



Maybank

Pillar 3 Disclosure Report

Quarter ended June 2020

Maybank Singapore Limited

Incorporated in Singapore

Company Registration Number: 201804195C

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1 INTRODUCTION

The Monetary Authority of Singapore (“MAS”) has designated Maybank Singapore Limited (“MSL”) as a Domestic Systemically Important Bank (“D-SIB”) in Singapore since 2015. As such, MSL is subject to the reporting of MAS Notice 637 “Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore” (“MAS Notice 637”). The following disclosures are made pursuant to MAS Notice 637.

MSL recognises the importance of MAS Notice 637 in promoting market discipline by requiring disclosures of key information relating to regulatory capital and risk exposures on a consistent and comparable basis that will enable stakeholders to better understand and assess a reporting bank’s business and risk profile vis-à-vis other banks.

For the purpose of calculating its risk-weighted assets, MSL applies the Internal Ratings-Based Approach (“IRBA”) and Standardised Approach (“SA”) to relevant credit exposures to ascertain its credit risk-weighted assets. For market risk and operational risk, MSL applies the SA and Basic Indicator Approach to compute the market risk-weighted assets and operational risk-weighted assets respectively.

The numbers in this document are presented in Singapore dollars and rounded to the nearest million, unless otherwise stated.

2 CAPITAL ADEQUACY

MSL's approach to capital management is driven by its strategic objectives and takes into account all relevant regulatory, economic and commercial environments in which MSL and the Maybank Group operate. MSL regards having a strong capital position as essential to the bank's business strategy and competitive position. As such, implications on the bank's capital position are taken into account by the Board and senior management prior to implementing any major business decision in order to preserve the bank's overall capital strength.

The quality and composition of capital are key factors in the Board and senior management's evaluation of the bank's capital adequacy position. MSL places strong emphasis on the quality of its capital and accordingly holds a higher amount of its capital in the form of common equity which is permanent and has the highest loss absorption capability on a going concern basis.

The Board maintains oversight of the regulatory capital of MSL in line with regulatory requirements under the MAS Notice 637 and expectations of various stakeholders such as regulators. To date, MSL has complied with all externally-imposed regulatory capital requirements throughout the financial period.

2.1 Key Metrics

The following table provides an overview of the key prudential regulatory metrics related to regulatory capital, leverage ratio and liquidity standards for MSL.

SGD million		(a)	(b)	(c)	(d)	(e)
		30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019
	Available amount (amounts)					
1	CET1 capital	2,021	2,003	2,517	2,381	2,385
2	Tier 1 capital	2,021	2,003	2,517	2,381	2,385
3	Total capital	2,564	2,544	2,559	2,426	2,431
	Risk weighted assets (amounts)					
4	Total RWA	13,700	13,714	13,836	14,549	14,175
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	14.8	14.6	18.2	16.4	16.8
6	Tier 1 ratio (%)	14.8	14.6	18.2	16.4	16.8
7	Total capital ratio (%)	18.7	18.5	18.5	16.7	17.1
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5	2.5	2.5	2.5	2.5
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	6.8	6.6	8.5	6.7	7.1
	Leverage Ratio (SGD million / %)					
13	Total Leverage Ratio exposure measure	41,117	39,110	39,882	38,832	36,789
14	Leverage Ratio (%) (row 2 / row 13)	4.9	5.1	6.3	6.1	6.5
	Liquidity Coverage Ratio (SGD million / %)¹					
15	Total High Quality Liquid Assets	16,883	16,611	15,792	13,700	12,916
16	Total net cash outflow	12,361	11,162	12,527	11,797	11,451
17	Liquidity Coverage Ratio (%)	137	153	129	117	113
	Net Stable Funding Ratio (SGD million / %)²					
18	Total available stable funding	40,806	39,987	41,109	40,192	37,323
19	Total required stable funding	32,825	34,439	34,319	34,816	35,357
20	Net Stable Funding Ratio (%)	124	116	120	115	106

¹ MSL is subject to the reporting of MAS Notice 649 Liquidity Coverage Ratio on Country Group basis (consisting of Malayan Banking Berhad, Singapore Branch and Maybank Singapore Limited). Data presented are based on simple averages of daily observations for the respective quarter.

² MSL is subject to the reporting of MAS Notice 652 Net Stable Funding Ratio on Country Group basis (consisting of Malayan Banking Berhad, Singapore Branch and Maybank Singapore Limited).

2.2 Geographical Distribution of Credit Exposures Used in the Countercyclical Capital Buffer

The Basel III standards introduced the Countercyclical Capital Buffer (“CCyB”) framework to achieve a broader macro prudential goal of protecting the banking sector from periods of excess aggregate credit growth.

The CCyB is applied on a discretionary basis by banking supervisors in the respective jurisdictions.

The table below provides an overview of the geographical distribution of the risk-weighted assets (“RWA”) in private sector credit exposures relevant to the calculation of the countercyclical capital buffer.

The Basel III CCyB is calculated as the weighted average of the buffers in effect in the jurisdictions to which banks have private sector credit exposures, subject to the relevant transitional caps under MAS Notice 637.

MSL attributes private sector credit exposures to jurisdictions based primarily on the jurisdiction of risk of each obligor or its guarantor, if applicable.

The determination of an obligor’s jurisdiction of risk is based on the look-through approach taking into consideration factors such as the economic activity and availability of parent’s bank support.

SGD million	(a)	(b)	(c)	(d)
Geographical breakdown	Country-specific countercyclical buffer requirement	RWA for private sector credit exposures used in the computation of the countercyclical buffer	Bank-specific countercyclical buffer requirement	Countercyclical buffer amount
Hong Kong	1.00%	16		
Luxembourg	0.25%	*		
Norway	1.00%	*		
Others		10,690		
Total		10,706	0.0%	*

* represents amounts of less than S\$0.5 million

3 COMPOSITION OF CAPITAL

3.1 Composition of Regulatory Capital

The following table provides a breakdown of the constituent components of regulatory capital and the corresponding regulatory adjustments.

SGD million		Amount
Common Equity Tier 1 capital: instruments and reserves		
1	Paid-up ordinary shares and share premium (if applicable)	2,000
2	Retained earnings	*
3 [#]	Accumulated other comprehensive income and other disclosed reserves	37
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
5	Minority interest that meets criteria for inclusion	-
6	Common Equity Tier 1 capital before regulatory adjustments	2,037
Common Equity Tier 1 capital: regulatory adjustments		
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	-
8	Goodwill, net of associated deferred tax liability	-
9 [#]	Intangible assets, net of associated deferred tax liability	-
10 [#]	Deferred tax assets that rely on future profitability	-
11	Cash flow hedge reserve	-
12	Shortfall of TEP relative to EL under IRBA	16
13	Increase in equity capital resulting from securitisation transactions	-
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	-
15	Defined benefit pension fund assets, net of associated deferred tax liability	-
16	Investments in own shares	-
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	-
20 [#]	Mortgage servicing rights (amount above 10% threshold)	
21 [#]	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of associated deferred tax liability)	
22	Amount exceeding the 15% threshold	-
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
24 [#]	of which: mortgage servicing rights	
25 [#]	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments	-
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-

SGD million		Amount
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-
26C	Any other items which the Authority may specify	-
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-
28	Total regulatory adjustments to CET1 Capital	16
29	Common Equity Tier 1 capital (CET1)	2,021
Additional Tier 1 capital: instruments		
30	AT1 capital instruments and share premium (if applicable)	-
31	of which: classified as equity under the Accounting Standards	-
32	of which: classified as liabilities under the Accounting Standards	-
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier 1 capital before regulatory adjustments	-
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own AT1 capital instruments	-
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
41	National specific regulatory adjustments which the Authority may specify	-
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-
43	Total regulatory adjustments to Additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	-
45	Tier 1 capital (T1 = CET1 + AT1)	2,021
Tier 2 capital: instruments and provisions		
46	Tier 2 capital instruments and share premium (if applicable)	500
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Provisions	43
51	Tier 2 capital before regulatory adjustments	543
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	-
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-

SGD million		Amount
54	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
54a#	Investments in other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake: amount previously designated for the 5% threshold but that no longer meets the conditions	-
55	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
56	National specific regulatory adjustments which the Authority may specify	-
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	543
59	Total capital (TC = T1 + T2)	2,564
60	Floor-adjusted total risk weighted assets	13,700
Capital ratios (as a percentage of floor-adjusted risk weighted assets)		
61	Common Equity Tier 1 CAR	14.8%
62	Tier 1 CAR	14.8%
63	Total CAR	18.7%
64	Bank-specific buffer requirement	9.0%
65	of which: capital conservation buffer requirement	2.5%
66	of which: bank specific countercyclical buffer requirement	0.0%
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	-
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	6.8%
National minima		
69	Minimum CET1 CAR	6.5%
70	Minimum Tier 1 CAR	8.0%
71	Minimum Total CAR	10.0%
Amounts below the thresholds for deduction (before risk weighting)		
72	Investments in ordinary shares, AT1 capital, Tier 2 capital and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
74	Mortgage servicing rights (net of associated deferred tax liability)	
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liability)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	43
77	Cap on inclusion of provisions in Tier 2 under standardised approach	67
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	40

SGD million		Amount
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-
Items marked with a hash [#] are elements where a more conservative definition has been applied relative to those set out under the Basel III capital standards.		

3.2 Main Features of Regulatory Capital Instruments

1	Issuer	Maybank Singapore Limited	Maybank Singapore Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N.A.	SGXZ25494378
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Tier 2
6	Eligible at solo/group/group&solo	Group and Solo	Group and Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Tier 2 Subordinated Notes
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)	S\$2,000 million	S\$500 million
9	Par value of instrument	N.A.	N.A.
10	Accounting classification	Shareholder's Equity	Liability - amortised cost
11	Original date of issuance	05 November 2018	26 March 2020
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	26 March 2030
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	N.A.	26 March 2025
16	Subsequent call dates, if applicable	N.A.	N.A.
	Coupons / dividends		
17	Fixed or floating dividend/coupon	N.A.	Fixed
18	Coupon rate and any related index	N.A.	3.70%, subject to reset if call option is not exercised in accordance with the Subscription Agreement
19	Existence of a dividend stopper	N.A.	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	N.A.	No
22	Noncumulative or cumulative	N.A.	N.A.
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N.A.	N.A.
25	If convertible, fully or partially	N.A.	N.A.

26	If convertible, conversion rate	N.A.	N.A.
27	If convertible, mandatory or optional conversion	N.A.	N.A.
28	If convertible, specify instrument type convertible into	N.A.	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.	N.A.
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	N.A.	A "Trigger Event" is defined as the earlier of (a) MAS notifying the bank in writing that it is of the opinion that a write-off or conversion is necessary, without which the bank would become non-viable; and (b) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by MAS
32	If write-down, full or partial	N.A.	Full -> Trigger Event Write-off Amount" means the amount of interest and/or principal to be written-off as the MAS may direct, or as the bank shall determine in accordance with the MAS, which is required to be written-off for the Trigger Event to cease to continue. For the avoidance of doubt, the write-off will be effected in full even in the event that the amount written-off is not sufficient

			for the Trigger Event to cease to continue
33	If write-down, permanent or temporary	N.A.	Permanent
34	If temporary write-down, description of write-up mechanism	N.A.	N.A.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Represents the most subordinated claim upon occurrence of liquidation of the bank	Subject to the insolvency laws of Singapore and other applicable laws, in the event of a winding-up of the bank, the rights of the Noteholders to payment of principal and interest on the Notes and any other obligations in respect of the Notes: (i) are subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer, (ii) rank senior in right of payment to the rights and claims of creditors in respect of Subordinated Indebtedness, and (iii) rank pari passu in right of payment with the rights and claims of creditors in respect of Tier 2 capital securities.
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N.A.	N.A.

4 LEVERAGE RATIO

The Leverage Ratio has been introduced under the Basel III framework as a non-risk based backstop limit to supplement the risk-based capital requirements. Its primary aim is to constrain the build-up of excess leverage in the bank sector.

The bank's leverage ratio as at June 2020 has decreased by 0.2 percentage point to 4.9% as compared to the previous quarter mainly due to higher exposure contributed by an increase in reverse repo transaction. The ratio is well above the 3% regulatory minimum ratio prescribed by MAS, effective 1 January 2018.

4.1 Leverage Ratio

SGD million	30 Jun 2020	31 Mar 2020
Capital and Total exposures		
Tier 1 Capital	2,021	2,003
Total Exposures	41,117	39,110
Leverage Ratio (%)		
Leverage ratio	4.9	5.1

4.2 Leverage Ratio Common Disclosure Template

The following table provides a detailed breakdown of the components of the leverage ratio denominator.

SGD million		Amount	
	Item	30 Jun 2020	31 Mar 2020
	Exposure measures of on-balance sheet items		
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	30,964	31,422
2	Asset amounts deducted in determining Tier 1 capital	(16)	(23)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	30,948	31,399
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	67	62
5	Potential future exposure associated with all derivative transactions	29	25
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8	CCP leg of trade exposures excluded	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-

SGD million		Amount	
	Item	30 Jun 2020	31 Mar 2020
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	96	87
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	6,434	4,799
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	18	*
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	6,452	4,799
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	12,265	10,965
18	Adjustments for calculation of exposure measures of off-balance sheet items	(8,644)	(8,140)
19	Total exposure measures of off-balance sheet items	3,621	2,825
	Capital and Total exposures		
20	Tier 1 capital	2,021	2,003
21	Total exposures	41,117	39,110
	Leverage ratio		
22	Leverage ratio	4.9%	5.1%

* represents amounts of less than \$0.5 million

5 OVERVIEW OF RISK-WEIGHTED ASSETS (“RWA”)

The following table presents the bank’s RWA by approaches and risk types, as prescribed under MAS Notice 637. The minimum capital requirements are expressed as 10% of RWA. The bank’s RWA comprises Credit RWA, Operational RWA and Market RWA. The quarter-on-quarter decrease in RWA is due to a decrease in operational RWA, which was partially offset by an increase in credit RWA due to higher exposures to corporates and individuals.

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Jun 2020	31 Mar 2020	30 Jun 2020
1	Credit risk (excluding CCR)	12,400	12,382	1,240
2	of which: Standardised Approach	5,297	5,409	530
3	of which: F-IRBA	4,527	4,420	453
4	of which: supervisory slotting approach	-	-	-
5	of which: A-IRBA	2,576	2,552	258
6	CCR	63	55	6
7	of which: Current Exposure Method	37	38	4
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	26	17	3
9a	of which: CCP	-	-	-
10	CVA	23	22	2
11	Equity exposures under the simple risk weight method	-	-	-
11a	Equity exposures under the IMM	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall back approach	-	-	-
14a	Equity investment in funds - partial use of an approach	-	-	-
15	Unsettled transactions	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	of which: SEC-IRBA	-	-	-
18	of which: SEC-ERBA, including IAA	-	-	-
19	of which: SEC-SA	-	-	-
20	Market risk (MR)	6	6	1
21	of which: SA(MR)	6	6	1
22	of which: IMA	-	-	-
23	Operational risk	1,208	1,249	121

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Jun 2020	31 Mar 2020	30 Jun 2020
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total	13,700	13,714	1,370

6 CREDIT QUALITY OF ASSETS

The following table provides an overview of the credit quality of the bank's on- and off- balance sheet assets.

SGD million		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of		Allowances and impairments	of which: allowances for standardised approach exposures		of which: allowances for IRBA exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		of which: specific allowances	of which: general allowances		
1	Loans	201	21,573	169	23	27	118	21,606
2	Debt securities	-	4,167	*	-	*	-	4,167
3	Off-balance sheet exposures	*	10,285	1	-	*	*	10,285
4	Total	202	36,025	169	23	28	118	36,058

*Number is less than 0.5

A default by the obligor is deemed to have occurred when the obligor is assessed to be unlikely to pay its credit obligations in full or the obligor is past due for more than 90 days on its credit obligations to the bank.

7 CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

SGD million		(a)
		30 Jun 2020
1	Defaulted loans and debt securities at end of the previous semi-annual reporting period	180
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	85
3	Returned to non-defaulted status	29
4	Amounts written-off	24
5	Other changes	(11)
6	Defaulted loans and debt securities at end of the semi-annual reporting period (1+2-3-4±5)	201

8 OVERVIEW OF CRM TECHNIQUES

The following table provides information on the extent of usage of Credit Risk Mitigation (“CRM”) techniques.

SGD million		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured	Exposures secured ³	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	5,253	16,353	16,344	9	-
2	Debt securities	4,167	-	-	-	-
3	Total	9,420	16,353	16,344	9	-
4	Of which: defaulted	32	97	97	-	-

³ This refers to carrying amount of exposures which have at least one credit risk mitigation mechanism, collateral or financial guarantees associated with them as per the requirements of credit risk mitigation techniques set out in MAS Notice 637.

9 CREDIT RISK EXPOSURES UNDER STANDARDISED APPROACH

9.1 SA(CR) and SA(EQ) - Credit Risk Exposure and CRM Effects

The following table provides an overview of the effects of CRM on the calculation of the bank's capital requirements for SA(CR).

SGD million		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Asset Classes and others		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Cash items	75	-	75	-	-	-
2	Central government and central bank	5,457	372	5,457	372	-	-
3	PSE	243	-	243	-	-	-
4	MDB	-	-	-	-	-	-
5	Bank	3,193	1,103	3,193	8	1,517	47%
6	Corporate	304	519	280	30	310	100%
7	Regulatory retail	2,275	2,468	2,209	98	1,731	75%
8	Residential mortgage	328	112	326	41	138	38%
9	CRE	1,003	67	1,001	23	1,024	100%
10	Equity - SA(EQ)	-	-	-	-	-	-
11	Past due exposures	54	2	31	-	40	131%
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	600	567	490	46	536	100%
14	Total	13,531	5,210	13,306	618	5,297	38%

9.2 SA(CR) and SA(EQ) - Exposures by Asset Classes and Risk Weights

The following table presents the breakdown of credit risk exposures under the SA(CR) by asset class and risk weight.

SGD million		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Risk weight		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
Asset Classes and others											
1	Cash items	75	-	-	-	-	-	-	-	-	75
2	Central government and central bank	5,829	-	-	-	-	-	-	-	-	5,829
3	PSE	243	-	-	-	-	-	-	-	-	243
4	MDB	-	-	-	-	-	-	-	-	-	-
5	Bank	-	-	293	-	2,898	-	9	-	-	3,200
6	Corporate	-	-	-	-	-	-	310	-	-	310
7	Regulatory retail	-	-	-	-	-	2,307	-	-	-	2,307
8	Residential mortgage	-	-	-	352	-	4	12	-	-	368
9	CRE	-	-	-	-	-	-	1,024	-	-	1,024
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	-	-
11	Past due exposures	-	-	-	-	-	-	12	19	-	31
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	536	-	-	536
14	Total	6,147	-	293	352	2,898	2,311	1,904	19	-	13,923

10 CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

The following table provides the main parameters used for the calculation of capital requirements for credit exposures under Foundation IRBA.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Original on-balance sheet gross exposures	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	TEP
PD Range	(SGD million)		(%)	(SGD million)	(%)	(Count)	(%)	(Years)	(SGD million)	(%)	(SGD million)	
Corporate												
0.00 to <0.15	34	118	29%	69	0.13%	48	39%	2.9	24	35%	*	
0.15 to <0.25	53	54	8%	57	0.20%	41	39%	2.6	24	42%	*	
0.25 to <0.50	305	260	8%	326	0.35%	123	40%	3.7	231	71%	*	
0.50 to <0.75	283	164	21%	318	0.55%	93	41%	3.1	248	78%	1	
0.75 to <2.50	886	630	23%	1,030	1.46%	355	41%	3.5	1,156	112%	6	
2.50 to <10.00	229	253	10%	254	3.58%	154	41%	3.4	367	145%	4	
10.00 to <100.00	111	210	23%	159	12.19%	416	42%	3.6	357	225%	8	
100.00 (Default)	58	52	9%	63	100.00%	45	42%	3.8	-	-	26	
Sub-total	1,959	1,741	18%	2,276	4.81%	1,275	41%	3.4	2,407	106%	46	54
Corporate Small Business												
0.00 to <0.15	85	151	9%	98	0.11%	75	40%	4.0	31	31%	*	
0.15 to <0.25	25	52	12%	32	0.20%	35	38%	2.5	11	34%	*	
0.25 to <0.50	546	326	8%	571	0.35%	152	42%	3.9	399	70%	1	
0.50 to <0.75	217	91	2%	218	0.55%	80	40%	3.7	164	75%	*	
0.75 to <2.50	804	862	26%	1,024	1.57%	251	42%	3.5	1,057	103%	7	
2.50 to <10.00	302	144	24%	337	4.32%	93	41%	3.2	421	125%	6	
10.00 to <100.00	21	23	4%	22	15.12%	8	36%	3.9	37	170%	1	
100.00 (Default)	4	-	-	4	100.00%	1	40%	1.0	-	-	2	
Sub-total	2,004	1,650	18%	2,305	1.79%	695	42%	3.6	2,120	92%	17	21
Total (all portfolios)	3,963	3,391	18%	4,581	3.29%	1,970	41%	3.5	4,527	99%	63	75

*Number is less than 0.5

The following table provides the main parameters used for the calculation of capital requirements for credit exposures under Advanced IRBA.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Original on-balance sheet gross exposures	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	TEP
PD Range	(SGD million)		(%)	(SGD million)	(%)	(Count)	(%)	(Years)	(SGD million)	(%)	(SGD million)	
Residential Mortgage												
0.00 to <0.15	73	74	100%	147	0.13%	244	13%		6	4%	*	
0.15 to <0.25	2,380	184	100%	2,564	0.21%	6,736	13%		148	6%	1	
0.25 to <0.50	4,677	383	100%	5,060	0.36%	8,439	13%		426	8%	2	
0.50 to <0.75	2,396	378	100%	2,775	0.57%	3,683	13%		321	12%	2	
0.75 to <2.50	626	194	100%	820	1.42%	1,380	13%		174	21%	2	
2.50 to <10.00	539	93	100%	631	3.83%	810	13%		241	38%	3	
10.00 to <100.00	81	-	-	81	12.72%	200	13%		54	66%	1	
100.00 (Default)	73	*	100%	73	100.00%	146	21%		93	127%	9	
Sub-total	10,844	1,307	100%	12,151	1.31%	21,638	13%		1,462	12%	20	10
Qualifying Revolving Retail												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	*	13	67%	9	0.22%	435	90%		1	11%	*	
0.25 to <0.50	69	893	67%	668	0.37%	77,948	90%		112	17%	2	
0.50 to <0.75	45	426	67%	332	0.60%	36,464	90%		82	25%	2	
0.75 to <2.50	132	789	68%	666	1.26%	71,108	90%		285	43%	8	
2.50 to <10.00	42	199	67%	177	4.62%	19,656	90%		189	107%	7	
10.00 to <100.00	18	16	73%	30	26.18%	2,768	90%		66	223%	7	
100.00 (Default)	8	2	100%	10	100.00%	819	90%		13	133%	8	
Sub-total	314	2,339	67%	1,892	2.05%	209,198	90%		749	40%	34	30

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Original on-balance sheet gross exposures	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	TEP
PD Range	(SGD million)		(%)	(SGD million)	(%)	(Count)	(%)	(Years)	(SGD million)	(%)	(SGD million)	
Other Retail												
0.00 to <0.15	1,342	-	-	1,342	0.09%	35,055	35%		112	8%	*	
0.15 to <0.25	400	-	-	400	0.18%	9,763	35%		57	14%	*	
0.25 to <0.50	290	6	71%	294	0.35%	7,151	36%		65	22%	*	
0.50 to <0.75	85	4	72%	88	0.60%	1,884	37%		28	31%	*	
0.75 to <2.50	135	6	75%	139	1.40%	3,027	37%		62	45%	1	
2.50 to <10.00	33	2	75%	35	4.49%	746	42%		23	65%	1	
10.00 to <100.00	7	*	95%	7	24.25%	178	40%		7	97%	1	
100.00 (Default)	5	-	-	5	100.00%	120	55%		12	274%	2	
Sub-total	2,297	18	73%	2,310	0.57%	57,924	36%		365	16%	5	3
Total (all portfolios)	13,456	3,664	79%	16,353	1.29%	288,760	25%		2,576	16%	58	43

*Number is less than 0.5

11 EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM

The bank does not recognise credit derivatives as a credit risk mitigant under the F-IRBA or A-IRBA.

12 IRBA - RWA FLOW STATEMENT FOR CREDIT RISK EXPOSURES

The table below presents the drivers of movement in Credit RWA under IRBA for the quarter.

The bank's RWAs increased by S\$131 million quarter-on-quarter mainly driven by an increase in asset size for corporate exposures.

SGD million		(a)
		RWA amounts
1	RWA as at end of previous quarter	6,973
2	Asset size	156
3	Asset quality	(20)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	(5)
8	Other	-
9	RWA as at end of quarter	7,104

13 SPECIALISED LENDING AND EQUITIES UNDER THE SIMPLE RISK WEIGHT METHOD

The bank does not have specialised lending or equities exposures under the Simple Risk Weight Method.

14 ANALYSIS OF CCR BY APPROACH

The following table presents the methods used to calculate Counterparty Credit Risk (“CCR”) regulatory requirements and the main parameters used within each method.

SGD million		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost	Potential future exposure	Effective EPE	α used for computing regulatory EAD	EAD (post-CRM)	RWA
1	Current Exposure Method (for derivatives)	49	29			77	37
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					131	26
5	VaR for SFTs					-	-
6	Total						63

15 CVA RISK CAPITAL REQUIREMENTS

The following table provides an overview of the bank’s Credit Valuation Adjustment (“CVA”) risk capital requirements. The bank adopts the Standardised Method for CVA risk capital requirements.

SGD million		(a)	(b)
		EAD (post-CRM)	RWA
Total portfolios subject to the Advanced CVA capital requirement		-	-
1	(i) VaR component (including the three-times multiplier)		-
2	(ii) Stressed VaR component (including the three-times multiplier)		-
3	All portfolios subject to the Standardised CVA capital requirement	77	23
4	Total portfolios subject to the CVA risk capital requirement	77	23

16 CCR EXPOSURES BY PORTFOLIO AND RISK WEIGHTS

The following table provides a breakdown of the bank's CCR exposures calculated in accordance with the SA(CR), by asset class and risk weight.

SGD million	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total Credit exposure
Asset classes									
Central government and central bank	-	-	-	-	-	-	-	-	-
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	147	54	-	-	-	-	201
Corporate	-	-	-	-	-	-	-	-	-
Regulatory retail	-	-	-	-	*	-	-	-	*
Other exposures	-	-	-	-	-	6	-	-	6
Total	-	-	147	54	*	6	-	-	207

*Number is less than 0.5

17 CCR EXPOSURES BY PORTFOLIO AND PD RANGE

The following table provides the parameters used for the calculation of the bank's CCR capital requirements for IRBA models.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
PD Range	(SGD million)	(%)	(Count)	(%)	(Years)	(SGD million)	(%)
Corporate							
0.00 to <0.15	*	0.08%	3	45%	1.00	*	17%
0.15 to <0.25	*	0.20%	3	45%	1.00	*	32%
0.25 to <0.50	*	0.33%	9	45%	1.00	*	44%
0.50 to <0.75	*	0.55%	4	45%	1.00	*	58%
0.75 to <2.50	*	0.86%	4	45%	1.00	*	71%
2.50 to <10.00	*	5.66%	2	45%	1.00	*	147%
10.00 to <100.00	*	11.30%	3	45%	1.00	*	196%
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	1	1.03%	28	45%	1.00	*	62%
Corporate Small Business							
0.00 to <0.15	*	0.10%	4	45%	1.00	*	18%
0.15 to <0.25	*	0.20%	3	45%	1.00	*	28%
0.25 to <0.50	*	0.35%	10	45%	1.00	*	38%
0.50 to <0.75	*	0.55%	4	45%	1.00	*	50%
0.75 to <2.50	*	2.02%	6	45%	1.00	*	89%
2.50 to <10.00	*	5.74%	1	45%	1.00	*	111%
10.00 to <100.00	*	15.80%	1	45%	1.00	*	208%
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	1	1.33%	29	45%	1.00	*	65%
Total (sum of portfolios)	1	1.20%	57	45%	1.00	1	64%

*Number is less than 0.5

18 COMPOSITION OF COLLATERAL FOR CCR EXPOSURE

The following table provides a breakdown of all types of collateral posted or received by the bank to support or reduce the CCR exposures related to SFTs.

SGD million	(a)	(b)	(c)	(d)	(e)	(f)
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
Segregated	Unsegregated	Segregated	Unsegregated			
Cash - domestic currency	-	-	-	-	115	4,804
Cash - other currencies	-	-	-	-	-	1,630
Domestic sovereign debt	-	-	-	-	3,998	115
Other sovereign debt	-	-	-	-	1,487	-
Government agency debt	-	-	-	-	799	-
Corporate bonds	-	-	-	-	91	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	41	-
Total	-	-	-	-	6,531	6,549

19 CREDIT DERIVATIVE EXPOSURES

The bank does not have credit derivatives exposures as at 30 June 2020.

20 EXPOSURES TO CENTRAL COUNTERPARTIES

The bank does not have exposures to central counterparties as at 30 June 2020.

21 MARKET RISK UNDER STANDARDISED APPROACH

The table below shows the capital requirement for each component under the SA for market risk

The market risk RWA was driven by foreign exchange risk in the banking book.

SGD million		(a)
		RWA
	Products excluding options	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	6
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	Total	6

22 SECURITISATION

The bank does not have securitisation exposures as at 30 June 2020.