



**THE INSTITUTE OF BANKING  
AND FINANCE**  
(Registration No. 197402045E)

**ANNUAL REPORT**

**YEAR ENDED DECEMBER 31, 2025**

**THE INSTITUTE OF BANKING AND FINANCE**  
*(Incorporated in Singapore)*

**ANNUAL REPORT**

C O N T E N T S

	<u>PAGE</u>
Council Members' Statement	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in members' fund	8
Statement of cash flows	9
Notes to the financial statements	10 - 31

## **THE INSTITUTE OF BANKING AND FINANCE**

### **COUNCIL MEMBERS' STATEMENT**

*For the financial year ended December 31, 2025*

The Council Members present their statement to the members together with the audited financial statements of The Institute of Banking and Finance (the "Institute") for the financial year ended December 31, 2025.

In the opinion of the Council Members,

- (a) the financial statements as set out on pages 6 to 31 are drawn up so as to give a true and fair view of the financial position of the Institute as at December 31, 2025 and of the financial performance, changes in members' fund and cash flows of the Institute for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

### **Council Members**

The Council Members in office at the date of this statement are as follows:

Chia Der Jiun, Chairman	
Tan Teck Long, Vice Chairman	(Appointed on April 1, 2026)
Dennis Tan Thean Oon	
Foo Piao Zhou	
Greg Hingston	(Appointed on April 1, 2026)
Jenny Sofian	
Lee Lung Nien	(Appointed on October 7, 2025)
Leong Sing Chiong	
Li Keya	
Loh Boon Chye	
Mok Lip Chih Teresa	(Appointed on October 7, 2025)
Patrick Lee Fook Yau	
Patrick Tay Teck Guan	
Tan Su Shan	
Wee Ee Cheong	
Wong Kee Joo	
Wong Sze Keed	

### **Council Members Contractual Benefits**

No Council Member has received or become entitled to receive benefits by reason of a contract made by the Institute with the Council Member or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

**THE INSTITUTE OF BANKING AND FINANCE**

**COUNCIL MEMBERS' STATEMENT**

*For the financial year ended December 31, 2025*

**Share Capital and Options**

The Institute does not have any share capital or share options.

**Independent Auditor**

A resolution for the reappointment of the Institute's auditor will be proposed at the forthcoming Annual General Meeting.

On behalf of the Council Members



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Chia Der Jiun  
Chairman



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Tan Teck Long  
Vice Chairman

April 30, 2026

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF BANKING AND FINANCE**

### **Report on the Audit of the Financial Statements**

#### **Our Opinion**

We have audited the financial statements of The Institute of Banking and Finance (the "Institute"), which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 31.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Singapore Charities Act 1994 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Institute as at December 31, 2025 and of the financial performance, changes in members' fund and cash flows of the Institute 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 Institute in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also 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.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the Council Members' Statement and Annual Report, 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 and will 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 on the other information, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF BANKING AND FINANCE**

### **Responsibilities of Management and Council Members for the Financial Statements**

Management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the provisions of the Act, the Charities Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Council Members' responsibilities include overseeing the Institute'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.
- 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 Institute'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 Institute'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 Institute to cease to continue as a going concern.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF BANKING AND FINANCE**

### **Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council Members 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 to be kept by the Institute have been properly kept in accordance with the provisions of the Act and the Charities Act.

*Deloitte & Touche LLP*

Public Accountants and  
Chartered Accountants  
Singapore

April 30, 2026

**THE INSTITUTE OF BANKING AND FINANCE**

**STATEMENT OF COMPREHENSIVE INCOME  
For the financial year ended December 31, 2025**

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		\$	\$
<b>Income</b>			
Fees from accreditation, examinations and events		4,904,985	4,843,800
Members' subscriptions		477,350	507,472
Gain on investments – net		1,420,744	160,938
Grants	15	13,954,551	14,104,846
Other income – net		674,132	654,044
<b>Total income</b>		<u>21,431,761</u>	<u>20,271,101</u>
<b>Expenditure</b>			
Expenses for accreditation, examinations and events		772,980	1,232,889
Salaries and staff expenses	4	12,482,709	12,447,896
Depreciation expense	13, 17	1,595,264	1,675,371
Professional fees	6	1,475,911	2,466,216
Electricity, telephone and postages		18,035	32,920
Data processing		72,426	66,138
IT and office repairs and maintenance	7	1,680,060	2,135,812
Office maintenance and administrative supplies		46,511	46,136
Other administrative expenses		31,570	41,619
Lease liability interest		103,536	101,413
<b>Total expenditure</b>		<u>18,279,002</u>	<u>20,246,410</u>
<b>Total comprehensive profit for the year</b>		<u>3,152,759</u>	<u>24,691</u>

There is no other comprehensive income for the financial year ended December 31, 2025 and December 31, 2024.

*See accompanying notes to financial statements.*

**THE INSTITUTE OF BANKING AND FINANCE**

**STATEMENT OF FINANCIAL POSITION  
As at December 31, 2025**

	Note	2025	2024
		\$	\$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and bank balances	9	52,382,263	30,561,221
Investments	10	29,701,150	27,619,692
Accounts receivables	11	262,724	413,121
Other receivables and prepayments	12	645,898	766,754
<b>Total current assets</b>		<u>82,992,035</u>	<u>59,360,788</u>
<b>Non-current assets</b>			
Other receivables and prepayments	12	97,650	91,118
Property, equipment and software work-in-progress	13	1,238,975	279,910
Right-of-use asset	17	1,783,060	2,399,111
<b>Total non-current assets</b>		<u>3,119,685</u>	<u>2,770,139</u>
<b>Total assets</b>		<u>86,111,720</u>	<u>62,130,927</u>
<b><u>LIABILITIES</u></b>			
<b>Current liabilities</b>			
Payables	14	4,755,593	4,840,536
Advance fees for courses, membership and examinations		753,000	681,980
FSDF advance operative grant	15	30,796,977	8,622,252
Grant claim disbursement account	15	18,662,008	19,343,924
Lease liability	17	1,426,088	1,118,891
<b>Total current liabilities</b>		<u>56,393,666</u>	<u>34,607,583</u>
<b>Non-current liabilities</b>			
Members' funding contributions	16	954,247	958,247
Lease liability	17	381,697	1,335,746
<b>Total non-current liabilities</b>		<u>1,335,944</u>	<u>2,293,993</u>
<b>Total liabilities</b>		<u>57,729,610</u>	<u>36,901,576</u>
<b>NET ASSETS</b>		<u>28,382,110</u>	<u>25,229,351</u>
<b>EQUITY</b>			
Members' funds		25,229,351	25,204,660
Gain for the year		3,152,759	24,691
<b>Total equity</b>		<u>28,382,110</u>	<u>25,229,351</u>

*See accompanying notes to financial statements.*

**THE INSTITUTE OF BANKING AND FINANCE**

**STATEMENT OF CHANGES IN MEMBERS' FUNDS  
For the financial year ended December 31, 2025**

	\$
<b><u>2025</u></b>	
<b>Beginning of financial year</b>	<b>25,229,351</b>
Total comprehensive profit	<u>3,152,759</u>
<b>End of financial year</b>	<b><u>28,382,110</u></b>
<b><u>2024</u></b>	
<b>Beginning of financial year</b>	<b>25,204,660</b>
Total comprehensive profit	<u>24,691</u>
<b>End of financial year</b>	<b><u>25,229,351</u></b>

*See accompanying notes to financial statements.*

**THE INSTITUTE OF BANKING AND FINANCE**

**STATEMENT OF CASH FLOWS**

**For the financial year ended December 31, 2025**

	Note	2025	2024
		\$	\$
<b>Cash flows from operating activities</b>			
Total comprehensive profit		3,152,759	24,691
Adjustments for:			
Unrealised gain on investments		(1,420,744)	(160,938)
Dividend income		(664,362)	(623,794)
Depreciation		1,595,264	1,675,371
Interest expense on lease liabilities		103,536	101,413
Operating profit before working capital changes		<u>2,766,453</u>	<u>1,016,743</u>
Changes in working capital:			
Cash and cash balances - restricted		516,501	882,209
Accounts receivables		150,397	2,274,488
Other receivables and prepayments		114,324	(276,030)
Payables		18,593	668,239
Advance fees for courses and examinations		71,020	(26,205)
FSDF advance operative grant		22,174,725	(6,093,579)
Grant claim disbursement account		(681,916)	(1,821,495)
Cash generated from/(used in) operations		<u>25,130,097</u>	<u>(3,375,630)</u>
Interest paid on lease liabilities		(103,536)	(101,413)
Net cash generated from /(used in) operating activities		<u>25,026,561</u>	<u>(3,477,043)</u>
<b>Cash flow from investing activities</b>			
Proceeds from dividends		664,362	623,794
Purchase of investments		(660,714)	(624,644)
Purchase of property, equipment and software work-in-progress	13	<u>(1,171,405)</u>	<u>(55,012)</u>
Net cash used in investing activities		<u>(1,167,757)</u>	<u>(55,862)</u>
<b>Cash flow from financing activities</b>			
Refund to members	16	(4,000)	-
Payment for lease liability	17	<u>(1,517,261)</u>	<u>(1,419,784)</u>
Net cash used in financing activities		<u>(1,521,261)</u>	<u>(1,419,784)</u>
Net increase/(decrease) in cash and cash equivalents		22,337,543	(4,952,689)
Cash and cash equivalents at beginning of financial year	9	<u>11,458,283</u>	<u>16,410,972</u>
<b>Cash and cash equivalents at end of financial year</b>	9	<u>33,795,826</u>	<u>11,458,283</u>

*See accompanying notes to financial statements.*

## **THE INSTITUTE OF BANKING AND FINANCE**

### **NOTES TO THE FINANCIAL STATEMENTS December 31, 2025**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### **1. GENERAL**

The Institute of Banking and Finance (the "Institute") is a company limited by guarantee incorporated in Singapore.

The registered office of the Institute is located at 10 Shenton Way #13-07/08, MAS Building, Singapore 079117.

The Institute was established in 1974 as a not-for-profit industry association to foster and develop the professional competencies of the financial industry. The Institute represents the interests of close to 200 member financial institutions including banks, insurance companies, securities brokerages and asset management firms. In partnership with the financial industry, government agencies, trade unions and the training providers, the Institute is committed to equip practitioners with capabilities to support the growth of Singapore's financial industry.

The principal activity of the Institute is to act as the national accreditation and certification agency for financial industry competency in Singapore under the IBF Standards, which were developed in partnership with the industry. The IBF Standards set out the functional skills required for 12 industry segments and more than 150 jobs in the financial industry, guiding IBF accreditation of structured skills training programmes. Individuals who complete the IBF-accredited skills training programmes and meet the relevant criteria may apply for IBF Certification.

As part of IBF's expanded mandate to take on a more integrated approach to skills development, career planning, and job matching for the financial industry, the Institute also partners financial institutions to re-skill employees for expanded roles and develop capabilities in growth areas and acts as the programme manager for the administration of professional conversion programmes for the financial industry under Workforce Singapore's Adapt and Grow initiative.

The Institute also provides personalised career advisory and job matching services to Singapore Citizens and Singapore Permanent Residents exploring a new role in, or career switch into the financial industry, under IBF Careers Connect.

The financial statements of the Institute for the year ended December 31, 2025 were authorised for issue by the Council Members on April 30, 2026.

#### **1.1 BASIS OF PREPARATION**

These financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act"), the Singapore Charities Act 1994 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs").

#### **1.2 ADOPTION OF NEW AND REVISED STANDARDS**

In the current year, the Institute has applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after January 1, 2025. The adoption of these new and revised standards did not have any effect on the financial performance or position of the Institute.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 1. GENERAL (cont'd)

##### 1.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Institute has not yet adopted the following FRS pronouncements applicable to the Institute that have been issued but are not yet effective:

<b>Descriptions</b>	<b>Effective date (Annual periods beginning on or after)</b>
Amendments to FRS 109 and FRS 107: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	January 1, 2026
Annual Improvements to FRSs-Volume 11	January 1, 2026
FRS 118 <i>Presentation and Disclosure in Financial Statement</i>	January 1, 2027

Management do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Institute in the period of their initial adoption, except for the following:

#### **FRS 118 Presentation and Disclosures in Financial Statements**

FRS 118 replaces FRS 1 *Presentation of Financial Statements*, carrying forward many of the requirements in FRS 1 unchanged and complementing them with new requirements. In addition, some FRS 1 paragraphs have been moved to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and FRS 107 *Financial Instruments: Disclosures*. Furthermore, minor amendments to FRS 7 *Statement of Cash Flows* and FRS 33 *Earnings per Share* have been made.

FRS 118 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss.
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- improve aggregation and disaggregation.

An entity is required to apply FRS 118 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to FRS 7 and FRS 33, as well as the revised FRS 8 and FRS 107, become effective when an entity applies FRS 118. FRS 118 requires retrospective application with specific transition provisions.

It is currently impracticable to disclose any further information on the known or reasonably estimate impact to the Institute's financial statements in the period of initial application as the Institute's management has yet to complete its detailed assessment. Management does not plan to early adopt the above new standard.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION

##### 2.1 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Institute takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

##### 2.2 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

###### a) Fees from courses and examinations

Fees from courses and examinations are recognised when the courses or examinations are completed.

###### b) Membership subscriptions

Fees from membership subscriptions are recognised proportionally over the membership term.

###### c) Other income

All other income is recognised on an accrual basis.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.3 GOVERNMENT GRANTS

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Institute will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to income are shown separately as 'Grants'.

##### 2.4 EMPLOYEE COMPENSATION

###### a) Defined contribution plans

The Institute's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

###### b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

##### 2.5 LEASES

###### The Institute as lessee

The Institute assesses whether a contract is or contains a lease, at inception of the contract. The Institute recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Institute recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Institute uses the incremental borrowing rate specific to the lessee.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.5 LEASES (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Institute remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Institute incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.5 LEASES (cont'd)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Institute expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Institute applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Institute has used this practical expedient.

##### 2.6 PROPERTY, EQUIPMENT AND SOFTWARE WORK-IN-PROGRESS

Property and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Computers and Equipment	3-5 years
Furniture and fittings	5 years
Renovations	3 years

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in profit or loss when the changes arise.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.6 PROPERTY, EQUIPMENT AND SOFTWARE WORK-IN-PROGRESS (cont'd)

Software work-in-progress ("WIP") is recognised as an internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

##### 2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Property and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

##### 2.8 FINANCIAL INSTRUMENT

###### **Financial assets**

Financial assets and financial liabilities are recognised on the statement of financial position when the Institute becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.8 FINANCIAL INSTRUMENT (cont'd)

###### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is 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 on the principal amount outstanding.

###### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

###### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Institute compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Institute considers historical loss rates for each customer and forward-looking information that is available without undue cost or effort.

The Institute presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Institute has reasonable and supportable information that demonstrates otherwise.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.8 FINANCIAL INSTRUMENT (cont'd)

The Institute assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Institute regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### *Definition of default*

The Institute considers that default has occurred when a financial asset is more than 90 days past due unless the Institute has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

##### *Write-off policy*

The Institute writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Institute's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### *Measurement and recognition of expected credit losses*

For account receivables and other receivables, the Institute has applied the simplified approach permitted by the FRS 109 to measure the credit loss allowance at lifetime ECL.

Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

If the Institute has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Institute measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

## **THE INSTITUTE OF BANKING AND FINANCE**

### **NOTES TO THE FINANCIAL STATEMENTS December 31, 2025**

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.8 FINANCIAL INSTRUMENT (cont'd)

###### Derecognition of financial assets

The Institute derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

###### **Financial liabilities and equity instruments**

###### Classification as debt or equity

Debt and equity instruments issued by the Institute are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

###### Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

###### Derecognition of financial liabilities

The Institute derecognises financial liabilities when, and only when, the Institute's obligations are discharged, cancelled or they expire.

##### 2.9 PAYABLES

Payables represent liabilities for goods and services provided to the Institute prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

##### 2.10 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

##### 2.11 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The financial statements are presented in Singapore Dollar, which is the functional currency of the Institute.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve.

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Institute's material accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

*(i) Critical judgements in applying the Institute's material accounting policies*

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

*(ii) Key sources of estimation uncertainty*

Management is of the opinion that there are no 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 amounts of assets and liabilities within the next financial year.

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025**

4. SALARIES AND STAFF EXPENSE

	2025	2024
	\$	\$
Salaries and staff related expenditure	11,039,120	11,061,109
Defined contribution plans	1,405,437	1,365,011
Unutilised leave	38,152	21,776
	<u>12,482,709</u>	<u>12,447,896</u>

5. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel were as follows:

	2025	2024
	\$	\$
Short-term benefits	<u>919,942</u>	<u>873,794</u>

6. PROFESSIONAL FEES

	2025	2024
	\$	\$
IT-related Professional Fees	1,041,371	2,044,360
Audit fees paid to the auditors of the Institute	39,900	35,000
Non-audit fees paid to the auditors of the Institute	270,950	280,820
Office-related Professional Fees	123,628	106,036
	<u>1,475,911</u>	<u>2,466,216</u>

The non-audit fees mainly pertain to fees in relation to agreed-upon procedures performed. There are no audit and non-audit fees paid to other Deloitte network firms in 2025 and 2024.

7. IT AND OFFICE REPAIRS AND MAINTENANCE

	2025	2024
	\$	\$
IT-related Repair and Maintenance expenses	1,638,578	2,086,475
Office-related Repair and Maintenance expenses	41,482	49,337
	<u>1,680,060</u>	<u>2,135,812</u>

8. INCOME TAX EXPENSE

The Institute is registered as a charity under the Charities Act and is exempted from income tax, under Section 13R(1) of the Income Tax Act 1947.

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 9. CASH AND BANK BALANCES

	2025	2024
	\$	\$
Cash at bank	33,795,826	11,458,283
Restricted cash	18,586,437	19,102,938
	<u>52,382,263</u>	<u>30,561,221</u>

Cash at bank is non-interest bearing and is denominated in the functional currency of the Institute. The cash at bank balances comprises mainly of the cash received from the operative grant under the Financial Sector Development Fund ("FSDF") scheme as disclosed in Note 15 and cash balances generated as part of the Institute's day to day operations.

The restricted cash pertains to the grants funded by financial institutions, Workforce Singapore ("WSG") and the Financial Sector Development Fund ("FSDF"). The Institute maintains bank accounts with an authorised institution to segregate grant monies from the house monies. The Institute is not allowed to use the grant monies to settle its own obligations. At the end of the reporting period, the Institute has recognised these grant monies and grant payables in the statement of financial position.

#### 10. INVESTMENTS

Investments comprise funds placed with an investment manager for discretionary management and are classified as Fair Value through Profit and Loss ("FVTPL").

At the end of the reporting period, the composition of the funds under management and their indicative fair values are as follows:

	2025	2024
	\$	\$
Investment fund	<u>29,701,150</u>	<u>27,619,692</u>

The investments are denominated in the functional currency of the Institute.

#### 11. ACCOUNTS RECEIVABLES

	2025	2024
	\$	\$
Outside parties	<u>262,724</u>	<u>413,121</u>

The average credit period on fees and courses and examinations is 30 days (2024 : 30 days). No interest is charged on the outstanding balances.

An accounts receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The Institute's accounts receivables are denominated in the functional currency of the Institute.

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025**

11. ACCOUNTS RECEIVABLES (cont'd)

As at the end of the reporting period, accounts receivables of \$10,720 (2024 : \$69,889) are past due but not impaired. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Institute.

12. OTHER RECEIVABLES AND PREPAYMENTS

	2025	2024
	\$	\$
<u>Current</u>		
Prepaid expenses	257,349	365,844
Other debtors	388,549	400,910
	<u>645,898</u>	<u>766,754</u>
<u>Non-current</u>		
Security deposits	97,650	91,118
	<u>743,548</u>	<u>857,872</u>

The Institute's other receivables and prepayments are denominated in the functional currency of the Institute.

13. PROPERTY, EQUIPMENT AND SOFTWARE WORK-IN-PROGRESS

	Furniture and fittings	Computers and equipment	Renovations	Software Work-in- Progress	Total
	\$	\$	\$	\$	\$
<b><u>2025</u></b>					
Cost:					
Beginning of financial year	305,894	2,721,992	1,483,871	-	4,511,757
Additions	-	17,940	-	1,153,465	1,171,405
End of financial year	<u>305,894</u>	<u>2,739,932</u>	<u>1,483,871</u>	<u>1,153,465</u>	<u>5,683,162</u>
Accumulated depreciation:					
Beginning of financial year	265,071	2,488,852	1,477,924	-	4,231,847
Depreciation charge	12,963	193,430	5,947	-	212,340
End of financial year	<u>278,034</u>	<u>2,682,282</u>	<u>1,483,871</u>	<u>-</u>	<u>4,444,187</u>
Net book value:					
End of financial year	<u>27,860</u>	<u>57,650</u>	<u>-</u>	<u>1,153,465</u>	<u>1,238,975</u>

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025**

13. PROPERTY, EQUIPMENT AND SOFTWARE WORK-IN-PROGRESS (cont'd)

	Furniture and fittings	Computers and equipment	Renovations	Total
	\$	\$	\$	\$
<b><u>2024</u></b>				
Cost:				
Beginning of financial year	299,299	2,673,575	1,483,871	4,456,745
Additions	6,595	48,417	-	55,012
End of financial year	<u>305,894</u>	<u>2,721,992</u>	<u>1,483,871</u>	<u>4,511,757</u>
Accumulated depreciation:				
Beginning of financial year	251,407	2,246,781	1,392,333	3,890,521
Depreciation charge	13,664	242,071	85,591	341,326
End of financial year	<u>265,071</u>	<u>2,488,852</u>	<u>1,477,924</u>	<u>4,231,847</u>
Net book value:				
End of financial year	<u>40,823</u>	<u>233,140</u>	<u>5,947</u>	<u>279,910</u>

Software WIP consists of development for a new information technology system.

14. PAYABLES

	2025	2024
	\$	\$
Trade payables	650,514	423,015
Accrued expenses	3,570,584	3,970,707
Other payables	7,672	7,672
Provision	526,824	439,142
	<u>4,755,593</u>	<u>4,840,536</u>

Trade payables, accrued expenses, other payables and provisions principally comprise amounts outstanding for trade purchases, operating expenses, bonuses and provisions for leave entitlement.

The fair value of payables is not materially different from their carrying amounts at year end.

The payables are denominated in the functional currency of the Institute.

15. GRANTS

The Institute receives Financial Sector Development Fund ("FSDF") grant to support projects and initiatives that aims to raise the competency standard of the Singapore financial sector.

	2025	2024
	\$	\$
Total grant income	<u>13,954,551</u>	<u>14,104,846</u>
FSDF advance operative grant payable	<u>30,796,977</u>	<u>8,622,252</u>

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 15. GRANTS (cont'd)

Any unutilised grant should be returned at the end of the IBF's operative grant period. This grant is repayable upon demand.

	2025	2024
	\$	\$
Grant claim disbursement account	<u>18,662,008</u>	<u>19,343,924</u>

The Institute is also the appointed administrator of the IBF Standards Training Scheme ("IBF-STs") and the Financial Training Scheme ("FTS") funding scheme, which incentivise competency-raising of the financial sector. The Institute has developed a Future Skills Assessment Platform ("FSAP") to facilitate Workforce Transformation.

The Institute is also the administrator of the Career Conversion Programmes ("CCP"), which is part of Workforce Singapore's ("WSG") Adapt and Grow initiative to provide mid-career Professionals, Managers, Executives and Technicians ("PMETs") with the opportunity to be re-skilled and new careers.

The Technology in Finance Immersion Programme ("TFIP") is an industry Attach-and-Train Career Conversion Programme that aims to build up an industry pipeline of capabilities in key technology areas to meet the talent needs of the financial services sector.

The programme is managed by the Institute of Banking and Finance (IBF), with the support of Workforce Singapore ("WSG"), Infocomm Media Development Authority ("IMDA"), the Monetary Authority of Singapore (MAS) and participating Financial Institutions.

The SkillsFuture Study Award ("SFSA") is targeted at Singaporean financial professionals to develop and deepen their skills. The programme is managed by the Institute of Banking and Finance (IBF), with the support Productivity Fund Administration Board ("PFAB") and the Monetary Authority of Singapore ("MAS").

The Institute is also the administrator of the Finance Associate Management Scheme ("FAMS"), International Postings Programme ("iPOST"), Financial Specialist Scholarship ("FSS"), Work-Study Support Programme ("WSSP"), Polytechnic Talent for Finance Scheme ("PTFS"), and Asian Financial Leaders Scheme ("AFLS"). The above-mentioned schemes are talent, workforce and leadership development initiative supported by the Financial Sector Development Fund ("FSDf").

Any unutilised grant should be returned at the end of the IBF's appointment as the FTS and IBF-STs administrator and CCP administrator. This grant is repayable upon demand.

The grants are denominated in the functional currency of the Institute.

#### 16. MEMBERS' FUNDING CONTRIBUTIONS

These represent amounts contributed by members when they were admitted to the Institute. The contributions are refundable to the members when they cease to be a member of the Institute. During the year, \$4,000 funding contributions (2024 : \$Nil) were refunded to the members.

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025**

17. LEASES

The Institute lease includes its office premises, with the lease term of average 3 years (2024 : 3 years).

Right-of-use asset

	<u>Office premises</u>
	\$
Cost:	
At January 1, 2024	5,756,957
Additions	<u>3,090,690</u>
At December 31, 2024	8,847,647
Additions	<u>766,873</u>
At December 31, 2025	<u>9,614,520</u>
Accumulated depreciation:	
At January 1, 2024	5,114,491
Additions	<u>1,334,045</u>
At December 31, 2024	6,448,536
Additions	<u>1,382,925</u>
At December 31, 2025	<u>7,831,461</u>
Carrying amount:	
At December 31, 2024	<u>2,399,111</u>
At December 31, 2025	<u>1,783,060</u>

The present office premises comprises of MAS office building and IBF assessment centre both of which will expire in March 2027.

Lease liability

	<u>2025</u>	<u>2024</u>
	\$	\$
Amounts due for settlements within 12 months	1,426,088	1,118,891
Amounts due for settlement after 12 months	<u>381,697</u>	<u>1,335,746</u>
	<u>1,807,785</u>	<u>2,454,637</u>
Maturity analysis:		
Year 1	1,475,352	1,186,648
Year 2	384,514	1,099,123
Year 3	-	288,004
	<u>1,859,866</u>	<u>2,573,775</u>
Less: Unearned interest	<u>(52,081)</u>	<u>(119,138)</u>
	<u>1,807,785</u>	<u>2,454,637</u>

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025**

17. LEASES (cont'd)

Reconciliation of lease liabilities arising from financing activities

The table below details changes in the Institute's lease liabilities arising from financing activities, including both cash and non-cash changes. Lease liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Institute's statement of cash flows as cash flows from financing activities.

	January 1, 2025	Financing cash flows	New lease liabilities	Interest expense	December 31, 2025
	\$	\$	\$	\$	\$
Lease liabilities	2,454,637	(1,517,261)	766,873	103,536	1,807,785

	January 1, 2024	Financing cash flows	New lease liabilities	Interest expense	December 31, 2024
	\$	\$	\$	\$	\$
Lease liabilities	682,318	(1,419,784)	3,090,690	101,413	2,454,637

18. FINANCIAL RISK MANAGEMENT

*Financial risk factors*

The Institute is exposed to financial risk arising from the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Council Members. The Council Members exercise oversight over the principles for overall risk management, as well as policies covering specific areas such as currency risk and liquidity risk.

(a) Market risk

(i) *Currency risk*

As at December 31, 2025 and December 31, 2024, the Institute is not exposed to other currency other than its functional currency.

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025**

18. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(ii) *Price risk*

The Institute is exposed to equity securities price risk arising from the investments classified as fair value through profit or loss. To manage its price risk, the Institute diversifies its portfolio in accordance with the limits set by the Institute.

The following table shows the effects arising from the financial asset position due to the change of prices for equity securities with all other variables, including tax rate, being held constant:

	<u>2025</u>	<u>2024</u>
	Profit after tax	Profit after tax
	\$	\$
Listed in Singapore:		
- Strengthened by 1%	297,012	276,197
- Weakened by 1%	<u>(297,012)</u>	<u>(276,197)</u>

(iii) *Interest rate risk*

The Institute has insignificant interest rate risk exposure as it does not have any significant interest earning financial assets and no interest earning financial liabilities, except for investments.

The Institute is not exposed to any Interbank Offered Rates as at December 31, 2025 and December 31, 2024.

The table below sets out the Institute's exposure to interest rate risk. Included in the table are the Institute's assets at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	<u>Up to 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>&gt;5 years</u>	<u>Non-interest bearing</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b><u>2025</u></b>						
<b>Assets</b>						
Investments	29,701,150	-	-	-	-	29,701,150
Total assets	<u>29,701,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,701,150</u>
<b><u>2024</u></b>						
<b>Assets</b>						
Investments	27,619,692	-	-	-	-	27,619,692
Total assets	<u>27,619,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,619,692</u>

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025**

18. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

The Institute adopts the policy of dealing only with customers of appropriate credit standing and history where appropriate to mitigate credit risk. For other financial assets, the Institute adopts the policy of dealing with financial institutions and other counterparties with high credit ratings. As a result, the allowance for expected credit loss in relation to its financial assets is not material given the low probability of default.

(i) *Financial assets that are past due but not impaired*

There is no class of financial asset that is past due and impaired. Accounts receivables of \$10,720 (2024 : \$69,889) are past due but not impaired. Management assessed that those receivables are recoverable as the counterparties are financial institutions with good credit ratings.

(ii) *Maximum credit exposure*

The maximum credit exposure due from the Institute's counterparties is \$82,443,681 (2024 : \$58,685,046).

(c) Liquidity risk

The table below analyses the Institute's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	1 to 5 years	More than 5 years	Adjustment	Total
	\$	\$	\$	\$	\$
<b><u>At December 31, 2025</u></b>					
Members' funding contributions	-	-	954,247	-	954,247
Payables	4,755,593	-	-	-	4,755,593
Grant claim disbursement account	18,662,008	-	-	-	18,662,008
Lease liabilities	1,475,352	384,514	-	(52,081)	1,807,785
	<u>24,892,953</u>	<u>384,514</u>	<u>954,247</u>	<u>(52,081)</u>	<u>26,179,633</u>

**At December 31, 2024**

Members' funding contributions	-	-	958,247	-	958,247
Payables	4,840,536	-	-	-	4,840,536
Grant claim disbursement account	19,343,924	-	-	-	19,343,924
Lease liabilities	1,186,648	1,387,127	-	(119,138)	2,454,637
	<u>25,371,108</u>	<u>1,387,127</u>	<u>958,247</u>	<u>(119,138)</u>	<u>27,597,344</u>

## THE INSTITUTE OF BANKING AND FINANCE

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2025

#### 18. FINANCIAL RISK MANAGEMENT (cont'd)

##### (d) Fair value investments

The Institute designates its investments at fair value through profit or loss as the investments are managed and its performance evaluated on a fair value basis.

##### ***Fair value hierarchy***

As at December 31, 2025, the investments balance of \$29,701,150 (2024 : \$27,619,692) are entirely Level 1 instrument, with quoted prices in active markets for identical instrument.

##### ***Determination of fair value***

The carrying value of current trade receivables and payables approximate their fair values. The fair value of financial asset and financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Institute for similar financial instruments.

##### (e) Financial instruments by category

The carrying amounts of financial assets measured at fair value through profit or loss held for trading are disclosed on the face of the statement of financial position and in Note 10 to the financial statements.

The aggregate carrying amounts of other categories of financial instruments are as follows:

	2025	2024
	\$	\$
<b><u>Financial assets</u></b>		
Fair value through profit and loss ("FVTPL"):		
- Investments	29,701,150	27,619,692
Financial assets at amortised cost	<u>53,131,185</u>	<u>31,466,370</u>
<b><u>Financial liabilities</u></b>		
Financial liabilities at amortised cost	24,371,848	25,142,706
Lease liabilities <sup>(1)</sup>	<u>1,807,785</u>	<u>2,454,637</u>

<sup>(1)</sup> Lease liabilities are financial instruments although they are outside the scope of certain parts of FRS 107 and FRS 109. Lease liabilities are within the scope for FRS 107 disclosure (except for disclosure of fair value), and within the scope of FRS 109 de-recognition.

##### (f) Capital management policies and objectives

The Institute reviews its capital structure at least annually to ensure that the Institute will be able to continue as a going concern. The capital structure of the institute comprises only of members' funds and accumulated profits. The Institute's overall strategy remains unchanged from prior year.

**THE INSTITUTE OF BANKING AND FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2025**

19. COMMITMENTS

*Capital Commitments*

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is set out as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Capital commitments in respect of software under construction	<u>4,491,990</u>	<u>-</u>