

FHC-N608

29 June 2022

NOTICE TO DESIGNATED FINANCIAL HOLDING COMPANIES FINANCIAL HOLDING COMPANIES ACT 2013

Disclosure in Financial Statements

1 This Notice is issued pursuant to section 60(1) of the Financial Holding Companies Act [“the Act”] and applies to all designated financial holding companies that have a subsidiary that is a bank incorporated in Singapore (referred to in this Notice as “designated FHC with bank subsidiary” or “DFHC (Bank)”)¹.

Definitions

2 For the purposes of this Notice –

"Accounting Standards" has the same meaning as in section 4 of the Companies Act (Cap. 50); and

3 The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same meanings as in the Act.

Disclosure Requirements Applicable to a DFHC(Bank)

4 Every DFHC (Bank) must, apart from complying with the requirements set out in the Companies Act, including the disclosure requirements specified in the Accounting Standards, disclose in its financial statements, the gross aggregate amount of all credit facilities granted by the FHC group that are classified as sub-standard, doubtful or loss in accordance with paragraph 4.2(c)-(e) of MAS Notice 612 on Credit Files, Grading and Provisioning respectively.

5 A DFHC (Bank) must disclose the following information for the FHC group in its financial statements:

- (a) Geographical Analysis - an analysis of the total assets and total income or profit before or after tax according to the following geographical areas, which must

¹ This Notice sets out certain disclosure requirements that apply to DFHC (Bank) in addition to the requirements relating to financial statements as specified in the Companies Act, including the Accounting Standards prescribed under the Companies Act. The presentation and layout of the financial statements is a matter for DFHC (Bank) to decide in consultation with their auditors. DFHC (Bank) may disclose other information in their financial statements, in addition to those specified in this Notice.

be based on the location of the branch or office booking the assets or reporting the results:

- (i) Singapore;
- (ii) other ASEAN countries;
- (iii) other Asia Pacific countries; and
- (iv) the rest of the world;

(b) Industrial Analysis - an analysis of the loans and advances according to the following industry groups:

- (i) manufacturing;
- (ii) building and construction;
- (iii) housing;
- (iv) general commerce;
- (v) transport, storage and communication;
- (vi) financial institutions;
- (vii) professional and private individuals (except housing loans); and
- (viii) others;

(c) Maturity Analysis - an analysis of loans (bank and non-bank) and deposits (bank and non-bank) according to the following maturity bands, which must be based on the remaining period to the contractual maturity date on the date of the balance sheet:

- (i) maturing within 7 days;
- (ii) maturing after 7 days but within 1 month;
- (iii) maturing after 1 month but within 3 months;
- (iv) maturing after 3 months but within 1 year;
- (v) maturing after 1 year but within 3 years;
- (vi) maturing after 3 years.

6 A DFHC (Bank) must, in addition to the requirements specified in paragraphs 4 and 5, disclose the following information for the FHC group as supplementary information to its financial statements:

(a) Capital Adequacy Ratio - the following information on the capital adequacy ratio and components as defined in Notice FHC-N637 on Risk Based Capital Adequacy Requirements for Designated Financial Holding Companies:

- (i) Common Equity Tier 1 Capital;
- (ii) Additional Tier 1 Capital;

- (iii) Tier 1 Capital;
- (iv) Tier 2 Capital;
- (v) Capital ratios; and
- (vi) Risk-weighted assets;

- (b) Financial Review - a financial review section covering subjects such as business description, analyses of results, risk management and any other pertinent information.

Commencement Date of Notice

7 This Notice takes effect on 1 July 2022.