



Pillar 3 Disclosure Report

Quarter ended March 2024

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 increase in capital ratio compared to previous quarter is mainly due to lower Risk-Weighted Assets (“RWA”) contributed by Retail Small Medium Enterprise (“RSME”) portfolio migration from SA to Advanced-IRB Approach.

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 outflows.

SGD million		(a)	(b)	(c)	(d)	(e)
		31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
	Available amount (amounts)					
1	CET1 capital	2,319	2,319	2,109	2,119	2,094
2	Tier 1 capital	2,319	2,319	2,109	2,119	2,094
3	Total capital	2,915	2,928	2,727	2,734	2,703
	Risk weighted assets (amounts)					
4	Total RWA	15,523	16,030	15,926	15,581	14,788
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	14.9	14.5	13.2	13.6	14.2
6	Tier 1 ratio (%)	14.9	14.5	13.2	13.6	14.2
7	Total capital ratio (%)	18.8	18.3	17.1	17.5	18.3
	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 (%)	6.9	6.5	5.2	5.6	6.2
	Leverage Ratio (SGD million / %)					
13	Total Leverage Ratio exposure measure	41,695	41,654	41,558	40,224	39,037
14	Leverage Ratio (%) (row 2 / row 13)	5.6	5.6	5.1	5.3	5.4

SGD million		(a)	(b)	(c)	(d)	(e)
		31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
	Liquidity Coverage Ratio (SGD million / %)¹					
15	Total High Quality Liquid Assets	19,399	19,110	18,144	18,645	17,682
16	Total net cash outflow	12,826	11,746	12,079	12,298	12,145
17	Liquidity Coverage Ratio (%)	152	163	150	152	146
	Net Stable Funding Ratio (SGD million / %)²					
18	Total available stable funding	44,478	44,875	43,823	42,746	41,040
19	Total required stable funding	40,354	38,283	37,033	36,684	35,699
20	Net Stable Funding Ratio (%)	110	117	118	117	115

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 2024	31 Dec 2023
Capital and Total exposures		
Tier 1 Capital	2,319	2,319
Total Exposures	41,695	41,654
Leverage Ratio (%)		
Leverage ratio	5.6	5.6

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 2024 remained at 5.6% as compared to previous quarter. The ratio is well above the 3% regulatory minimum ratio prescribed by MAS, effective 1 January 2018.

SGD million		Amount	
	Item	31 Mar 2024	31 Dec 2023
	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)	33,729	33,560
2	Asset amounts deducted in determining Tier 1 capital	(3)	(3)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	33,726	33,557
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	133	69
5	Potential future exposure associated with all derivative transactions	188	118
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 2024	31 Dec 2023
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	321	187
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	4,854	5,654
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	26	-
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	4,880	5,654
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	11,617	10,667
18	Adjustments for calculation of exposure measures of off-balance sheet items	(8,849)	(8,411)
19	Total exposure measures of off-balance sheet items	2,768	2,256
	Capital and Total exposures		
20	Tier 1 capital	2,319	2,319
21	Total exposures	41,695	41,654
	Leverage ratio		
22	Leverage ratio	5.6%	5.6%

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 requirement is expressed as 10% of RWA. The bank's RWA comprises Credit RWA, Operational RWA and Market RWA.

The quarter-on-quarter decrease in credit RWA is mainly due to the transition of RSME portfolio from SA to Advanced-IRB Approach during the first quarter of 2024.

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Mar 2024	31 Dec 2023	31 Mar 2024
1	Credit risk (excluding CCR)	14,043	14,557	1,404
2	of which: Standardised Approach	3,619	5,034	362
3	of which: F-IRBA	5,726	5,720	573
4	of which: Supervisory Slotting Approach	-	-	-
5	of which: A-IRBA	4,697	3,803	470
6	CCR	119	117	12
7	of which: SA-CCR	83	91	8
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	37	26	4
9a	of which: CCP	-	-	-
10	CVA	37	50	4
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	16	35	2
21	of which: SA(MR)	16	35	2
22	of which: IMA	-	-	-

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Mar 2024	31 Dec 2023	31 Mar 2024
23	Operational risk	1,309	1,272	131
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total	15,523	16,030	1,552

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\$900 million quarter-on-quarter mainly due to the transition of RSME portfolio from SA to Advanced-IRB Approach during the first quarter of 2024.

SGD million		(a)
		RWA amounts
1	RWA as at end of previous quarter	9,523
2	Asset size	211
3	Asset quality	(265)
4	Model updates	948
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	7
8	Other	-
9	RWA as at end of quarter	10,423

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
RSME	Retail Small Medium Enterprise
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