



Pillar 3 Disclosure Report

Quarter ended September 2021

Maybank Singapore Limited

Incorporated in Singapore

Company Registration Number: 201804195C

---

## TABLE OF CONTENTS

|          |   |           |
|----------|---|-----------|
| <b>1</b> | <b>INTRODUCTION</b> .....                                 | <b>1</b>  |
| <b>2</b> | <b>CAPITAL ADEQUACY</b> .....                             | <b>2</b>  |
| 2.1      | Key Metrics .....   | 3         |
| <b>3</b> | <b>LEVERAGE RATIO</b> .....                               | <b>5</b>  |
| 3.1      | Leverage Ratio.....                                       | 5         |
| 3.2      | Leverage Ratio Common Disclosure Template .....           | 5         |
| <b>4</b> | <b>OVERVIEW OF RISK-WEIGHTED ASSETS</b> .....             | <b>7</b>  |
| <b>5</b> | <b>CREDIT RISK</b> .....                                  | <b>9</b>  |
| 5.1      | IRBA - RWA Flow Statement for Credit Risk Exposures ..... | 9         |
| <b>6</b> | <b>ABBREVIATIONS</b> .....                                | <b>10</b> |

## 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.

The bank's CET1 ratio, tier 1 ratio and total capital ratio as at September 2021 have remained largely stable, with decreases of 0.3 percentage points as compared to the previous quarter due to an increase in risk-weighted assets ("RWA") mainly contributed by an increase in loan exposure.

Liquidity coverage ratio on Country Group basis has decreased by 11 percentage points as compared to the previous quarter due to an increase in total net cash outflow and decrease in holding of High Quality Liquid Assets.

| SGD million   |  | (a)         | (b)         | (c)         | (d)         | (e)         |
|---|--|-------------|-------------|-------------|-------------|-------------|
|   |  | 30 Sep 2021 | 30 Jun 2021 | 31 Mar 2021 | 31 Dec 2020 | 30 Sep 2020 |
| <b>Available amount (amounts)</b>                                 |  |             |             |             |             |             |
| 1   | CET1 capital   | 1,977       | 1,983       | 1,971       | 2,033       | 2,035       |
| 2   | Tier 1 capital   | 1,977       | 1,983       | 1,971       | 2,033       | 2,035       |
| 3   | Total capital  | 2,590       | 2,592       | 2,573       | 2,638       | 2,598       |
| <b>Risk weighted assets (amounts)</b>                             |  |             |             |             |             |             |
| 4   | Total RWA  | 14,948      | 14,729      | 14,620      | 14,589      | 14,836      |
| <b>Risk-based capital ratios as a percentage of RWA</b>           |  |             |             |             |             |             |
| 5   | CET1 ratio (%)   | 13.2        | 13.5        | 13.5        | 13.9        | 13.7        |
| 6   | Tier 1 ratio (%)   | 13.2        | 13.5        | 13.5        | 13.9        | 13.7        |
| 7   | Total capital ratio (%)  | 17.3        | 17.6        | 17.6        | 18.1        | 17.5        |
| <b>Additional CET1 buffer requirements as a percentage of RWA</b> |  |             |             |             |             |             |
| 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 (%) | 5.2         | 5.5         | 5.5         | 5.9         | 5.7         |
| <b>Leverage Ratio (SGD million / %)</b>                           |  |             |             |             |             |             |
| 13  | Total Leverage Ratio exposure measure  | 39,391      | 40,140      | 40,096      | 41,085      | 41,245      |
| 14  | Leverage Ratio (%) (row 2 / row 13)  | 5.0         | 4.9         | 4.9         | 4.9         | 4.9         |

| SGD million |   | (a)         | (b)         | (c)         | (d)         | (e)         |
|-------------|---|-------------|-------------|-------------|-------------|-------------|
|             |   | 30 Sep 2021 | 30 Jun 2021 | 31 Mar 2021 | 31 Dec 2020 | 30 Sep 2020 |
|             | <b>Liquidity Coverage Ratio (SGD million / %)<sup>1</sup></b> |             |             |             |             |             |
| 15          | Total High Quality Liquid Assets                              | 19,607      | 20,075      | 21,464      | 22,400      | 21,389      |
| 16          | Total net cash outflow  | 14,081      | 13,454      | 12,751      | 12,595      | 11,412      |
| 17          | Liquidity Coverage Ratio (%)                                  | 139         | 150         | 169         | 179         | 188         |
|             | <b>Net Stable Funding Ratio (SGD million / %)<sup>2</sup></b> |             |             |             |             |             |
| 18          | Total available stable funding                                | 39,068      | 41,211      | 41,206      | 42,578      | 42,312      |
| 19          | Total required stable funding                                 | 32,775      | 33,113      | 33,571      | 33,060      | 32,636      |
| 20          | Net Stable Funding Ratio (%)                                  | 119         | 124         | 123         | 129         | 130         |

<sup>1</sup> 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. Please refer to MSL's website at [https://www.maybank2u.com.sg/en/personal/about\\_us/maybank-singapore/regulatory-disclosure-maybank-singapore-limited.page](https://www.maybank2u.com.sg/en/personal/about_us/maybank-singapore/regulatory-disclosure-maybank-singapore-limited.page) for the LCR disclosures.

<sup>2</sup> 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). Data presented are as at the last day of respective quarter. Please refer to MSL's website at [https://www.maybank2u.com.sg/en/personal/about\\_us/maybank-singapore/regulatory-disclosure.page](https://www.maybank2u.com.sg/en/personal/about_us/maybank-singapore/regulatory-disclosure.page) for the NSFR half-yearly disclosures.

### 3 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 banking sector.

The bank's leverage ratio as at September 2021 has increased 0.1 percentage point as compared to the previous quarter, mainly due to lower exposure contributed by a reduction in SFTs partially offset by an increase in intra-group lending. The ratio is well above the 3% regulatory minimum ratio prescribed by MAS, effective 1 January 2018.

#### 3.1 Leverage Ratio

| SGD million                        | 30 Sep 2021 | 30 Jun 2021 |
|------------------------------------|-------------|-------------|
| <b>Capital and Total exposures</b> |             |             |
| Tier 1 Capital                     | 1,977       | 1,983       |
| Total Exposures                    | 39,391      | 40,140      |
| <b>Leverage Ratio (%)</b>          |             |             |
| Leverage ratio                     | 5.0         | 4.9         |

#### 3.2 Leverage Ratio Common Disclosure Template

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

The decrease in the exposure measures arising from SFTs was partially offset by an increase in on-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs) mainly due to intra-group lending.

| SGD million |  | Amount      |             |
|-------------|--|-------------|-------------|
|             | Item   | 30 Sep 2021 | 30 Jun 2021 |
|             | <b>Exposure measures of on-balance sheet items</b>   |             |             |
| 1           | On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs) | 32,704      | 31,259      |
| 2           | Asset amounts deducted in determining Tier 1 capital   | -           | -           |
| 3           | <b>Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)</b>  | 32,704      | 31,259      |
|             | <b>Derivative exposure measures</b>  |             |             |
| 4           | Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)                               | 33          | 32          |
| 5           | Potential future exposure associated with all derivative transactions  | 15          | 15          |

| SGD million |   | Amount        |               |
|-------------|---|---------------|---------------|
|             | Item  | 30 Sep 2021   | 30 Jun 2021   |
| 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  | -             | -             |
| 10          | Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives        | -             | -             |
| 11          | <b>Total derivative exposure measures</b>   | <b>48</b>     | <b>47</b>     |
|             | <b>SFT exposure measures</b>  |               |               |
| 12          | Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting                                    | 3,973         | 6,381         |
| 13          | Eligible netting of cash payables and cash receivables  | -             | -             |
| 14          | SFT counterparty exposures  | -             | 21            |
| 15          | SFT exposure measures where a Reporting Bank acts as an agent in the SFTs   | -             | -             |
| 16          | <b>Total SFT exposure measures</b>  | <b>3,973</b>  | <b>6,402</b>  |
|             | <b>Exposure measures of off-balance sheet items</b>   |               |               |
| 17          | Off-balance sheet items at notional amount  | 10,778        | 10,552        |
| 18          | Adjustments for calculation of exposure measures of off-balance sheet items   | (8,112)       | (8,120)       |
| 19          | <b>Total exposure measures of off-balance sheet items</b>   | <b>2,666</b>  | <b>2,432</b>  |
|             | <b>Capital and Total exposures</b>  |               |               |
| 20          | Tier 1 capital  | 1,977         | 1,983         |
| 21          | <b>Total exposures</b>  | <b>39,391</b> | <b>40,140</b> |
|             | <b>Leverage ratio</b>   |               |               |
| 22          | Leverage ratio  | 5.0%          | 4.9%          |



#### 4 OVERVIEW OF RISK-WEIGHTED ASSETS

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 increase in credit RWA was mainly due to an increase in exposures to banks and individuals.

| SGD million |  | (a)           | (b)           | (c)                          |
|-------------|--|---------------|---------------|------------------------------|
|             |  | RWA           |               | Minimum capital requirements |
|             |  | 30 Sep 2021   | 30 Jun 2021   | 30 Sep 2021                  |
| 1           | <b>Credit risk (excluding CCR)</b>                     | <b>13,733</b> | <b>13,496</b> | <b>1,373</b>                 |
| 2           | of which: Standardised Approach                        | 5,119         | 4,995         | 512                          |
| 3           | of which: F-IRBA                                       | 4,489         | 4,478         | 449                          |
| 4           | of which: Supervisory Slotting Approach                | -             | -             | -                            |
| 5           | of which: A-IRBA                                       | 4,126         | 4,023         | 413                          |
| 6           | <b>CCR</b>   | <b>34</b>     | <b>47</b>     | <b>3</b>                     |
| 7           | of which: Current Exposure Method                      | 20            | 19            | 2                            |
| 8           | of which: CCR internal models method                   | -             | -             | -                            |
| 9           | of which: other CCR                                    | 13            | 28            | 1                            |
| 9a          | of which: CCP  | -             | -             | -                            |
| 10          | <b>CVA</b>   | <b>14</b>     | <b>14</b>     | <b>1</b>                     |
| 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          | <b>Market risk</b>                                     | <b>4</b>      | <b>4</b>      | <b>*</b>                     |
| 21          | of which: SA(MR)                                       | 4             | 4             | *                            |
| 22          | of which: IMA  | -             | -             | -                            |

| SGD million |  | (a)           | (b)           | (c)                          |
|-------------|--|---------------|---------------|------------------------------|
|             |  | RWA           |               | Minimum capital requirements |
|             |  | 30 Sep 2021   | 30 Jun 2021   | 30 Sep 2021                  |
| 23          | Operational risk   | 1,163         | 1,168         | 116                          |
| 24          | Amounts below the thresholds for deduction (subject to 250% risk weight) | -             | -             | -                            |
| 25          | Floor adjustment   | -             | -             | -                            |
| 26          | <b>Total</b>   | <b>14,948</b> | <b>14,729</b> | <b>1,495</b>                 |

\* Number is less than 0.5

## 5 CREDIT RISK

### 5.1 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\$114 million quarter-on-quarter. This was mainly due to an overall increase in asset size of portfolios under the IRBA and was partially offset by improvement in the asset quality.

| SGD million |                                   | (a)         |
|-------------|-----------------------------------|-------------|
|             |                                   | RWA amounts |
| 1           | RWA as at end of previous quarter | 8,501       |
| 2           | Asset size                        | 149         |
| 3           | Asset quality                     | (37)        |
| 4           | Model updates                     | -           |
| 5           | Methodology and policy            | -           |
| 6           | Acquisitions and disposals        | -           |
| 7           | Foreign exchange movements        | 2           |
| 8           | Other                             | -           |
| 9           | RWA as at end of quarter          | 8,615       |

## 6 ABBREVIATIONS

| Abbreviations | Brief Description                               |
|---------------|---|
| A-IRBA        | Advanced Internal Ratings-Based Approach        |
| CCP           | Central Counterparty                            |
| CCR           | Counterparty Credit Risk                        |
| CET1          | Common Equity Tier 1                            |
| CVA           | Credit Valuation Adjustment                     |
| D-SIB         | Domestic Systemically Important Banks           |
| F-IRBA        | Foundation Internal Ratings-Based Approach      |
| G-SIB         | Global Systemically Important Banks             |
| IAA           | Internal Assessment Approach                    |
| IMA           | Internal Models Approach                        |
| IMM           | Internal Models Method                          |
| IRBA          | Internal Ratings-Based Approach                 |
| MAS           | Monetary Authority of Singapore                 |
| MSL           | Maybank Singapore Limited                       |
| RWA           | Risk-Weighted Assets                            |
| SA            | Standardised Approach                           |
| SA(MR)        | Standardised Approach for Market Risk           |
| SEC-ERBA      | Securitisation External Ratings-Based Approach  |
| SEC-IRBA      | Securitisation Internal Ratings-Based Approach  |
| SEC-SA        | Securitisation Standardised Approach            |
| SFT           | Securities or Commodities Financing Transaction |
| SGD           | Singapore Dollar                                |