



Pillar 3 Disclosure Report

Quarter ended March 2022

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.

The bank's CET1 ratio, tier 1 ratio and total capital ratio as at March 2022 have remained largely stable, with decreases of 0.5 percentage points for CET1 ratio and tier 1 ratio, and a slight drop of 0.6 percentage points for total capital ratio as compared to the previous quarter. This is mainly due to a decrease in CET1 capital contributed by an increase in mark to market loss on fair value through other comprehensive income ("FVOCI") securities.

Liquidity coverage ratio on Country Group basis has decreased by 8 percentage points as compared to the previous quarter due to a decrease in holding of High Quality Liquid Assets.

SGD million		(a)	(b)	(c)	(d)	(e)
		31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
	Available amount (amounts)					
1	CET1 capital	2,004	2,070	1,977	1,983	1,971
2	Tier 1 capital	2,004	2,070	1,977	1,983	1,971
3	Total capital	2,593	2,656	2,590	2,592	2,573
	Risk weighted assets (amounts)					
4	Total RWA	14,899	14,793	14,948	14,729	14,620
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	13.5	14.0	13.2	13.5	13.5
6	Tier 1 ratio (%)	13.5	14.0	13.2	13.5	13.5
7	Total capital ratio (%)	17.4	18.0	17.3	17.6	17.6
	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 (%)	5.5	6.0	5.2	5.5	5.5
	Leverage Ratio (SGD million / %)					
13	Total Leverage Ratio exposure measure	39,137	37,804	39,391	40,140	40,096
14	Leverage Ratio (%) (row 2 / row 13)	5.1	5.5	5.0	4.9	4.9

SGD million		(a)	(b)	(c)	(d)	(e)
		31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
	Liquidity Coverage Ratio (SGD million / %)¹					
15	Total High Quality Liquid Assets	17,508	18,960	19,607	20,075	21,464
16	Total net cash outflow	13,936	14,227	14,081	13,454	12,751
17	Liquidity Coverage Ratio (%)	126	134	139	150	169
	Net Stable Funding Ratio (SGD million / %)²					
18	Total available stable funding	38,213	37,858	39,068	41,211	41,206
19	Total required stable funding	35,136	34,085	32,775	33,113	33,571
20	Net Stable Funding Ratio (%)	109	111	119	124	123

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. Please refer to MSL's website at https://www.maybank2u.com.sg/en/personal/about_us/maybank-singapore/regulatory-disclosure-maybank-singapore-limited.page for the LCR disclosures.

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). 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 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.

3.1 Leverage Ratio

SGD million	31 Mar 2022	31 Dec 2021
Capital and Total exposures		
Tier 1 Capital	2,004	2,070
Total Exposures	39,137	37,804
Leverage Ratio (%)		
Leverage ratio	5.1	5.5

3.2 Leverage Ratio Common Disclosure Template

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

The bank's leverage ratio as at March 2022 has decreased 0.4 percentage point as compared to previous quarter due to lower Tier 1 capital and higher exposure contributed by an increase in SFTs. The ratio is well above the 3% regulatory minimum ratio prescribed by MAS, effective 1 January 2018.

SGD million		Amount	
	Item	31 Mar 2022	31 Dec 2021
	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)	33,298	33,460
2	Asset amounts deducted in determining Tier 1 capital	-	-
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	33,298	33,460
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	24	23
5	Potential future exposure associated with all derivative transactions	23	17
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	31 Mar 2022	31 Dec 2021
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	47	40
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	3,277	2,125
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	23	-
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	3,300	2,125
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	10,240	10,076
18	Adjustments for calculation of exposure measures of off-balance sheet items	(7,748)	(7,897)
19	Total exposure measures of off-balance sheet items	2,492	2,179
	Capital and Total exposures		
20	Tier 1 capital	2,004	2,070
21	Total exposures	39,137	37,804
	Leverage ratio		
22	Leverage ratio	5.1%	5.5%

4 OVERVIEW OF RISK-WEIGHTED ASSETS

The following table presents the bank's Risk Weighted Assets ("RWA") by approaches and risk types, as prescribed under MAS Notice 637. The minimum capital requirement is 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 is mainly due to an increase in regulatory retail exposures and implementation of Standardised Approach for Counterparty Credit Risk (SA-CCR) for the calculation of pre-settlement counterparty exposure arising from OTC derivative transactions.

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Mar 2022	31 Dec 2021	31 Mar 2022
1	Credit risk (excluding CCR)	13,663	13,595	1,366
2	of which: Standardised Approach	5,197	5,105	520
3	of which: F-IRBA	4,244	4,258	424
4	of which: Supervisory Slotting Approach	-	-	-
5	of which: A-IRBA	4,222	4,232	422
6	CCR	59	22	6
7	of which: SA-CCR / Current Exposure Method ³	45	18	4
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	14	4	1
9a	of which: CCP	-	-	-
10	CVA	34	13	3
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	-	-	-

³ The bank implemented SA-CCR for the calculation of pre-settlement counterparty exposure with effect from 1 January 2022. Prior to this, Current Exposure Method was used.

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Mar 2022	31 Dec 2021	31 Mar 2022
20	Market risk	2	4	*
21	of which: SA(MR)	2	4	*
22	of which: IMA	-	-	-
23	Operational risk	1,141	1,159	114
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total	14,899	14,793	1,490

* Amount 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 decreased by S\$24 million quarter-on-quarter. This was mainly due to an improvement in the asset quality of corporate portfolios, partially offset by a slight increase in asset size of the portfolios under the IRBA.

SGD million		(a)
		RWA amounts
1	RWA as at end of previous quarter	8,490
2	Asset size	22
3	Asset quality	(46)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	*
8	Other	-
9	RWA as at end of quarter	8,466

* Amount is less than 0.5

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
FVOCI	Fair Value through Other Comprehensive Income
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-CCR	Standardised Approach for Counterparty Credit Risk
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