47,799	(13,804)	33,995	(4,747)	-	29,248

34. Derivative financial instruments and hedge accounting (cont'd)

Offsetting of financial assets and financial liabilities (cont'd)

2023	Gross amount of recognised financial assets/ liabilities S$'000	Gross amount offset in the statement of financial position S$'000	Amount presented in the statement of financial position S$'000	Amount not offset in the statement of financial position: Financial instruments S$'000	Amount not offset in the statement of financial position: Financial collateral received/ pledged S$'000	Net amount S$'000
Financial assets						
Derivative assets	48,920	(22,642)	26,278	(21,355)	-	4,923
Financial liabilities						
Derivative liabilities	85,822	(22,642)	63,180	(21,355)	-	41,825

* Master netting arrangement and similar arrangements impacting the Group are entered into by the ultimate holding company. The relevant financial collateral received/pledged are maintained by the ultimate holding company.

The table below sets out the maturity analysis of the notional principal amounts of derivative contracts:

2024	Notional amount (Maturity): Within 6 months S$'000	Between 6 to 12 months S$'000	More than 1 year S$'000	Total S$'000
Foreign exchange derivatives				
Forward foreign exchange	1,931,689	129,687	-	2,061,376
Options	112,530	161,606	-	274,136
Interest rate derivatives				
Swaps	115,651	25,020	1,945,402	2,086,073
Options	-	-	477,556	477,556
Other derivatives				
Equities	4,606	60,896	-	65,502
Total	2,164,476	377,209	2,422,958	4,964,463

34. Derivative financial instruments and hedge accounting (cont'd)

Offsetting of financial assets and financial liabilities (cont'd)

2023	Notional amount (Maturity) Within 6 months S$'000	Between 6 to 12 months S$'000	More than 1 year S$'000	Total S$'000
Foreign exchange derivatives				
Forward foreign exchange	2,506,583	262,987	458	2,770,028
Options	65,182	370	-	65,552
Interest rate derivatives				
Swaps	69,565	38,170	1,794,456	1,902,191
Options	-	-	933,548	933,548
Other derivatives				
Equities	3,485	27,817	-	31,302
Total	2,644,815	329,344	2,728,462	5,702,621

Notional amounts of derivative financial instruments entered into with the ultimate holding company, other branches and subsidiaries of the ultimate holding company are as follows:

	Group and Bank 2024 S$'000	2023 S$'000
Foreign exchange derivatives		
Forward foreign exchange	1,724,607	2,180,183
Options	138,133	32,539
Interest rate derivatives		
Swaps	2,086,072	1,902,191
Options	477,557	933,548
Other derivatives		
Equities	65,502	15,651
Total	4,491,871	5,064,112

As at 31 December 2024, the net derivative liabilities to related parties amounted to S$20,257,000 (net derivative liabilities in 2023: S$47,713,000).

35. Financial risk management objectives and policies

(a) *Introduction and overview*

This note discusses the management of credit risk, liquidity risk and market risk as well as the Group's policies and procedures for the early identification and proactive management of these risks.

Enterprise Risk Management Framework

The Group's risk management framework facilitates effective risk oversight through a sound and well-defined internal governance model, with a clear structure of risk ownership and accountability. The framework is supported by other risk policies and detailed procedures/guidelines to guide businesses in proactive risk management, whilst working towards achieving their business objectives. The risk management framework is reviewed regularly to keep it relevant to the Group's business strategy and prevailing market conditions.

Under the Group's risk governance structure, the Board of Directors has overall responsibility for risk management oversight, including financial risk management. The Board approves the Group's risk management framework and risk appetite; and ensures that Senior Management takes the necessary steps to identify, measure, control and monitor the risks.

Board oversight is supported by a Board level Committee - the Risk Management and Compliance Committee ("RMCC"). In addition, the Board is supported by several Executive Level Risk Management Committees - the Singapore Management Committee ("SMC"), the Executive Risk Management and Compliance Committee ("ERCC"), the Credit Committee Singapore ("CCS"), Non-Financial Risk Committee ("NFRC") and the Asset & Liability Management Committee ("ALCO").

The RMCC, SMC, ERCC, CCS, NFRC and ALCO ensure that sound risk management policies and procedures are in place. Policies are established to manage/address the risks while limits and controls are set and constantly monitored to keep exposures within tolerance levels.

In August 2023, Maybank Group approved a revised risk management framework (Group Investment Management Framework) due to the business model change. The reclassification was implemented in December 2023. As a result, the Bank reclassified debt securities with face value totalling S$1.559 billion from FVOCI to AC and S$55 million debt securities from AC to FVOCI, resulting in a net movement of S$109 million in other comprehensive income for the year as at 16 December 2023. Of the S$1.559 billion debt securities reclassified from FVOCI to AC, S$1.397 billion were government securities and treasury bills, while S$0.162 billion were other debt securities. The S$55 million reclassified from AC to FVOCI wholly consist of other debt securities. There were no transfers in the financial year ended 2024.

(b) *Credit risk*

Credit risk is the potential loss from any failure in the ability or the unwillingness of the borrowers to fulfil their financial and/or contractual obligations as and when they fall due.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(i) *Management of credit risk*

Credit risk is the risk of loss of principal or income arising from the failure of an obligor or counterparty to perform their contractual obligations in accordance with agreed terms.

Non-retail (commercial) credit risks are assessed by business units and evaluated/approved jointly by business and credit (independent party) within the Group, where each customer is assigned a credit rating based on the assessment of relevant qualitative and quantitative factors including borrower's/customer's financial position, future cash flows, types of facilities and securities offered. Reviews are conducted at least once a year with updated information on borrower's/customer's financial position, market position, industry and economic condition and account conduct. Corrective actions are taken when the accounts show signs of credit deterioration.

Retail credit exposures are managed on a programme basis. Credit programmes are assessed jointly between credit risk and business units. Reviews on credit programmes are conducted at least once a year to assess the performance of the portfolios.

The Group's credit risk management framework manages the credit quality of its loan portfolio. This framework covers credit approval process, credit policies and guidelines, credit risk rating systems, credit risk mitigation process, credit administration documentation, training and credit personnel.

The Group adopts a risk-based credit approval process requiring loan approval at successively higher joint levels and/or committees (as delegated) according to the risk level of the application. Loans that exceed the authority limit of SGD320 million/SGD1.6 billion (tiered by credit rating) will be escalated to the Board of Directors for affirmation. Core credit risk policies, framework and guidelines are approved in accordance with the prevailing Policy on Risk Documents.

In view that authority limits are directly related to the risk levels of the borrower and transaction, a Risk-Based Authority Limit structure was implemented based on Borrower Risk Rating (BRR) via the internally developed Credit Risk Rating System ("CRRS").

The Group practises risk diversification and has in place structures to control the appropriate limits and exposures. Limits are established and regularly monitored in the area of country exposures, industry groups, product groups, collateral types and single counterparty exposures.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(ii) *Credit Risk Measurement*

This section should be read in conjunction with the impairment policies (Note 2.12) within the summary of material accounting policies.

<u>Significant increase in credit risk ("SICR")</u>

In order to determine whether an instrument is subject to 12mECL or LTECL, the Group assesses whether there has been a SICR since initial recognition. SICR is recognised based on the change in the risk of default between initial recognition and reporting date.

For rated accounts, internal ratings are used in determining the rating deterioration. Rating deterioration will be tiered according to the current risk management practice which segregates the internal ratings according to four risk categories, i.e. very low, low, medium and high, as described in Note 35(b)(iv). In addition to rating deterioration, the Group also uses criteria like days-past-due (dpd) and other judgemental triggers that will lead to accounts/borrowers moving to Watchlist or Special Mention categories.

<u>Definition of default and cure</u>

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

i. Rescheduling and Restructuring due to deterioration in financial condition of the borrower.
ii. The borrower has ceased operation or bankruptcy or winding up or under insolvency proceedings or classified as financially distressed by a stock exchange or financial regulator.
iii. Material fraud, criminal act or breach of trust committed by the borrower.
iv. Deterioration in internal or external credit rating of the borrower from original rating.
v. Deterioration of financial positions of the borrower.
vi. A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
vii. Loss of license and regulatory approval that affects business continuity measured by material impact of > 50% of the company's turnover.
viii. A covenant breach not waived by the Group.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(ii) *Credit Risk Measurement (cont'd)*

Definition of default and cure (cont'd)

The Group considers a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Grouping financial assets measured on a collective basis

The Group's retail portfolios are under Basel II Advanced Internal Ratings-Based ("AIRB") Approach. This approach calls for more extensive reliance on the Group's own internal experience whereby estimations for all the three components of Risk-Weighted Assets ("RWA") calculation namely PD, EAD and LGD are based on its own historical data. Separate PD, EAD and LGD statistical models were developed at the respective retail portfolio level; each model covering borrowers with fundamentally similar risk profiles in a portfolio. Currently, the Group retail portfolios are segregated into 5 segments, namely Housing, Cards, Equity Term Loans, Hire Purchase and Retail SME.

For non-retail portfolios, the Group uses internal credit models for evaluating the majority of its credit risk exposures. For Commercial Banking and Bank portfolios, the Group has adopted the Foundation Internal Ratings-Based ("FIRB") Approach, which allows the Group to use its internal PD estimates to determine an asset risk weighting and apply supervisory estimates for LGD and EAD. CRRS is developed to allow the Group to identify, assess and measure commercial and small business borrowers' credit risk. CRRS is a statistical default prediction model. The model was developed and recalibrated to suit the Group's environment using internal data. The model development process was conducted and documented in line with specific criteria for model development in accordance to Basel II. The EL principles employed in the Group is aligned to those employed at its ultimate holding company and enables the calculation of expected loss using PD estimates (facilitated by the CRRS), LGD and EAD.

(iii) *Maximum exposure to credit risk*

The Group's maximum exposure to credit risk of on-balance sheet financial assets and off-balance sheet exposure exclude any collateral held or other credit enhancements. For on-balance sheet financial assets, the maximum exposure to credit risk equals their gross carrying amount at the end of the reporting period. For off-balance sheet items, the maximum exposure to credit risk is limited to the commitments to extend credit and other credit related commitments.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(iii) *Maximum exposure to credit risk (cont'd)*

The maximum credit exposure to client or counterparty as of 31 December 2024 was S$42,887,910,000 and S$9,817,696,000 (2023: S$38,253,511,000 and S$9,800,334,000) for on-balance sheet and off-balance sheet, respectively.

(iv) *Credit quality*

Credit classification for financial assets

The four (4) risks categories as set out and defined below, from very low to high, apart from impaired, describe the credit quality of the Group's lending. These classifications encompass a range of more granular, internal gradings assigned to loans and advances whilst external gradings are applied to debt securities. There is no direct correlation between the internal and external ratings at a granular level, except to the extent that each falls within a single credit quality band.

Risk Category (Non-Retail)	Probability of default ("PD") grade	External credit ratings based on S&P's ratings
Very low	1 - 5	AAA to A-
Low	6 - 10	BBB+ to BB+
Medium	11 - 15	BB+ to B+
High	16 - 21	B+ to CCC

Risk Category (Retail)	Probability of default ("PD") grade	External credit ratings based on S&P's ratings
Very low	1 - 2	AAA to BBB-
Low	3 - 5	BB+ to BB-
Medium	6 - 8	B+ to CCC
High	9 - 11	CCC to C

Risk category is as described below:

- Very low: Obligors rated in this category have an excellent capacity to meet financial commitments with very low credit risk.
- Low: Obligors rated in this category have a good capacity to meet financial commitments with low credit risk.
- Medium: Obligors rated in this category have a fairly acceptable capacity to meet financial commitments with moderate credit risk.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(iv) *Credit quality (cont'd)*

Credit classification for financial assets (cont'd)

- High: Obligors rated in this category have uncertain capacity to meet financial commitments and are subject to high credit risk.
- Unrated: Obligors in this category have not been assigned with borrower risk ratings for various reasons e.g. non-availability of scorecards / unapproved scorecards.

The following table provides a breakdown of the net bills receivable and loans and advances to non-bank customers according to the Group's credit risk category.

2024	**Stage 1** S$'000	**Stage 2** S$'000	**Stage 3** S$'000	**Total** S$'000
Very Low	16,337,847	16,613	-	16,354,460
Low	3,988,013	68,810	-	4,056,823
Medium	3,669,271	464,134	-	4,133,405
High	560,373	615,755	-	1,176,128
Unrated	2,354,544	36,648	-	2,391,192
Impaired	-	-	212,174	212,174
Less: ECL	(58,884)	(117,931)	(106,846)	(283,661)
Total carrying amount	26,851,164	1,084,029	105,328	28,040,521

2023	**Stage 1** S$'000	**Stage 2** S$'000	**Stage 3** S$'000	**Total** S$'000
Very Low	13,688,429	42,974	-	13,731,403
Low	3,770,153	167,415	-	3,937,568
Medium	3,369,807	357,064	-	3,726,871
High	608,387	407,634	-	1,016,021
Unrated	2,430,406	15,035	-	2,445,441
Impaired	-	-	210,483	210,483
Less: ECL	(115,047)	(90,009)	(93,904)	(298,960)
Total carrying amount	23,752,135	900,113	116,579	24,768,827

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(iv) *Credit quality (cont'd)*

Credit classification for financial assets (cont'd)

Derivative financial instruments are entered with various international financial institutions or companies. Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position. Derivative financial instruments include foreign exchange derivatives and interest rate derivatives 93% (2023: 90%) of derivative exposure is entered into with counterparties with a credit risk rating.

The Group also classifies its credit portfolios according to the borrowers' ability to repay the credit facility from their normal source of income. There is ana independent credit review process to ensure the appropriateness of loan grading and classification in accordance with MAS Notice 612. All borrowing accounts are categorised into 'Pass', 'Special Mention' or 'Impaired' categories. Impaired accounts are further categorised as 'Substandard', 'Doubtful' or 'Loss' in accordance with Notice to Bank No. 612 "Credit Files, Grading and Provisioning" issued by the MAS. The five categories are described below:

Performing

- Pass represents credit facilities where timely repayment is not in doubt and which do not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower.

- Special mention represents credit facilities which require closer monitoring. These facilities exhibit potential weakness that, if not corrected in a timely manner, may adversely affect repayment at a future date.

Classified or Impaired

- Substandard represents credit facilities that require special attention. The facilities exhibit definable weakness, either in respect of the business, cash flow or financial position of the borrower, which may jeopardise repayment on existing terms.

- Doubtful represents credit facilities that demonstrate severe weaknesses, such that the prospects of full recovery of the amounts outstanding are questionable and prospects of a loss are high.

- Loss represents credit facilities that are not collectable and little or nothing can be done to recover the amounts outstanding from any collateral or from the borrower's assets generally.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(iv) *Credit quality (cont'd)*

Classified or Impaired (cont'd)

The following table provides a breakdown of the gross bills receivable and loans and advances to non-bank customers' gross carrying amount according to the MAS Notice to Bank No. 612 "Credit Files, Grading and Provisioning":

2024	**Stage 1** S$'000	**Stage 2** S$'000	**Stage 3** S$'000	**Total** S$'000
Performing				
Pass	26,910,048	1,126,390	-	28,036,438
Special Mention	-	75,570	-	75,570
Classified or Impaired				
Substandard	-	-	18,539	18,539
Doubtful	-	-	121,947	121,947
Loss	-	-	71,688	71,688
Total	26,910,048	1,201,960	212,174	28,324,182

2023	**Stage 1** S$'000	**Stage 2** S$'000	**Stage 3** S$'000	**Total** S$'000
Performing				
Pass	23,867,182	894,655	-	24,761,837
Special Mention	-	95,467	-	95,467
Classified or Impaired				
Substandard	-	-	617	617
Doubtful	-	-	181,073	181,073
Loss	-	-	28,793	28,793
Total	23,867,182	990,122	210,483	25,067,787

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(iv) *Credit quality (cont'd)*

Collaterals

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The Group holds collaterals as follows:

- For loans and advances to non-bank customers and bill receivable in the form of mortgages or charges over properties, motor vehicles, listed securities, deposits, trade receivables, vessels and machinery.

- For reverse repurchase agreements in the form of Singapore and other government securities.

Estimates of the fair value are initially based on the value of collateral assessed at the time of borrowing and subsequently updated during the collateral valuation monitoring process (including credit reviews).

For financial assets that are credit impaired as at period end, the impairment loss considers the difference between the carrying value and the discounted cash flows. In determining discounted cash flows, the Group would consider the repayment capacity of the borrower, including the realisation of collateral pledged with the Group. As at 31 December 2024, the lower of fair value and carrying amount of collateral/other credit enhancements for financial assets that are credit impaired as at year end is S$165,804,000 (2023: S$134,518,000).

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(iv) *Credit quality (cont'd)*

Collaterals (cont'd)

The following table quantifies the extent to which collateral and other credit enhancements help to mitigate the credit risk of loans and advances to non-bank customers, bills receivable and receivables under resale agreement:

	Lower of fair value of collateral/other credit enhancements and carrying amount			
	2024		2023	
	Loans and advances to non-bank customers, bills receivable S$'000	Receivables under resale agreement S$'000	Loans and advances to non-bank customers, bills receivable S$'000	Receivables under resale agreement S$'000
Singapore and other government securities	-	4,212,763	-	4,912,298
Debts Securities	-	901,049	-	707,088
Properties	20,090,844	-	17,189,100	-
Motor vehicles	3,371,292	-	3,072,756	-
Others	811,840	-	688,994	-
Total collateral	24,273,976	5,113,812	20,950,850	5,619,386
Maximum exposure to credit risk	28,324,182	5,171,096	25,067,787	5,653,687
Net exposure	4,050,206	57,284	4,116,937	34,301

S$ 0.5 billion (2023: S$0.9 billion) of the loans and advances to non-bank customers relate to the Temporary Bridging Loan which is under risk sharing with ESG.

The Group generally does not occupy the premises repossessed for its business use.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(iv) *Credit quality (cont'd)*

<u>Write-off policy</u>

The Group writes off a loan or debt security balance, and any related allowances for impairment losses, when the management determines that the loan or securities is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's/issuer's financial position such that the borrower/issuer can no longer settle the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, write-off decisions generally are based on a product specific past due status.

(v) *Concentration risk*

Specifically in the area of country or industry exposure, concentration of credit risk exists when changes in geographic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposures. The tables on the following page summarise the geographic and industry sector risk concentrations in relation to balances with significant credit exposures. Derivative assets are mainly due from banks and financial institution counterparties.

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(v) *Concentration risk by geographic sector*

Country	Government securities and treasury bills S$'000	Other debt securities S$'000	Balances and placements with and loans to banks S$'000	Bills Receivable and Loans and advances to non-bank customers S$'000	Undrawn loan commitments S$'000	Contingent liabilities S$'000	Total S$'000	As % of total %
As at 31 December 2024								
Singapore	3,614,233	215,774	11,039	27,563,926	9,096,109	239,489	40,740,570	96.3
India	-	-	-	2,747	554	-	3,301	0.0
Malaysia	-	-	-	149,452	138,155	57	287,664	0.7
China	-	-	-	341,687	23,388	-	365,075	0.9
Hong Kong	-	-	-	39,532	9,018	-	48,550	0.1
Others	143,575	-	139,671	226,838	348,684	71	858,839	2.0
	3,757,808	215,774	150,710	28,324,182	9,615,908	239,617	42,303,999	100.0

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(v) *Concentration by industry sector*

As at 31 December 2024	Government securities and treasury bills S$'000	Other debt securities S$'000	Balances and placements with and loans to banks S$'000	Bills receivable and Loans and advances to non-bank customers S$'000	Undrawn loan commitments S$'000	Contingent liabilities S$'000	Total S$'000	As % of total %
Building and construction	-	-	-	1,167,015	492,519	95,895	1,755,429	4.1
Financial institutions	-	-	150,710	2,625,108	1,021,981	6,823	3,804,622	9.0
Manufacturing	-	-	-	605,132	250,400	14,977	870,509	2.1
Transport, storage and communication	-	-	-	488,219	172,583	12,348	673,150	1.6
Government and public sector	3,757,808	215,774	-	-	-	-	3,973,582	9.4
Housing and bridging loans	-	-	-	14,263,183	1,221,616	-	15,484,799	36.6
General commence	-	-	-	2,004,348	1,311,721	87,440	3,403,509	8.0
Professional and private individuals	-	-	-	5,671,373	4,714,134	2,912	10,388,419	24.6
Others	-	-	-	1,499,804	430,954	19,222	1,949,980	4.6
	3,757,808	215,774	150,710	28,324,182	9,615,908	239,617	42,303,999	100.0

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(v) *Concentration risk by geographic sector*

Country	Government securities and treasury bills S$'000	Other debt securities S$'000	Balances and placements with and loans to banks S$'000	Bills Receivable and Loans and advances to non-bank customers S$'000	Undrawn loan commitments S$'000	Contingent liabilities S$'000	Total S$'000	As % of total %
As at 31 December 2023								
Singapore	3,600,181	220,280	7,533	24,238,645	9,053,588	266,278	37,386,505	95.9
India	-	-	-	2,852	694	-	3,546	0.0
Malaysia	-	-	-	162,660	157,119	57	319,836	0.8
China	-	-	-	412,168	49,516	-	461,684	1.2
Hong Kong	-	-	-	34,371	4,596	-	38,967	0.1
Others	142,504	40,598	97,365	217,091	268,415	71	766,044	2.0
	3,742,685	260,878	104,898	25,067,787	9,533,928	266,406	38,976,582	100.0

35. Financial risk management objectives and policies (cont'd)

(b) *Credit risk (cont'd)*

(v) *Concentration by industry sector*

As at 31 December 2023	Government securities and treasury bills S$'000	Other debt securities S$'000	Balances and placements with and loans to banks S$'000	Bills receivable and Loans and advances to non-bank customers S$'000	Undrawn loan commitments S$'000	Contingent liabilities S$'000	Total S$'000	As % of total %
Building and construction	-	-	-	1,207,284	463,743	116,788	1,787,815	4.6
Financial institutions	-	-	104,898	2,059,055	889,757	6,038	3,059,748	7.9
Manufacturing	-	-	-	596,429	239,605	19,148	855,182	2.2
Transport, storage and communication	-	-	-	637,262	160,425	7,488	805,175	2.1
Government and public sector	3,742,685	260,878	-	-	-	-	4,003,563	10.3
Housing and bridging loans	-	-	-	12,053,385	1,683,375	-	13,736,760	35.2
General commence	-	-	-	1,978,936	1,143,262	89,005	3,211,203	8.2
Professional and private individuals	-	-	-	5,236,840	4,641,758	3,585	9,882,183	25.3
Others	-	-	-	1,298,596	312,003	24,354	1,634,953	4.2
	3,742,685	260,878	104,898	25,067,787	9,533,928	266,406	38,976,582	100.0

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk*

Liquidity risk arises when the Group is unable to make a payment on any of its financial obligations to customers or counterparties in any currency when they come due. This may be due to the Group's inability to liquidate assets or to obtain funding to meet its liquidity needs in a timely manner.

Liquidity risk can be broadly classified into:

- Funding liquidity risk - Risk that the Group is not able to meet both expected and unexpected current and future cash flow and collateral needs effectively without affecting either daily operations or the financial condition of the Group;
- Market liquidity risk - Risk that the Group is not able to easily offset or eliminate the position at market price because of inadequate market depth or market disruption.

Liquidity risk can also arise as a consequence of other risk such as credit risk and reputation risk.

(i) *Management of liquidity risk*

ALCO oversees the Group's liquidity risk management. The Global Market department centrally manages day-to-day funding and regulatory reserve requirements. In addition, the Non Traded Risk Management department functions as an independent unit responsible for reviewing policies and limits and monitoring liquidity risk.

The Group's liquidity management objective is to ensure that there are sufficient funds to meet contractual and regulatory financial obligations when they are due. Liquidity risk is managed by a combination of cash flow monitoring, liquidity ratios and stress tests. Projected cash flow movements are closely monitored. Under the Group's liquidity risk management framework, the Group maintains liquid assets based on historical and future cash flow requirements and volatility. Liquidity ratios monitor and control the dependency on particular sources of funds and exposure to any particular group of depositors. Stress tests are conducted regularly to identify the Group's vulnerability of cash flow and assess the Group's capacity and resilience to withstand liquidity stress situations.

The Contingency Funding Plan ("CFP") addresses the possibility of prolonged liquidity disruption. The plan enables the Group to respond swiftly and systematically to a liquidity crisis by covering critical areas such as the identification of crisis triggers, roles and responsibilities of different stakeholders, action plans for different scenarios, reporting requirements, and communication plans.

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

(ii) *Exposure to liquidity risk*

The following tables show the undiscounted cash flows on the Group's financial liabilities including issued financial guarantees and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The Group's expected cash flows on these instruments may vary significantly from this analysis. For example, demand deposits from customers may have a stable or increasing balance and unrecognised loan commitments are not all expected to be drawn down immediately.

Derivative financial instruments include those net settled derivative contracts in a net liability position, together with the pay leg of gross settled contracts regardless of whether the overall contract is in a marked-to-market gain or loss position. The receive leg is not shown in this table and as a result the derivative amounts in this table are inflated by their exclusion.

The Group anticipates and manages liquidity gaps using behavioural assumptions. These assumptions are regularly reviewed by the Non Traded Risk Management department and approved by ALCO.

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

(iii) *Residual contractual maturities of financial liabilities*

As at 31 December 2024	Note	Carrying amount S$'000	Gross nominal outflow S$'000	Less than 1 month S$'000	1 month to 3 months S$'000	3 to 6 months S$'000	6 months to 1 year S$'000	1 year to 5 years S$'000	After 5 years S$'000
Financial liabilities									
Deposits of non-bank customers	25	39,744,880	40,317,889	16,290,558	6,003,996	9,988,340	5,779,241	2,196,722	59,032
Bills payable		89,718	89,718	89,718	-	-	-	-	-
Amounts due to related corporations		87,727	87,727	87,727	-	-	-	-	-
Other liabilities (including net settled derivatives)		23,397	11,136	(471)	3,468	3,417	1,648	2,790	284
Lease liabilities	22	61,282	61,282	-	-	-	47	40,408	20,827
Subordinated notes	28	504,916	601,725	-	9,174	-	9,326	74,051	509,174
Debt securities issued	29	1,042,146	1,088,300	157,149	150,910	24,323	-	755,918	-
		41,554,066	42,257,777	16,625,623	6,160,612	10,009,246	5,786,966	3,064,309	588,749
Undrawn loan commitments	33	9,615,907	9,615,907	6,671,225	277,348	311,838	483,402	236,633	1,635,461
Contingent liabilities	32	239,617	239,617	66,484	32,088	22,094	48,763	63,788	6,400
		9,855,524	9,855,524	6,737,709	309,436	333,932	532,165	300,421	1,641,861

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

(iii) *Residual contractual maturities of financial liabilities (cont'd)*

As at 31 December 2024	Gross nominal inflow/ (outflow) S$'000	Less than 1 month S$'000	1 month to 3 months S$'000	3 months to 6 months S$'000	6 months to 1 year S$'000	After 1 year S$'000	Total S$'000
Derivatives							
Gross settled derivatives:							
Foreign exchange derivatives:							
- Inflow	2,057,517	1,358,027	349,468	220,334	129,688	-	2,057,517
- Outflow	(2,051,924)	(1,353,486)	(348,937)	(219,928)	(129,573)	-	(2,051,924)
Net inflow/(outflow)	5,593	4,541	531	406	115	-	5,593

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

(iii) *Residual contractual maturities of financial liabilities (cont'd)*

As at 31 December 2023	Note	Carrying amount S$'000	Gross nominal outflow S$'000	Less than 1 month S$'000	1 month to 3 months S$'000	3 to 6 months S$'000	6 months to 1 year S$'000	1 year to 5 years S$'000	After 5 years S$'000
Financial liabilities									
Amounts due to central bank	24	57,098	57,212	-	28,105	29,107	-	-	-
Deposits of non-bank customers	25	35,244,521	35,892,092	14,265,772	4,018,137	5,145,714	9,494,056	2,939,041	29,372
Bills payable		130,649	130,649	130,649	-	-	-	-	-
Amounts due to related corporations		8,388	8,388	8,388	-	-	-	-	-
Other liabilities (including net settled derivatives)		53,543	9,068	694	6,891	12,755	(1,332)	(9,372)	(568)
Lease liabilities	22	57,717	57,717	-	100	1,041	6,693	24,841	25,042
Subordinated notes	28	504,916	620,276	-	9,225	-	9,326	74,051	527,674
Debt securities issued	29	639,385	639,385	157,625	363,249	118,511	-	-	-
		36,696,217	37,414,787	14,563,128	4,425,707	5,307,128	9,508,743	3,028,561	581,520
Undrawn loan commitments	33	9,533,928	9,533,928	6,425,515	357,790	276,847	389,208	112,305	1,972,264
Contingent liabilities	32	266,406	266,406	60,059	35,643	22,671	41,232	93,990	12,811
		9,800,334	9,800,334	6,485,574	393,433	299,518	430,440	206,295	1,985,075

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

(iii) *Residual contractual maturities of financial liabilities (cont'd)*

As at 31 December 2023	Gross nominal inflow/ (outflow) S$'000	Less than 1 month S$'000	1 month to 3 months S$'000	3 months to 6 months S$'000	6 months to 1 year S$'000	After 1 year S$'000	Total S$'000
Derivatives							
Gross settled derivatives:							
Foreign exchange derivatives:							
- Inflow	2,765,175	1,534,309	791,863	309,227	129,776	-	2,765,175
- Outflow	(2,770,028)	(1,539,150)	(792,333)	(309,052)	(129,493)	-	(2,770,028)
Net inflow/(outflow)	(4,853)	(4,841)	(470)	175	283	-	(4,853)

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

(iv) *Maturity analysis of non-derivative financial assets and liabilities*

As at 31 December 2024	Note	Up to 7 days S$'000	Over 7 days to 1 month S$'000	Over 1 to 3 months S$'000	Over 3 to 12 months S$'000	Over 1 to 3 year S$'000	Over 3 years S$'000	No specific maturity S$'000	Total S$'000
Assets									
Cash and balance with a central bank		1,434,802	-	-	-	-	-	-	1,434,802
Government securities and treasury bills	13	150,663	254,917	845,878	1,143,384	726,504	636,244	-	3,757,590
Other debt Securities	14	-	-	-	45,073	57,049	113,632	-	215,754
Balances and placements with and loans to banks		150,669	-	-	-	-	-	-	150,669
Amounts due from related corporations		798,487	2,114,458	1,840,183	4,029,886	1,553,831	-	-	10,336,845
Bills receivable	17	2,442	-	-	-	-	-	-	2,442
Loans and advances to non-bank customers	17	1,136,764	1,075,531	562,005	658,268	1,784,568	22,820,943	-	28,038,079
		3,673,827	3,444,906	3,248,066	5,876,611	4,121,952	23,570,819	-	43,936,181
Liabilities									
Amounts due to central bank	24	-	-	-	-	-	-	-	-
Deposits of non-bank customers	25	13,554,312	2,624,704	5,973,266	15,558,777	1,731,206	302,615	-	39,744,880
Amounts due to related corporations		87,727	-	-	-	-	-	-	87,727
Bills payable		89,718	-	-	-	-	-	-	89,718
Lease liabilities	22	-	-	-	47	13,034	48,201	-	61,282
Subordinated notes	28	-	-	-	-	-	504,916	-	504,916
Debt securities issued	29	74,979	85,345	149,620	-	732,202	-	-	1,042,146
		13,803,187	2,710,049	6,122,886	15,558,824	2,479,991	855,732	-	41,530,669

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

(iv) *Maturity analysis of non-derivative financial assets and liabilities (cont'd)*

As at 31 December 2023	Note	Up to 7 days S$'000	Over 7 days to 1 month S$'000	Over 1 to 3 months S$'000	Over 3 to 12 months S$'000	Over 1 to 3 year S$'000	Over 3 years S$'000	No specific maturity S$'000	Total S$'000
Assets									
Cash and balance with a central bank		1,148,184	-	-	-	-	-	-	1,148,184
Government securities and treasury bills	13	149,700	449,455	876,851	643,299	656,704	966,404	-	3,742,413
Other debt Securities	14	-	40,574	-	3,960	45,092	171,228	-	260,854
Balances and placements with and loans to banks		104,838	-	-	-	-	-	-	104,838
Amounts due from related corporations		1,580,886	4,609,546	1,516,045	300,525	914,467	-	-	8,921,469
Bills receivable	17	1,481	-	-	-	-	-	-	1,481
Loans and advances to non-bank customers	17	1,063,424	928,595	438,427	656,432	1,899,614	19,780,853	-	24,767,345
		4,048,513	6,028,170	2,831,323	1,604,216	3,515,877	20,918,485	-	38,946,584
Liabilities									
Amounts due to central bank	24	-	-	28,050	29,048	-	-	-	57,098
Deposits of non-bank customers	25	12,030,128	2,162,627	3,999,106	14,371,893	1,185,390	1,495,377	-	35,244,521
Amounts due to related corporations		8,388	-	-	-	-	-	-	8,388
Bills payable		130,649	-	-	-	-	-	-	130,649
Lease liabilities	22	-	-	100	7,734	8,191	41,692	-	57,717
Subordinated notes	28	-	-	-	-	-	504,916	-	504,916
Debt securities issued	29	-	162,730	360,587	116,068	-	-	-	639,385
		12,169,165	2,325,357	4,387,843	14,524,743	1,193,581	2,041,985	-	36,642,674

35. Financial risk management objectives and policies (cont'd)

(d) *Market risk*

Market risk stems from changes in market prices, such as interest rates, equity prices, and currency exchanges rates that adversely affect income or position value. The Group is primarily exposed to interest rate and currency risk based on the nature of its banking operations.

(i) *Management of market risk*

ALCO provides oversight of market risk for the Group which mainly arises from the Grouping book. The Non Traded Risk Management department proposes and reviews policies and limits; and is responsible for monitoring of the Group's market risk exposures from the Grouping Book. Being the primary market risk-taking unit, the Global Market department manages the exposures and ensures that they are kept within limits.

One of the objective of market risk management is to keep market risk exposures under acceptable parameters while optimising returns. In order to achieve the control objective, risk measures are computed and checked against their respective limits defined based on the Group's risk tolerance. Limit exceptions are escalated according to policy stipulations. These limits, along with the related policies and procedures, are regularly reviewed and approved at appropriate authority level.

Consistent with the Group's policies, Bank-wide banking book interest rate risk is measured and controlled via earnings and economic value perspectives.

(ii) *Exposure to interest rate risk*

Interest rate risk is the exposure to interest rate movements arising from differences between the timing of rate changes against the Group's cash flow positions. Interest rate risk can also stem from imperfect correlation of rate earned and paid on different instruments with similar re-pricing characteristics, changes in slope and shape of the yield curve, and embedded options in banking products. The main sources of interest rate risk are the Group's loan and deposit portfolios. The Group uses interest rate swaps as appropriate to ensure that exposures are within tolerable levels.

The Group assesses its short term interest rate risk exposures in the Banking book by using Earnings-at-Risk ("EaR") and long term interest rate risk exposures in the Banking book by using Economic Value at Risk (EVaR). EaR measures the sensitivity of earnings, i.e., net interest income ("NII") to market interest rate movements and EVaR measures the sensitivity of economic value of Banking Book interest rate exposures to interest rate movements.

35. Financial risk management objectives and policies (cont'd)

(d) *Market risk (cont'd)*

(ii) *Exposure to interest rate risk (cont'd)*

As at 31 December 2024, an upward parallel shift in yield curve of 150 basis points for SGD and 200 basis points for USD, the two significant currencies that the Group transact, would result in a reduction of S$2,087,000 on NII. A downward parallel shift would result in a reduction of S$18,718,000 on NII.

IBOR reform

LIBOR, SOR and SIBOR which have been widely used in the global financial markets, was discontinued in end-2021 (non-USD LIBOR), Jun-2023 (USD LIBOR and SOR) and end-2024 (SIBOR) and replaced by RFRs as part of the global reform of benchmark interest rate. The Group's IBOR reform project is managed by a dedicated IBOR Transition Workgroup chaired by the Chief Risk Officer Singapore and comprise of members from relevant functions. The Workgroup is accountable to both the Singapore Executive Risk Committee and the Singapore Board for local governance, and to the Group IBOR Project Steering Committee ("PSC") for group governance.

The Group has met all material industry and regulatory milestones. Specifically, as of 31 December 2024, the Group does not have any loan that will reference LIBOR, SOR or SIBOR going forward.

2023	**Non-derivatives Financial Assets - carrying value** S$'000	**Non-derivatives Financial Liabilities - carrying value** S$'000	**Derivatives Nominal Amount** S$'000
USD LIBOR	-	-	-
SGD SOR	-	-	-
SGD SIBOR	462,683	-	-

35. Financial risk management objectives and policies (cont'd)

(d) *Market risk (cont'd)*

(iii) *Exposure to foreign currency risk*

Foreign currency risk arises from the movements in exchange rates that adversely affect the revaluation of Bank's foreign currency positions. The Group's foreign exchange exposure is managed centrally by the Global Markets department, who deploys standard Foreign Exchange instruments like Forward Contracts and Cross-Currency Swaps to manage the Group's foreign exchange risk.

The Group monitors the foreign exchange exposures against approved trading and stop loss limits for every business day. Limit exceptions are escalated according to policy stipulated.

The following summarises the Group's sensitivity to a 10% change in currency rates against S$:

2024	Change in currency rate %	Impact to current year profit before tax S$'000
USD	+/- 10	+/-574
CHF	+/- 10	+/-33
GBP	+/- 10	-/+130
AUD	+/- 10	-/+23
HKD	+/- 10	-/+166
EUR	+/- 10	+/-80
Others	+/- 10	+/-99

35. Financial risk management objectives and policies (cont'd)

(d) *Market risk (cont'd)*

(iii) *Exposure to foreign currency risk (cont'd)*

2023	**Change in currency rate** %	**Impact to current year profit before tax** S$'000
USD	+/- 10	+/-2,758
CHF	+/- 10	+/-78
GBP	+/- 10	+/-129
AUD	+/- 10	+/-208
HKD	+/- 10	-/+83
EUR	+/- 10	-/+68
CNY	+/- 10	+/-8
Others	+/- 10	+/-286

Sensitivity is calculated using the net position in each currency, including off-balance sheet. This methodology does not consider option pay-offs as the Group has a nominal open position in foreign exchange options. The largest net open position of the Group as at 31 December 2024 is denominated in USD, with S$ equivalent, S$5,736,000 (2023: $27,579,000).

36. Fair value of assets and liabilities

Financial instruments comprise financial assets, financial liabilities and off-balance sheet derivative instruments. The fair value of a financial instrument is the amount for which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Management judgement is exercised in the selection and application of appropriate parameters, assumptions and modelling techniques where some or all of the parameter inputs are not observable. Therefore, the fair value estimates are not necessarily indicative of the amounts that the Group could have realised in a sales transaction as at the end of the reporting period.

36. Fair value of assets and liabilities (cont'd)

(a) *Fair value methodologies*

The Group uses the fair value hierarchy to estimate the fair value of financial instruments that are being fair valued.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

Valuation adjustment is also an integral part of the valuation process. The Group makes valuation adjustments such as bid-ask spread adjustment and credit valuation adjustment to adjust mid-market valuations to the appropriate bid or offer valuation and to reflect the risk of counterparty default.

(b) *Financial Instruments carried at fair value*

2024	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Financial assets measured at fair value on a recurring basis				
Government securities and treasury bills	1,997,170	-	-	1,997,170
Other debt securities	57,049	-	-	57,049
Derivative financial instruments	-	22,999	-	22,999
	2,054,219	22,999	-	2,077,218
Financial liabilities measured at fair value on a recurring basis				
Financial liabilities designated at fair value through profit or loss	-	1,373,291	-	1,373,291
Derivative financial instruments	-	33,995	-	33,995
	-	1,407,286	-	1,407,286

36. Fair value of assets and liabilities (cont'd)

(b) *Financial Instruments carried at fair value* (cont'd)

There has been no transfer between Level 1 and Level 2 fair value measurement during the financial year ended 31 December 2024.

Fair value hierarchy (cont'd)

2023	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Financial assets measured at fair value on a recurring basis				
Government securities and treasury bills	2,021,815	-	-	2,021,815
Other debt securities	98,196	-	-	98,196
Derivative financial instruments	-	26,278	-	26,278
	2,120,011	26,278	-	2,146,289
Financial liabilities measured at fair value on a recurring basis				
Financial liabilities designated at fair value through profit or loss	-	1,870,583	-	1,870,583
Derivative financial instruments	-	63,180	-	63,180
	-	1,933,763	-	1,933,763

The tables above exclude financial assets and financial liabilities for which fair value approximates carrying amount.

36. Fair value of assets and liabilities (cont'd)

(c) *Financial instruments classification*

The Group's classification of its principal financial assets and liabilities is summarised in the table below:

2024	Financial assets at fair value				
	Held-for-trading S$'000	Designated at fair value through profit or loss S$'000	Other comprehensive Income ("FVOCI") S$'000	Financial assets at amortised cost S$'000	Carrying amount S$'000
Financial assets					
Cash and balances with central bank	-	-	-	1,434,802	1,434,802
Government securities and treasury bills	-	-	1,997,170	1,760,420	3,757,590
Other debt securities	-	-	57,049	158,705	215,754
Balances and placements with and loans to banks	-	-	-	150,669	150,669
Bills receivable	-	-	-	2,442	2,442
Loans and advances to non-bank customers	-	-	-	28,038,079	28,038,079
Amounts due from related corporations	-	-	-	10,336,845	10,336,845
Other assets	22,999	-	-	77,789	100,788
Total as at 31 December 2024	22,999	-	2,054,219	41,959,751	44,036,969

2024	Financial liabilities at fair value				
	Held-for-trading S$'000	Designated at fair value through profit or loss S$'000	Financial liabilities at amortised cost S$'000	Financial liabilities designated at fair value hedge S$'000	Carrying amount S$'000
Financial liabilities					
Amounts due to central bank	-	-	-	-	-
Deposits of non-bank customers	-	1,373,291	38,371,589	-	39,744,880
Bills payable	-	-	89,718	-	89,718
Amounts due to related corporations	-	-	87,727	-	87,727
Other liabilities	33,995	-	108,499	-	142,494
Lease liabilities	-	-	61,282	-	61,282
Subordinated notes	-	-	504,916	-	504,916
Debt securities issued	-	-	309,944	732,202	1,042,146
Total as at 31 December 2024	33,995	1,373,291	39,533,675	732,202	41,673,163

36. Fair value of assets and liabilities (cont'd)

(c) *Financial instruments classification (cont'd)*

2023	Financial assets at fair value: Held-for-trading S$'000	Financial assets at fair value: Designated at fair value through profit or loss S$'000	Financial assets at fair value: Other comprehensive Income ("FVOCI") S$'000	Financial assets at amortised cost S$'000	Carrying amount S$'000
Financial assets					
Cash and balances with central bank	-	-	-	1,148,184	1,148,184
Government securities and treasury bills	-	-	2,021,815	1,720,598	3,742,413
Other debt securities	-	-	98,196	162,658	260,854
Balances and placements with and loans to banks	-	-	-	104,838	104,838
Bills receivable	-	-	-	1,481	1,481
Loans and advances to non-bank customers	-	-	-	24,767,346	24,767,346
Amounts due from related corporations	-	-	-	8,921,468	8,921,468
Other assets	26,278	-	-	120,043	146,321
Total as at 31 December 2023	26,278	-	2,120,011	36,946,616	39,092,905

2023	Financial liabilities at fair value: Held-for-trading S$'000	Financial liabilities at fair value: Designated at fair value through profit or loss S$'000	Financial liabilities at amortised cost S$'000	Carrying amount S$'000
Financial liabilities				
Amounts due to central bank	-	-	57,098	57,098
Deposits of non-bank customers	-	1,870,583	33,373,938	35,244,521
Bills payable	-	-	130,649	130,649
Amounts due to related corporations	-	-	8,388	8,388
Other liabilities	63,180	-	84,690	147,870
Lease liabilities	-	-	57,717	57,717
Subordinated notes	-	-	504,916	504,916
Debt securities issued	-	-	639,385	639,385
Total as at 31 December 2023	63,180	1,870,583	34,856,781	36,790,544

37. Non-current assets and liabilities

Non-current assets and liabilities of the Group are set out below. Assets and liabilities other than those disclosed below are current:

	Group and Bank	
	2024	2023
	S$'000	S$'000
Liabilities		
Deposits of non-bank customers	2,033,821	2,680,767
Lease liabilities	61,234	49,882
Subordinated notes	504,916	504,916
Amounts due to central bank	-	-
Secured debt securities designated as fair value hedge	732,202	-
	3,332,173	3,235,565
Assets		
Government securities and treasury bills	1,362,748	1,623,108
Other debt securities	170,681	216,320
Loans and advances to non-bank customers	24,605,511	21,680,467
Amount due from related corporations	1,553,831	914,467
Deferred tax assets	1,189	3,028
Intangible assets	84,675	73,659
Right-of-use assets	58,948	48,900
Property, plant and equipment	29,462	24,222
	27,867,045	24,584,171

38. Cash and cash equivalents

For the purposes of the statement of cash flows, cash equivalents are short-term liquid assets which are readily convertible into cash. Cash and cash equivalents comprise the following:

	Group and Bank	
	2024	2023
	S$'000	S$'000
Cash on hand and non-restricted balances with central bank	1,134,802	1,008,184
Balances and placements with and loans to banks maturing within 3 months	150,710	104,898
Money market balances with related corporations maturing within 3 months	4,755,559	7,714,700
Total cash and cash equivalents	6,041,071	8,827,782
Expected credit loss on cash and cash equivalents	(5,337)	(9,580)
	6,035,734	8,818,202

39. Capital management

The Group's capital management strategy is based on guidelines set out in the Capital Management Framework, Capital Contingency Plan and Annual Capital Plan, all of which are formally approved by the Board. The capital requirements are mapped out on an annual basis via the Annual Capital Plan with the key objective to optimise and to maintain a strong capital position to meet the expectation of various stakeholders.

	Group and Bank	
	2024	**2023**
	S$'000	S$'000
Share capital	2,000,000	2,000,000
Retained earnings	368,377	320,636
	2,368,377	2,320,636

The Board maintains oversight of the regulatory capital of the Group in line with regulatory requirements under the Monetary Authority of Singapore Notice to Banks No. 637 "*Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore*" and expectations of various stakeholders such as regulators. In accordance with 637, the Group is required to comply with leverage ratio requirements based on its standalone capital strength, as well as minimum Common Equity Tier 1 Capital Adequacy Ratio ("CAR") of 6.5%, minimum Tier 1 CAR of 8% and total CAR of 10%. As at 31 December 2024, the capital adequacy ratios of the Group are as follows:

	2024	**2023**
	%	%
CET1 capital ratio	16.2	14.5
Tier 1 capital ratio	16.2	14.5
Total capital ratio	20.2	18.3

The Group has complied with all externally-imposed regulatory capital requirements as at the financial year-end.

40. Related party transactions

In the normal course of banking business, the Group has carried out transactions with its related corporations on terms as agreed between the parties.

In addition to the related parties transactions disclosed elsewhere in the consolidated financial statements, the Group had the following significant related party transactions, on terms agreed and determined by the parties:

Key management remuneration

The remuneration of key management personnel comprises short-term employee benefits of S$8,701,000 (2023: S$8,220,000), post-employment benefits of S$222,000 (2023: S$266,000).

There was S$3,747,000 (2023: S$3,371,000) of credit facilities provided to key management personnel as of 31 December 2024. These credit facilities are also made available to other employees of the Group.

41. Operating segments

The Group's business consists of the Community Financial Services for Singapore, which includes the retail, private wealth and SME banking businesses.

42. Authorisation of consolidated financial statements

The consolidated financial statements were authorised for issue by the Board of Directors on 19 February 2025.

Company Registration No. 201804195C

Maybank Singapore Limited

The following supplementary information does not form part of the financial statement of the Group

31 December 2024

Capital adequacy ratios

The capital adequacy ratio and capital components of the Group are:

	2024 %	2023 %
CET1 capital ratio	16.2	14.5
Tier 1 capital ratio	16.2	14.5
Total capital ratio	20.2	18.3

	2024 S$'000	2023 S$'000
Share capital	2,000,000	2,000,000
Disclosed reserve	370,350	321,986
Regulatory adjustments	(1,189)	(3,028)
Common Equity Tier 1 capital ("CET1")	2,369,161	2,318,958
Tier 1 capital	2,369,161	2,318,958
Subordinated notes	500,000	500,000
Provisions	92,824	108,689
Tier 2 capital	592,824	608,689
Eligible total capital	2,961,985	2,927,647
Total RWA	14,645,916	16,030,229

The Group maintains two categories of regulatory capital:

- CET 1 Capital comprises paid-up ordinary share capital.
- Tier 2 Capital comprises accounting provisions in excess of MAS Notice 637 expected loss.