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# FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

First quarter financial statements on consolidated results for the period ended 31 March 2020. These figures have not been audited.

# 1(a)(i) Unaudited Consolidated Statement of Profit or Loss for the Quarter ended 31 March 2020

Revenue         22,033         20,467         7.7           Interest income and hiring charges         22,033         20,467         7.7           Interest expense         (11,054)         (9,373)         17.9           Net interest income and hiring charges         10,979         11,094         (10.0           Pees and commissions         422         258         63.6           Dividends         1         1         0.0           Rental income from investment properties         824         824         0.0           Other income         170         202         (15.8)           Income before operating expenses         12,396         12,379         0.1           Staff costs         (4,137)         (3,956)         4.6           Depreciation of property, plant and equipment         (437)         (2277)         92.5           Depreciation of investment properties         (94)         (94)         0.0           Depreciation of right of use assets         (7)         (7)         0.0           Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         5,517         5,915         (6.7)           Rental from operations before allowances         (548)		1st Qtr 2020	1st Qtr 2019	+/-
Interest income and hiring charges   22,033   20,467   7.7     Interest expense   (11,054)   (9,373)   17.9     Net interest income and hiring charges   10,979   11,094   (1.0)     Fees and commissions   422   258   63.6     Dividends   1		\$'000	\$'000	%
Interest expense         (11,054)         (9,373)         17.9           Net interest income and hiring charges         10,979         11,094         (1.0)           Fees and commissions         422         258         63.6           Dividends         1         1         0         0           Rental income from investment properties         824         824         0.0           Other income         170         202         (15.8)           Income before operating expenses         12,396         12,379         0.1           Staff costs         (4,137)         (3,956)         4.6           Experication of property, plant and equipment         (437)         (227)         92.5           Depreciation of right of use assets         (7)         (7)         0.0           Other operating expenses         (6,879)         (6,464)         1.1           Total Operating Expenses         (5,879)         (6,464)         6.4           Profit from operations before allowances         (5,517)         5,915         (6,7)           (Allowances for) / Write-back of credit losses on loans and other assets         (548)         5,942         (16.4)           Income tax expense         (857)         (978)         (12.4)	Revenue			
Net interest income and hiring charges         10,979         11,094         (1.0)           Fees and commissions         422         258         63.6           Dividends         1         1         0.0           Rental income from investment properties         824         824         0.0           Other income         170         202         (15.8)           Income before operating expenses         12,396         12,379         0.1           Staff costs         (4,137)         (3,956)         4.6           Depreciation of property, plant and equipment         (437)         (227)         92.5           Depreciation of investment properties         (94)         (94)         0.0           Depreciation of right of use assets         (77)         (7)         0.0           Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances         5,517         5,915         (6.7)           (Allowances for) / Write-back of credit losses on loans and other assets         (548)         27         NM           Profit for the period attributable to equity holders of the Company         4,112         4,964         (	Interest income and hiring charges	22,033	20,467	7.7
Pees and commissions	Interest expense	(11,054)	(9,373)	17.9
Dividends         1         1         0.0           Rental income from investment properties         824         824         0.0           Other income         170         202         (15.8)           Income before operating expenses         12,396         12,379         0.1           Staff costs         (4,137)         (3,956)         4.6           Depreciation of property, plant and equipment         (437)         (227)         92.5           Depreciation of investment properties         (94)         (94)         0.0           Depreciation of right of use assets         (7)         (7)         0.0           Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances         (5,517)         5,915         (6,7)           (Allowances for) / Write-back of credit losses on loans and other assets         (548)         27         NM           Profit before income tax         4,969         5,942         (16.4)           Income tax expense         (857)         (978)         (12.4)           Profit for the period attributable to equity holders of the Company         4,112         4,964 <td< th=""><th>Net interest income and hiring charges</th><th>10,979</th><th>11,094</th><th>(1.0)</th></td<>	Net interest income and hiring charges	10,979	11,094	(1.0)
Rental income from investment properties         824         824         0.0           Other income         170         202         (15.8)           Income before operating expenses         12,396         12,379         0.1           Staff costs         (4,137)         (3,956)         4.6           Depreciation of property, plant and equipment         (437)         (227)         92.5           Depreciation of investment properties         (94)         (94)         0.0           Depreciation of right of use assets         (7)         (7)         0.0           Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances         5,517         5,915         (6,7)           (Allowances for) / Write-back of credit losses on loans and other assets         (548)         27         NM           Profit before income tax         4,969         5,942         (16.4)           Income tax expense         (857)         (978)         (12.4)           Profit for the period attributable to equity holders of the Company         4,112         4,964         (17.2)           NM: Not Meaningful	Fees and commissions	422	258	63.6
Other income         170         202         (15.8)           Income before operating expenses         12,396         12,379         0.1           Staff costs         (4,137)         (3,956)         4.6           Depreciation of property, plant and equipment         (437)         (227)         92.5           Depreciation of investment properties         (94)         (94)         0.0           Depreciation of injust of use assets         (7)         (7)         0.0           Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances         5,517         5,915         (6,7)           (Allowances for) / Write-back of credit losses on loans and other assets         (548)         27         NM           Profit before income tax         4,969         5,942         (16.4)           Income tax expense         (857)         (978)         (12.4)           Profit for the period attributable to equity holders of the Company         4,112         4,964         (17.2)           NM: Not Meaningful           1(a)(ii) Earnings Per Share of the Group           1 st Qtr 2020         201	Dividends	1	1	0.0
Income before operating expenses         12,396         12,379         0.1           Staff costs         (4,137)         (3,956)         4.6           Depreciation of property, plant and equipment         (437)         (227)         92.5           Depreciation of investment properties         (94)         (94)         0.0           Depreciation of right of use assets         (7)         (7)         0.0           Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances         (5,87)         5,915         (6.7)           (Allowances for) / Write-back of credit losses on loans and other assets         (548)         27         NM           Profit before income tax         4,969         5,942         (16.4)           Income tax expense         (857)         (978)         (12.4)           Profit for the period attributable to equity holders of the Company         4,112         4,964         (17.2)           NM: Not Meaningful         1st Qtr 2020         2019           Annualised earnings per share (cents)         10.43         12.60	Rental income from investment properties	824	824	0.0
Staff costs       (4,137)       (3,956)       4.6         Depreciation of property, plant and equipment       (437)       (227)       92.5         Depreciation of investment properties       (94)       (94)       0.0         Depreciation of right of use assets       (7)       (7)       0.0         Other operating expenses       (2,204)       (2,180)       1.1         Total Operating Expenses       (6,879)       (6,464)       6.4         Profit from operations before allowances (Allowances for) / Write-back of credit losses on loans and other assets       (548)       27       NM         Profit before income tax       4,969       5,942       (16.4)         Income tax expense       (857)       (978)       (12.4)         Profit for the period attributable to equity holders of the Company       4,112       4,964       (17.2)         NM: Not Meaningful       1st Qtr 2020       2019         Annualised earnings per share (cents)       - Basic       10.43       12.60	Other income			(15.8)
Depreciation of property, plant and equipment       (437)       (227)       92.5         Depreciation of investment properties       (94)       (94)       0.0         Depreciation of right of use assets       (7)       (7)       0.0         Other operating expenses       (2,204)       (2,180)       1.1         Total Operating Expenses       (6,879)       (6,464)       6.4         Profit from operations before allowances       5,517       5,915       (6.7)         (Allowances for) / Write-back of credit losses on loans and other assets       (548)       27       NM         Profit before income tax       4,969       5,942       (16.4)         Income tax expense       (857)       (978)       (12.4)         Profit for the period attributable to equity holders of the Company       4,112       4,964       (17.2)         NM: Not Meaningful       1st Qtr       1st Qtr       2020       2019         Annualised earnings per share (cents)       10.43       12.60	Income before operating expenses	•	12,379	0.1
Depreciation of investment properties   (94)   (94)   (94)   (90)   (94)   (14)   (1	Staff costs	(4,137)	(3,956)	4.6
Depreciation of right of use assets         (7)         (7)         0.0           Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances (Allowances for) / Write-back of credit losses on loans and other assets         (548)         27         NM           Profit before income tax Income tax expense         4,969         5,942         (16.4)           Profit for the period attributable to equity holders of the Company         4,112         4,964         (17.2)           NM: Not Meaningful         1st Qtr 2020         1st Qtr 2019         1st Qtr 2020         2019           Annualised earnings per share (cents)         10.43         12.60		• •	, ,	92.5
Other operating expenses         (2,204)         (2,180)         1.1           Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances (Allowances for) / Write-back of credit losses on loans and other assets         5,517         5,915         (6.7)           (Allowances for) / Write-back of credit losses on loans and other assets         (548)         27         NM           Profit before income tax         4,969         5,942         (16.4)           Income tax expense         (857)         (978)         (12.4)           Profit for the period attributable to equity holders of the Company         4,112         4,964         (17.2)           NM: Not Meaningful           1st Qtr 1st Qtr 2020         2019           Annualised earnings per share (cents)           - Basic         10.43         12.60	·	(94)	(94)	0.0
Total Operating Expenses         (6,879)         (6,464)         6.4           Profit from operations before allowances (Allowances for) / Write-back of credit losses on loans and other assets (548)         5,517         5,915         (6.7)           (Allowances for) / Write-back of credit losses on loans and other assets (548)         27         NM           Profit before income tax (857)         (978)         (16.4)           Income tax expense         (857)         (978)         (12.4)           Profit for the period attributable to equity holders of the Company         4,112         4,964         (17.2)           NM: Not Meaningful         1st Qtr 2020         2019           Annualised earnings per share (cents)         1st Qtr 2020         2019           Annualised earnings per share (cents)         10.43         12.60	•			0.0
Profit from operations before allowances (Allowances for) / Write-back of credit losses on loans and other assets (548) 27 NM Profit before income tax Income tax expense (857) (978) (12.4)  Profit for the period attributable to equity holders of the Company  NM: Not Meaningful  1(a)(ii) Earnings Per Share of the Group  Annualised earnings per share (cents) - Basic  10.43 12.60				
(Allowances for) / Write-back of credit losses on loans and other assets Profit before income tax Income tax expense  Profit for the period attributable to equity holders of the Company  NM: Not Meaningful  1(a)(ii) Earnings Per Share of the Group  Annualised earnings per share (cents) - Basic  (548) 27 NM  (16.4) (17.2)  NM: Not Meaningful  4,112 4,964 (17.2)  1st Qtr 2020 2019  1st Qtr 2020 2019	Total Operating Expenses	(6,879)	(6,464)	6.4
(Allowances for) / Write-back of credit losses on loans and other assets Profit before income tax Income tax expense  Profit for the period attributable to equity holders of the Company  NM: Not Meaningful  1(a)(ii) Earnings Per Share of the Group  Annualised earnings per share (cents) - Basic  (548) 27 NM  (16.4) (17.2)  NM: Not Meaningful  4,112 4,964 (17.2)  1st Qtr 2020 2019  1st Qtr 2020 2019	Profit from operations before allowances	5,517	5,915	(6.7)
Income tax expense (857) (978) (12.4)  Profit for the period attributable to equity holders of the Company 4,112 4,964 (17.2)  NM: Not Meaningful  1(a)(ii) Earnings Per Share of the Group  1st Qtr 1st Qtr 2020 2019  Annualised earnings per share (cents) - Basic 10.43 12.60	(Allowances for) / Write-back of credit losses on loans and other assets	(548)	27	NM
Income tax expense (857) (978) (12.4)  Profit for the period attributable to equity holders of the Company 4,112 4,964 (17.2)  NM: Not Meaningful  1(a)(ii) Earnings Per Share of the Group  1st Qtr 1st Qtr 2020 2019  Annualised earnings per share (cents) - Basic 10.43 12.60	Profit before income tax	4,969	5,942	(16.4)
NM: Not Meaningful  1(a)(ii) Earnings Per Share of the Group  1st Qtr 1st Qtr 2020 2019  Annualised earnings per share (cents) - Basic 10.43 12.60	Income tax expense	(857)	(978)	, ,
1(a)(ii) Earnings Per Share of the Group         1st Qtr 2020 2019         Annualised earnings per share (cents)         - Basic       10.43 12.60	Profit for the period attributable to equity holders of the Company	4,112	4,964	(17.2)
1st Qtr   2020   2019	NM: Not Meaningful			
2020       2019         Annualised earnings per share (cents)       10.43       12.60         - Basic       10.43       12.60	1(a)(ii) Earnings Per Share of the Group			
Annualised earnings per share (cents) - Basic 10.43 12.60				
- Basic 10.43 12.60		2020	2019	
	Annualised earnings per share (cents)			
- Diluted 10.43 12.60	- Basic	10.43	12.60	
	- Diluted	10.43	12.60	

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 157,625,764 (31 March 2019: 157,625,764) shares.

There are no potential dilutive ordinary shares for the periods ended 31 March 2020 and 2019.



# 1(b) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter ended 31 March 2020

	1st Qtr 2020	1st Qtr 2019	+/(-)
	\$'000	\$'000	%
Profit for the period	4,112	4,964	(17.2)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on disposal of equity investments at FVOCI	-	10	NM
Net change in fair value of Equity Investments at FVOCI	(1,080)	56	NM
Income tax relating to items that will not be reclassified			
subsequently to profit or loss	183	(11)	NM
	(897)	55	NM
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of Debt Investments at FVOCI	4,102	(838)	NM
Income tax relating to items that may be reclassified			
subsequently to profit or loss	(697)	142	NM
	3,405	(696)	NM
Other comprehensive income for the year - net of tax	2,508	(641)	NM
Total comprehensive income for the year	6,620	4,323	53.1

NM: Not meaningful

FVOCI: Fair Value through Other Comprehensive Income



# 2(a) Statements of Financial Position as at 31 March 2020

	Group		Company		
	31 Mar	31 Dec	31 Mar	31 Dec	
	2020	2019	2020	2019	
	\$'000	\$'000	\$'000	\$'000	
<u>ASSETS</u>					
Cash on deposit, at banks and in hand	364,025	282,862	363,977	282,798	
Statutory deposit with the Monetary Authority					
of Singapore ("MAS")	67,179	69,623	67,179	69,623	
Singapore Government Securities and MAS bills	298,915	316,316	298,915	316,316	
Equity Securities	3,827	4,621	3,565	4,231	
Loans and advances	2,147,793	2,186,617	2,147,793	2,186,617	
Other receivables, deposits and prepayments	6,324	7,815	6,324	7,815	
Subsidiary	-	-	25	25	
Property, plant and equipment	25,456	25,378	25,456	25,378	
Investment properties	22,469	22,564	22,469	22,564	
Total assets	2,935,988	2,915,796	2,935,703	2,915,367	
LIABILITIES AND EQUITY					
Deposits and balances of customers	2,507,985	2,497,637	2,508,755	2,498,401	
Other liabilities	30,775	30,421	30,305	29,941	
Enterprise Singapore loans (unsecured)	10,048	10,007	10,048	10,007	
Provision for employee benefits	598	598	598	598	
Current tax payable	3,709	1,393	3,709	1,393	
Deferred tax liabilities	3,272	2,759	3,238	2,703	
Total liabilities	2,556,387	2,542,815	2,556,653	2,543,043	
Equity attributable to equity holders of the Company					
Share capital	180,008	180,008	180,008	180,008	
Reserves	199,593	192,973	199,042	192,316	
Total equity	379,601	372,981	379,050	372,324	
Total liabilities and equity	2,935,988	2,915,796	2,935,703	2,915,367	
Off-balance sheet items					
Undrawn loan commitments	561,205	432,494	561,205	432,494	
Guarantees issued	1,699	2,009	1,699	2,009	
Total off-balance sheet items	562,904	434,503	562,904	434,503	
2(b) Net asset value per ordinary share (\$)	2.41	2.37	2.40	2.36	

The net asset value per ordinary share of the Group and of the Company is calculated based on the net assets of the Group and of the Company and the number of ordinary shares in issue of 157,625,764 (31 December 2019: 157,625,764) shares.



# 3 Consolidated Statement of Cash Flows for the Quarter ended 31 March 2020

Operating activities         2020         2019           Profit before income tax         4,969         5,942           Adjustments for:         Impact of accrual of interest income         1,472         1,292           Impact of accrual of interest expense         (718)         3,610           Interest expense on lease liabilities         1         -           Depreciation of property, plant and equipment         437         227           Depreciation of inybestment properties         94         94           Depreciation of ing to use assets         7         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities         1         7         9,985)           Other liabilities         1,106         948         94         94         94           Enterprise Singapore loans         1,1         1,459         14         76         9,985)         14         1,459         12         1,459         5,379         1,459         1,259         5,379         1,459         1,259		1st Qtr	1st Qtr
Operating activities           Profit before income tax         4,969         5,942           Adjustments for:         Impact of accrual of interest income         1,472         1,292           Impact of accrual of interest expense         (718)         3,610           Interest expense on lease liabilities         1         -           Depreciation of property, plant and equipment         437         227           Depreciation of investment properties         94         94           Depreciation of injet of use assets         7         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)         (1)           Operating assh flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities         1         (9,985)           Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Statutory deposits with the MAS         2,444         1,235           Statutory	<u>-</u>	2020	2019
Profit before income tax         4,969         5,942           Adjustments for:         1,472         1,292           Impact of accrual of interest expense         (718)         3,610           Interest expense on lease liabilities         1         -           Depreciation of property, plant and equipment         437         227           Depreciation of investment properties         94         94           Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities         10,347         (9,985)           Other liabilities         10,347         (9,985)           Other liabilities         11,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         (111)         (2,129)           Other assets         (111)         (2,		\$'000	\$'000
Adjustments for:         Impact of accrual of interest income         1,472         1,292           Impact of accrual of interest expense         (718)         3,610           Interest expense on lease liabilities         1         -           Depreciation of property, plant and equipment         437         227           Depreciation of inyestment properties         94         94           Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities         Total contract the contract of contr	Operating activities		
Impact of accrual of interest expense         1,472         1,292           Impact of accrual of interest expense         (718)         3,610           Interest expense on lease liabilities         1         -           Depreciation of property, plant and equipment         437         227           Depreciation of investment properties         94         94           Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities         10,347         (9,985)           Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         24,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         (111)         (2,129)           Cash generated from operating activities         80,511         38,674	Profit before income tax	4,969	5,942
Impact of accrual of interest expense         (718)         3,610           Interest expense on lease liabilities         1         -           Depreciation of property, plant and equipment         437         227           Depreciation of investment properties         94         94           Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities	Adjustments for:		
Interest expense on lease liabilities         1         - 1           Depreciation of property, plant and equipment         437         227           Depreciation of investment properties         94         94           Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities           Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Statutory deposits with the MAS         2,444         1,235           Statutory deposits with the MAS         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Net cash generated from operating activities         81,970         38,686           Purchase of property, plant and equipment and invest	Impact of accrual of interest income	1,472	1,292
Depreciation of property, plant and equipment         437         227           Depreciation of investment properties         94         94           Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities	Impact of accrual of interest expense	(718)	3,610
Depreciation of investment properties         94         94           Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities         8         10,347         (9,985)           Other liabilities         1,106         948         948           Enterprise Singapore loans         41         76         76           Statutory deposits with the MAS         2,444         1,235         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         (515)         (336)           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)	Interest expense on lease liabilities	1	-
Depreciation of right of use assets         7         7           Allowances for / (Write-back of) credit losses on loans and other assets         552         (27)           Dividends         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities           Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           <	Depreciation of property, plant and equipment	437	227
Allowances for / (Write-back of) credit losses on loans and other assets         552 (27)           Dividends         (1) (1)           Operating cash flows before movements in working capital         6,813 11,144           Changes in operating assets and liabilities         Statutory deposits and balances of customers         10,347 (9,985)           Other liabilities         1,106 948           Enterprise Singapore loans         41 76           Statutory deposits with the MAS         2,444 1,235           Singapore Government Securities and MAS bills         21,599 5,379           Loans and advances         38,272 32,006           Other assets         (111) (2,129)           Loash generated from operating activities         80,511 38,674           Income taxes refund         1,459 12           Net cash generated from operating activities         81,970 38,686           Investing activities         (515) (336)           Purchase of property, plant and equipment and investment properties         (515) (336)           Purchase of equity securities         (286) -           Dividends received         1 1         1           Proceeds from disposal of equity securities         (800) (325)           Financing activities         (7) (7)           Cash payments of lease liabilities         (7) (7)	Depreciation of investment properties	94	94
Dividends         (1)         (1)           Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities           Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Purchase of equity securities         -         10           Net cash used in investing activities         (800)         (325)           Financing activities </td <td>Depreciation of right of use assets</td> <td>7</td> <td>7</td>	Depreciation of right of use assets	7	7
Operating cash flows before movements in working capital         6,813         11,144           Changes in operating assets and liabilities         10,347         (9,985)           Other liabilities         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         (515)         (336)           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1           Proceeds from disposal of equity securities         (800)         (325)           Financing activities         (7)         (7) </td <td>Allowances for / (Write-back of) credit losses on loans and other assets</td> <td>552</td> <td>(27)</td>	Allowances for / (Write-back of) credit losses on loans and other assets	552	(27)
Changes in operating assets and liabilities           Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         (515)         (336)           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1           Proceeds from disposal of equity securities         -         10           Net cash used in investing activities         (800)         (325)           Financing activities         (7)         (7)           Cash payments of lease	Dividends	(1)	(1)
Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         (515)         (336)           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1           Net cash used in investing activities         (800)         (325)           Financing activities         (800)         (325)           Financing activities         (7)         (7)           Cash payments of lease liabilities         (7)         (7)           Cash payments of	Operating cash flows before movements in working capital	6,813	11,144
Deposits and balances of customers         10,347         (9,985)           Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         (515)         (336)           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1           Net cash used in investing activities         (800)         (325)           Financing activities         (800)         (325)           Financing activities         (7)         (7)           Cash payments of lease liabilities         (7)         (7)           Cash payments of	Changes in operating assets and liabilities		
Other liabilities         1,106         948           Enterprise Singapore loans         41         76           Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         (515)         (336)           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1           Proceeds from disposal of equity securities         -         10           Net cash used in investing activities         (800)         (325)           Financing activities         (7)         (7)           Cash payments of lease liabilities         (7)         (7)           Net cash used in financing activities         (7)         (7)           Net i		10,347	(9,985)
Statutory deposits with the MAS         2,444         1,235           Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         (515)         (336)           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1         1           Proceeds from disposal of equity securities         -         10           Net cash used in investing activities         (800)         (325)           Financing activities           Cash payments of lease liabilities         (7)         (7)           Net cash used in financing activities         (7)         (7)           Net increase in cash and cash equivalents         81,163         38,354           Cash and cash equivalents at beginning of the year         282,862 <t< td=""><td>Other liabilities</td><td>1,106</td><td>948</td></t<>	Other liabilities	1,106	948
Singapore Government Securities and MAS bills         21,599         5,379           Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         Value         Value           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1         1           Proceeds from disposal of equity securities         -         10           Net cash used in investing activities         (800)         (325)           Financing activities         (7)         (7)           Cash payments of lease liabilities         (7)         (7)           Net cash used in financing activities         (7)         (7)           Net increase in cash and cash equivalents         81,163         38,354           Cash and cash equivalents at beginning of the year         282,862         317,119	Enterprise Singapore loans	41	76
Loans and advances         38,272         32,006           Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         \$1,970         38,686           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1         1           Proceeds from disposal of equity securities         -         10           Net cash used in investing activities         (800)         (325)           Financing activities         (7)         (7)           Cash payments of lease liabilities         (7)         (7)           Net cash used in financing activities         (7)         (7)           Net increase in cash and cash equivalents         81,163         38,354           Cash and cash equivalents at beginning of the year         282,862         317,119		2,444	1,235
Other assets         (111)         (2,129)           Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         2         4           Purchase of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1         1           Proceeds from disposal of equity securities         -         10         1         1           Net cash used in investing activities         (800)         (325)         (325)           Financing activities         (7)         (7)         (7)           Net cash used in financing activities         (7)         (7)         (7)           Net increase in cash and cash equivalents         81,163         38,354           Cash and cash equivalents at beginning of the year         282,862         317,119	Singapore Government Securities and MAS bills	21,599	5,379
Cash generated from operating activities         80,511         38,674           Income taxes refund         1,459         12           Net cash generated from operating activities         81,970         38,686           Investing activities         Variable of property, plant and equipment and investment properties         (515)         (336)           Purchase of equity securities         (286)         -           Dividends received         1         1           Proceeds from disposal of equity securities         -         10           Net cash used in investing activities         (800)         (325)           Financing activities         (7)         (7)           Cash payments of lease liabilities         (7)         (7)           Net cash used in financing activities         (7)         (7)           Net increase in cash and cash equivalents         81,163         38,354           Cash and cash equivalents at beginning of the year         282,862         317,119	Loans and advances	38,272	32,006
Income taxes refund1,45912Net cash generated from operating activities81,97038,686Investing activitiesPurchase of property, plant and equipment and investment properties(515)(336)Purchase of equity securities(286)-Dividends received11Proceeds from disposal of equity securities-10Net cash used in investing activities(800)(325)Financing activities(7)(7)Net cash used in financing activities(7)(7)Net cash used in financing activities(7)(7)Net increase in cash and cash equivalents81,16338,354Cash and cash equivalents at beginning of the year282,862317,119	Other assets	(111)	(2,129)
Net cash generated from operating activities81,97038,686Investing activitiesPurchase of property, plant and equipment and investment properties(515)(336)Purchase of equity securities(286)-Dividends received11Proceeds from disposal of equity securities-10Net cash used in investing activities(800)(325)Financing activitiesCash payments of lease liabilities(7)(7)Net cash used in financing activities(7)(7)Net increase in cash and cash equivalents81,16338,354Cash and cash equivalents at beginning of the year282,862317,119	Cash generated from operating activities	80,511	38,674
Investing activities Purchase of property, plant and equipment and investment properties (515) (336) Purchase of equity securities (286) - Dividends received 1 1 1 Proceeds from disposal of equity securities - 10 Net cash used in investing activities (800) (325)  Financing activities Cash payments of lease liabilities (7) (7) Net cash used in financing activities (81,163) 38,354 Cash and cash equivalents at beginning of the year	Income taxes refund	1,459	12
Purchase of property, plant and equipment and investment properties  Purchase of equity securities  Dividends received  Proceeds from disposal of equity securities  Net cash used in investing activities  Cash payments of lease liabilities  Cash used in financing activities  (7)  Net cash used in financing activities  Ret cash used in financing activities  (7)  Ret cash used in financing activities  Ret cash used in financing activities  (7)  Ret cash used in financing activities  (7)  Ret cash used in financing activities  (7)  Ret increase in cash and cash equivalents	Net cash generated from operating activities	81,970	38,686
Purchase of property, plant and equipment and investment properties  Purchase of equity securities  Dividends received  Proceeds from disposal of equity securities  Net cash used in investing activities  Cash payments of lease liabilities  Cash used in financing activities  (7)  Net cash used in financing activities  Ret cash used in financing activities  (7)  Ret cash used in financing activities  Ret cash used in financing activities  (7)  Ret cash used in financing activities  (7)  Ret cash used in financing activities  (7)  Ret increase in cash and cash equivalents	Investing activities		
Purchase of equity securities  Dividends received  1 1 1  Proceeds from disposal of equity securities  Net cash used in investing activities  Cash payments of lease liabilities  Cash payments of lease liabilities  (7) (7)  Net cash used in financing activities  (7) (7)  Net cash used in financing activities  (800)	_	(515)	(336)
Dividends received Proceeds from disposal of equity securities Net cash used in investing activities  Financing activities Cash payments of lease liabilities Cash used in financing activities  (7) (7) Net cash used in financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at beginning of the year  282,862 317,119			(000)
Proceeds from disposal of equity securities  Net cash used in investing activities  (800) (325)  Financing activities  Cash payments of lease liabilities  (7) (7)  Net cash used in financing activities  (7) (7)  Net increase in cash and cash equivalents  Ret increase in cash and cash equivalents  Cash and cash equivalents at beginning of the year  282,862 317,119			1
Net cash used in investing activities  Financing activities  Cash payments of lease liabilities  Net cash used in financing activities  (7) (7)  Net cash used in financing activities  (7) (7)  Net increase in cash and cash equivalents  81,163 38,354  Cash and cash equivalents at beginning of the year  282,862 317,119		<u>.</u>	
Financing activities  Cash payments of lease liabilities  Net cash used in financing activities  (7) (7)  (7)  Net increase in cash and cash equivalents  Rational Structure (7) (7)  Structure (7) (7)  Rational Structure (7) (7) (7)  Rational Structure (7) (7) (7)  Rational Structure (7) (7) (7) (7)  Rational	<del>-</del>	(800)	
Cash payments of lease liabilities(7)(7)Net cash used in financing activities(7)(7)Net increase in cash and cash equivalents81,16338,354Cash and cash equivalents at beginning of the year282,862317,119		(000)	(020)
Net cash used in financing activities(7)(7)Net increase in cash and cash equivalents81,16338,354Cash and cash equivalents at beginning of the year282,862317,119	•		
Net increase in cash and cash equivalents  81,163  38,354  Cash and cash equivalents at beginning of the year  282,862  317,119	Cash payments of lease liabilities	(7)	(7)
Cash and cash equivalents at beginning of the year 282,862 317,119	Net cash used in financing activities	(7)	(7)
	Net increase in cash and cash equivalents	81,163	38,354
	Cash and cash equivalents at beginning of the year	282,862	317,119
· · · · · · · · · · · · · · · · · · ·	Cash and cash equivalents at end of the period	364,025	355,473



# 4 Statements of Changes in Equity for the Quarter ended 31 March 2020

			Regulatory Loss			
	Share	Statutory	Allowance	Fair value	Accumulated	
<u>_</u>	capital	reserve	Reserve	reserve	profits	Total
_	\$'000	\$'000		\$'000	\$'000	\$'000
Group						
2020						
2020 Balance at 1 January 2020	180,008	115,965	9,940	0.446	57,622	372,981
Total comprehensive income for the period	100,000	113,903	9,940	9,446	57,622	372,901
Profit for the period	_	_	_	_	4,112	4,112
Other comprehensive income for the period - net	_	_	_	2,508	7,112	2,508
Total				2,508	4,112	6,620
Transfer to Loss Allowance Reserve				-		- 0,020
Balance at 31 March 2020	180,008	115,965	9,940	11,954	61,734	379,601
_	,	7	- ,-	/	, ,	/
2019						
Balance at 1 January 2019	180,008	110,964	8,391	8,473	55,169	363,005
Total comprehensive income for the period						
Profit for the period	-	-	-	-	4,964	4,964
Other comprehensive income for the period - net	-	-	-	(649)	8	(641)
Total	-	-	-	(649)	4,972	4,323
Transfer to Loss Allowance Reserve	-	-	41	-	(41)	-
Balance at 31 March 2019	180,008	110,964	8,432	7,824	60,100	367,328
Company						
2020						
Balance at 1 January 2020	180,008	115,965	9,940	9,172	57,239	372,324
Total comprehensive income for the period	100,000	113,303	3,340	3,172	37,233	312,324
Profit for the period	_	_	_	-	4,111	4,111
Other comprehensive income for the period - net				2,615	-	2,615
Total	-	-	-	2,615	4,111	6,726
Transfer to Loss Allowance Reserve				-	-	-
Balance at 31 March 2020	180,008	115,965	9,940	11,787	61,350	379,050
2019						
Balance at 1 January 2019	180,008	110,964	8,391	8,243	54,799	362,405
Total comprehensive income for the period						
Profit for the period	-	-	-	·	4,964	4,964
Other comprehensive income for the period - net	-	-	-	(713)	4.070	(705)
Total	-	-	- 44	(713)	4,972	4,259
Transfer to Loss Allowance Reserve	100,000	440.004	9 422	7.500	(41)	200.004
Balance at 31 March 2019	180,008	110,964	8,432	7,530	59,730	366,664



#### 5. Accounting Policies

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as in the audited financial statements for the year ended 31 December 2019 except for the adoption of the new and revised "SFRS(I)s, and Interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2020. The adoption of these SFRS(I)s and SFRS(I) INTs does not have any material effect on the financial statements of the Group and the Company

#### 6. Review of Performance

The Group reported a net profit after tax of \$4.1 million for the first quarter of 2020, a decline of 17.2% as compared to the same period last year. The weaker performance was mainly due to higher general allowances, in view of the much weaker macroeconomic outlook, and increase in operating expenses.

Net interest income and hiring charges was marginally lower by 1.0% as the increase in the cost of deposits was largely cushioned by the higher loan balances vis-à-vis the two corresponding quarters.

Total operating expenses increased by 6.4% driven by higher staff costs and additional depreciation charges as a result of higher investments in technology infrastructure to support our digital transformation initiatives.

Additional net allowances for credit losses of \$0.5 million were made for current quarter compared to write back of \$0.03 million during the first quarter of 2019. The additional allowances were made primarily for the general allowances for non-impaired assets. This was contributed by the weaker macroeconomic outlook across economies in the current COVID-19 pandemic environment. The Group continues to maintain adequate loss allowances in respect of its loan portfolio and other assets.

The increase in the Other Comprehensive Income amounting to \$2.5 million is attributed primarily to the increase in the fair value of the Singapore Government Securities ('SGS") during the quarter. The Group purchases SGS as part of its liquid assets for the purposes of maintaining the minimum liquid assets required under the Finance Companies Act.

Loans and advances came down slightly by 1.8% or \$38.8 million during the quarter, from \$2.19 billion as at 31 December 2019 to \$2.15 billion as at 31 March 2020 in line with the slowdown in business activities during the latter half of the quarter. Customers' deposits and balances grew slightly by 0.4% to \$2.51 billion as at 31 March 2020 mainly due to our deposit promotion during the Chinese New Year period.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen which is likely to affect substantially the results of the operations of the Group and the Company in the interval between the end of the financial period and the date of this report.

# 7. Comments on Significant Trends and Competitive Conditions in the Industry

According to the Ministry of Trade and Industry ("MTI")'s advance GDP estimates on 26 March 2020, in the first quarter of 2020 with the onset of COVID-19 outbreak, Singapore economy shrank sharply by 10.6% on a quarter-on-quarter seasonally-adjusted annualised basis,. The GDP growth forecast for 2020 was also further downgraded to "-4.0% to -1.0%".

Since then, the COVID-19 pandemic situation in Singapore has worsened with the implementation of "circuit breaker" ("CB") and the extension of the CB to 1 June 2020. The MAS Macroeconomic Review published on 28 April 2020 reiterated the official 2020 negative growth forecast, but warned that there



are significant downside risks in the horizon and unemployment rate is expected to rise and wages could be cut. There is significant uncertainty over the duration and intensity of this recession.

During this period of the COVID-19 outbreak, MAS has been proactively working with financial institutions and financial industry associations in Singapore to provide support measures that will ease the financial strain on individuals and cash flow constraints faced by businesses during this difficult time.

The Group fully supports the MAS' credit relief measures as well as the low cost funding facilities by MAS for the Enterprise Singapore ("ESG") Enhanced Working Capital Loan and Temporary Bridging Loan schemes. Our credit marketing team has been working closely with our lending customers to tap on these ESG loan schemes as well as work out the temporary deferment of loan repayment instalment till the end of 2020.

For our deposit customers, the key focus would be their safety at our branch premises as well as encouraging them to make use of our digital platform so as to minimise the need to visit the branch.

Notwithstanding the current period of great turbulence, the Group is confident that with our strong capital and liquidity positions, the Group is well abled to support our customers with their financing as well as saving needs. In the current uncertain operating environment, the Group would also be extra vigilant and disciplined in our risk and cost management in order to emerge stronger at the end of the crisis.

#### 8. Dividend

No dividend has been recommended for the present financial period.

Dividend declared for the previous corresponding period – Nil.

Changes in the Company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for other purpose since the end of the previous period reported.

There has been no change in the Company's share capital arising from the above issues.

As at the end of the financial period, there were no outstanding convertibles (31 March 2019: Nil).

10. Sales, transfers, disposal, cancellation and /or use of treasury shares as at the end of the financial period.

Not applicable. During the financial period, no shares were held as treasury shares.

11. Shareholders' mandate for interested party transactions ("IPT")

The Group has not sought any shareholders' mandate for IPTs pursuant to Rule 920 of the SGX-ST Listing Manual.

12. SGX-ST Listing Manual Rule 720(1) – Procurement of undertakings to comply with listing rules from all directors and executive officers

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Company has procured undertakings to comply with the Exchange's listing rules from all its directors and executive officers.



# 13. Comparative Figures of the Group's Borrowings and Debt Securities

	As at 31	/03/2020	As at 31	/03/2019
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Enterprise Singapore Loans	-	10,048	-	9,782

# 14. Other Information

Amount of profits on any sale of investments, property, plant and equipment – Nil (1<sup>st</sup> Quarter 2019: \$10,000 gain from sale of equity investments)

By order of the Board

Lee Sze Leong Managing Director 06 May 2020

# **Directors' Confirmation**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results and the Company's statement of financial position and statement of changes in equity for the three months ended 31 March 2020 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong Managing Director 06 May 2020