Pillar 3 Disclosure Report

Quarter ended December 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 to compute the market risk-weighted assets and operational risk-weighted assets.

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

2 ATTESTATION STATEMENT PURSUANT TO MAS NOTICE 637 – DISCLOSURE REQUIREMENTS (PILLAR 3)

The Pillar 3 disclosures as at 31 December 2024 have been prepared in accordance with the internal control processes approved by the MSL Board of Directors.

Mr Alvin Lee Han Eng

Country CEO and CEO of Maybank Singapore

14 April 2025

3 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.

3.1 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 an increase in CET1 capital contributed by an increase in retained earnings recognised offset by an increase in Risk-Weighted Assets ("RWA").

Liquidity coverage ratio on Country Group basis has increased by 21 percentage points as compared to the previous quarter due to an increase in holding of High Quality Liquid Assets.

SGD million		(a)	(b)	(c)	(d)	(e)
		31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
	Available capital (amounts)					
1	CET1 capital	2,369	2,224	2,353	2,319	2,319
2	Tier 1 capital	2,369	2,224	2,353	2,319	2,319
3	Total capital	2,962	2,825	2,939	2,915	2,928
	RWA (amounts)					
4	Total RWA	14,646	14,312	15,911	15,523	16,030
4a	Total RWA (pre-floor)	14,646	14,312	15,911	15,523	16,030
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	16.2	15.5	14.8	14.9	14.5
5a	CET1 ratio (%) (pre-floor ratio)	16.2	15.5	14.8	14.9	14.5
6	Tier 1 ratio (%)	16.2	15.5	14.8	14.9	14.5
6a	Tier 1 ratio (%) (pre-floor ratio)	16.2	15.5	14.8	14.9	14.5
7	Total capital ratio (%)	20.2	19.7	18.5	18.8	18.3
7a	Total capital ratio (%) (pre-floor ratio)	20.2	19.7	18.5	18.8	18.3
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0

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SGD million		(a) 31 Dec 2024	(b) 30 Sep 2024	(c) 30 Jun 2024	(d) 31 Mar 2024	(e) 31 Dec 2023
10	G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of 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 (%)	8.2	7.5	6.8	6.9	6.5
	Leverage Ratio					
13	Total Leverage Ratio exposure measure	46,420	42,031	41,182	41,695	41,654
14	Leverage Ratio (%) (row 2 / row 13)	5.1	5.3	5.7	5.6	5.6
14 a	Leverage Ratio (%) incorporating mean values for SFT assets	5.2	5.4	5.5	5.5	5.5
	Liquidity Coverage Ratio[1]					
15	Total High Quality Liquid Assets	22,220	18,597	19,349	19,399	19,110
16	Total net cash outflow	14,006	13,504	13,469	12,826	11,746
17	Liquidity Coverage Ratio (%)	159	138	144	152	163
	Net Stable Funding Ratio[2]					
18	Total available stable funding	52,316	47,963	44,820	44,478	44,875
19	Total required stable funding	42,290	43,889	42,381	40,354	38,283
20	Net Stable Funding Ratio (%)	124	109	106	110	117

[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.

3.2 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 RWA of private sector credit exposures relevant to the calculation of the CCyB.

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 parental support.

SGD million	(a)	(b)	(c)	(d)
Geographical breakdown	Country- or Jurisdiction-specific countercyclical capital buffer requirement	RWA for private sector credit exposures used in the computation of the countercyclical buffer	Bank-specific countercyclical capital buffer requirement	Countercyclical capital buffer amount
Australia	1.00%	3		
Belgium	1.00%	*		
Denmark	2.50%	*		
France	1.00%	*		
Germany	0.75%	1		
Hong Kong	1.00%	18		
Ireland	1.50%	*		
Korea, Republic of	1.00%	*		
Luxembourg	0.50%	*		
Netherlands	2.00%	*		
Norway	2.50%	*		
Sweden	2.00%	*		
United Kingdom	2.00%	2		
Sum		25		
Total		**11,828**	**0.0%**	*

*Amount is less than 0.5

4 LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES

4.1 Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories

The following table shows the breakdown of the amount reported in the financial statements by regulatory risk categories.

SGD million	(a)	(b)	(c)	(d)	(e)	(f)
	Carrying amounts as reported in balance sheet of published financial statements	Carrying amounts of items -				
		subject to credit risk requirements	subject to CCR requirements	subject to securitisation framework	subject to market risk requirements	not subject to capital requirements or subject to deduction from regulatory capital
Assets						
Cash and balances with central bank	1,435	1,435	-	-	-	-
Government securities and treasury bills	3,757	3,757	-	-	-	-
Other Debt securities	216	216	-	-	-	-
Balances and placements with and loans to banks	151	151	-	-	-	-
Bills receivable	2	2	-	-	-	-
Loans and advances to non-bank customers	28,038	28,038	-	-	-	-
Amounts due from related corporations	10,337	5,169	5,168	-	-	-
Other assets	117	94	23	-	23	-
Deferred tax assets	1	-	-	-	-	1

SGD million	(a) Carrying amounts as reported in balance sheet of published financial statements	(b) Carrying amounts of items - subject to credit risk requirements	(c) subject to CCR requirements	(d) subject to securitisation framework	(e) subject to market risk requirements	(f) not subject to capital requirements or subject to deduction from regulatory capital
Intangible assets	85	85	-	-	-	-
Right-of-use assets	59	59	-	-	-	-
Property and equipment	29	29	-	-	-	-
Total Assets	**44,227**	**39,035**	**5,191**	**-**	**23**	**1**
Liabilities						
Deposits of non-bank customers	39,745	-	-	-	-	39,745
Bills payable	90	-	-	-	-	90
Amounts due to related corporations	88	-	-	-	-	88
Current income tax payable	51	-	-	-	-	51
Other liabilities	275	-	-	-	34	241
Lease liabilities	61	-	-	-	-	61
Subordinated notes	505	-	-	-	-	505
Debt securities issued	1,042	-	-	-	-	1,042
Total Liabilities	**41,857**	**-**	**-**	**-**	**34**	**41,823**

The sum of amounts disclosed under columns (b) to (f) for the above table can exceed the amounts disclosed under column (a) as some of the assets and liabilities can be subject to regulatory capital charges for credit risk, counterparty risk and market risk.

4.2 Main Sources of Differences between Regulatory Exposure Amounts and Carrying Amounts in Financial Statements

The following table provides information on the main sources of differences between regulatory exposure amounts and carrying amounts in the financial statements. Items subject to market risk requirements have not been included in the table below as they are computed based on notional positions in the relevant underlying instruments.

SGD million		(a)	(b)	(c)
			Items subject to -	
		Total	credit risk requirements	CCR requirements
1	Assets carrying amount under regulatory scope of consolidation[3]	44,227	39,035	5,191
2	Liabilities carrying amount under regulatory scope of consolidation[3]	34	-	-
3	Total net amount under regulatory scope of consolidation	44,193	39,035	5,191
4	Off-balance sheet amounts		3,604	-
5	Difference due to derivatives and securities financing transaction		-	220
6	Difference due to consideration of provision		284	3
7	Other differences		(391)	-
8	**Exposures amounts considered for regulatory purposes**	**47,946**	**42,532**	**5,414**

[3] The total column excludes amounts subject to deduction from capital or not subject to regulatory capital requirements

4.3 Qualitative Disclosure of Differences between Carrying Amounts in Financial Statements and Regulatory Exposure Amounts

MSL's regulatory scope of consolidation is identical to its accounting scope of consolidation. However, the key differences between the carrying amounts in the financial statements and regulatory exposure amounts under each framework are:

a) Off-balance sheet amounts include contingent liabilities and undrawn portions of committed facilities after application of credit conversion factors.
b) Derivative regulatory exposures include potential future exposures.
c) In the financial statements, the carrying value of assets are net of allowances. However, for regulatory reporting, the carrying value of assets are gross of allowances under IRBA and net of specific allowances under SA.
d) Other differences could include differences arising from the recognition of credit risk mitigation, inclusion of repurchase agreement for counterparty credit risk, etc.

4.4 Prudent Valuation Adjustments

The following table provides a breakdown of the constituent elements of prudent valuation adjustment ("PVA"). Valuation adjustments relating to mid-market value and unearned credit spreads have been included in financial reporting and are not shown in this table.

SGD million		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Equity	Interest Rate	FX	Credit	Commodities	Total	of which: in the trading book	of which: in the banking book
1	Closeout uncertainty	-	-	-	-	-	-	-	-
2	of which: Mid-market value	-	-	-	-	-	-	-	-
3	of which: Closeout cost	-	-	-	-	-	-	-	-
4	of which: Concentration	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risk	-	-	-	-	-	-	-	-
8	Investing and funding costs						-	-	-
9	Unearned credit spreads						-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other	-	-	-	-	-	-	-	-
12	**Total adjustment**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

5 COMPOSITION OF CAPITAL

5.1 Composition of Regulatory Capital

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

Row Number	**SGD million**	**(a)**	**(b)**
		Amount	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	2,000	d
2	Retained earnings	368	e
3#	Accumulated other comprehensive income and other disclosed reserves	2	f
4	Minority interest that meets criteria for inclusion	-	
5	**Common Equity Tier 1 capital before regulatory adjustments**	**2,370**	
Common Equity Tier 1 capital: regulatory adjustments			
6	Prudent valuation adjustments pursuant to Part VI of MAS Notice 637	-	
7	Goodwill, net of associated deferred tax liability	-	
8#	Intangible assets, net of associated deferred tax liability	-	
9#	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of associated deferred tax liability)	1	b
10	Cash flow hedge reserve	-	
11	Shortfall of TEP relative to EL under IRBA	-	
12	Increase in equity capital resulting from securitisation transactions	-	

13	Net exposures to credit-enhancing interest-only strips	-	
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 (if not already subtracted from paid-in capital on reported balance sheet)	-	
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 approved under section 32 of the Banking Act (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 approved under section 32 of the Banking Act (including insurance subsidiaries)	-	
24#	Of which: mortgage servicing rights	-	
25#	Of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments	-	
27	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-	

28	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	
29	Any other items which the Authority may specify	-	
30	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital and Tier 2 Capital to satisfy required deductions	-	
31	**Total regulatory adjustments to CET1 Capital**	**1**	
32	**Common Equity Tier 1 Capital (CET1)**	**2,369**	
Additional Tier 1 Capital: instruments			
33	AT1 capital instruments and share premium (if applicable)	-	
34	Of which: classified as equity under the Accounting Standards	-	
35	Of which: classified as liabilities under the Accounting Standards	-	
36	AT1 capital instruments issued by fully consolidated subsidiaries that meet criteria for inclusion	-	
37	**Additional Tier 1 Capital before regulatory adjustments**	**-**	
Additional Tier 1 Capital: regulatory adjustments			
38	Investments in own AT1 capital instruments	-	
39	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
41	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake approved under section 32 of the Banking Act (including insurance subsidiaries)	-	
42	National specific regulatory adjustments which the Authority may specify	-	
43	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-	

44	**Total regulatory adjustments to Additional Tier 1 Capital**	**-**	
45	**Additional Tier 1 Capital (AT1)**	**-**	
46	**Tier 1 Capital (T1 = CET1 + AT1)**	**2,369**	
Tier 2 Capital: instruments and provisions			
47	Tier 2 capital instruments and share premium (if applicable)	500	c
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-	
49	Provisions	93	a
50	**Tier 2 Capital before regulatory adjustments**	**593**	
Tier 2 Capital: regulatory adjustments			
51	Investments in own Tier 2 capital instruments	-	
52	Reciprocal cross-holdings in Tier 2 capital instruments and other TLAC liabilities of financial institutions	-	
53	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	-	
54#	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 approved under section 32 of the Banking Act (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)**	**593**	
59	**Total capital (TC = T1 + T2)**	**2,962**	
60	**Floor-adjusted total risk-weighted assets**	**14,646**	

Capital adequacy ratios and buffers (as a percentage of floor-adjusted risk-weighted assets)			
61	**Common Equity Tier 1 CAR**	**16.2%**	
62	**Tier 1 CAR**	**16.2%**	
63	**Total CAR**	**20.2%**	
64	Reporting Bank-specific buffer requirement	2.5%	
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	8.2%	
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 approved under section 32 of the Banking Act (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 Capital			
76	Provisions eligible for inclusion in Tier 2 Capital in respect of exposures subject to standardised	39	

	approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 Capital under standardised approach	37	
78	Provisions eligible for inclusion in Tier 2 Capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	55	
79	Cap for inclusion of provisions in Tier 2 Capital under internal ratings-based approach	66	

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.

5.2 Reconciliation of Regulatory Capital to Balance Sheet

The table below provides the link between MSL's balance sheet in the financial statement and the composition of capital disclosure template.

SGD million	Amount	Cross Reference to Section 5.1
Assets		
Cash and balances with central bank	1,435	
Government securities and treasury bills	3,757	
Other Debt securities	216	
Balances and placements with and loans to banks	151	
Bills receivable	2	
Loans and advances to non-bank customers	28,038	
of which: Total allowances admitted as eligible T2 capital	93	a
Amounts due from related corporations	10,337	
Other assets	117	
Deferred tax assets	1	b
Intangible assets	85	
Right-of-use assets	59	
Property and equipment	29	
Total Assets	**44,227**	
Liabilities		
Deposits of non-bank customers	39,745	
Bills payable	90	
Amounts due to related corporations	88	
Current income tax payable	51	
Other liabilities	275	
Lease liabilities	61	
Subordinated notes	505	
of which: Amount recognised in Tier 2 capital	500	c
Debt securities issued	1,042	
Total Liabilities	**41,857**	
Net Asset	**2,370**	
Equity		
Share capital	2,000	
of which: Amount eligible as CET1 Capital	2,000	d
Total Reserve	370	
of which: Retained earnings	368	e
of which: Fair value adjustment reserve	2	f
Total Equity	**2,370**	

5.3 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 country or jurisdiction)	Ordinary Shares	T2 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

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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	Non-cumulative 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	Type of subordination		Contractual

36	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 are: (i) 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.
37	Non-compliant transitioned features	No	No
38	If yes, specify non-compliant features	N.A.	N.A.

6 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.

6.1 Leverage Ratio

SGD million	31 Dec 2024	30 Sep 2024
Capital and Total exposures		
Tier 1 Capital	2,369	2,224
Total Exposures	46,420	42,031
Leverage ratio (%)		
Leverage ratio	**5.1**	**5.3**

6.2 Leverage Ratio Summary Comparison Table

SGD million		Amount
	Item	**31 Dec 2024**
1	Total consolidated assets as per published financial statements	**44,515**
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the leverage ratio exposure measure	-
5	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
6	Adjustments for eligible cash pooling arrangements	-
7	Adjustment for derivative transactions	187
8	Adjustment for SFTs	-
9	Adjustment for off-balance sheet items	2,007
10	Adjustments for prudent valuation adjustments and specific and general allowances which have reduced Tier 1 Capital	(289)
11	Other adjustments	-
12	**Leverage ratio exposure measure**	**46,420**

6.3 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 December 2024 has decreased 0.2 percentage point as compared to the previous quarter mainly due to higher exposure contributed by higher SFTs, intra-group lending, securities holding and balances with MAS. The ratio is well above the 3% regulatory minimum ratio prescribed by MAS, effective 1 January 2018.

SGD million		**Amount**	
		(a)	**(b)**
	Item	**31 Dec 2024**	**30 Sep 2024**
	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)	39,243	37,421
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets in accordance with the Accounting Standards	-	-
3	Deductions of receivable assets for cash variation margin provided in derivatives transactions	-	-
4	Adjustment for collateral received under securities financing transactions that are recognised as assets	-	-
5	Specific and general allowances associated with on-balance sheet exposures that are deducted from Tier 1 Capital	(289)	(313)
6	Asset amounts deducted in determining Tier 1 capital and regulatory adjustments	(1)	*
7	**Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)**	**38,953**	**37,108**
	Derivative exposure measures		
8	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins and net of bilateral netting)	51	57
9	Potential future exposure associated with all derivative transactions	173	174
10	CCP leg of trade exposures excluded in respect of derivative transactions cleared on behalf of clients	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-

12	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
13	**Total derivative exposure measures**	**224**	**231**
	SFT exposure measures		
14	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	5,236	2,861
15	Eligible netting of cash payables and cash receivables	-	-
16	SFT counterparty exposures	-	-
17	SFT exposure measures where the Reporting Bank acts as an agent in the SFTs	-	-
18	**Total SFT exposure measures**	**5,236**	**2,861**
	Exposure measures of off-balance sheet items		
19	Off-balance sheet items at notional amount	10,603	10,289
20	Adjustments for calculation of exposure measures of off-balance sheet items	(8,595)	(8,457)
21	Specific and general allowances associated with off-balance sheet exposures deducted in determining Tier 1 Capital	(1)	(1)
22	**Total exposure measures of off-balance sheet items**	**2,007**	**1,831**
	Capital and Total exposures		
23	**Tier 1 capital**	**2,369**	**2,224**
24	**Total exposures**	**46,420**	**42,031**
	Leverage ratio		
25	**Leverage ratio**	**5.1%**	**5.3%**
26	**National minimum leverage ratio requirement**	**3.0%**	**3.0%**
27	**Applicable leverage buffers**	**2.1%**	**2.3%**
	Disclosures of mean values		
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	4,259	1,975
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	5,236	2,861
30	Total exposures incorporating values from row 28	45,443	41,145
31	Leverage ratio incorporating values from row 28	5.2%	5.4%

* Amount is less than 0.5

7 ASSET ENCUMBRANCE

The following table provides the amount of encumbered and unencumbered assets.

SGD million	(a)	(b)	(c)
	Encumbered assets	**Unencumbered assets**	**Total**
Cash and balances with central bank	-	1,435	1,435
Government securities and treasury bills	65	3,692	3,757
Other Debt securities	-	216	216
Balances and placements with and loans to banks	-	151	151
Bills receivable	-	2	2
Loans and advances to non-bank customers	853	27,185	28,038
Amounts due from related corporations	-	10,337	10,337
Other assets	-	117	117
Deferred tax assets	-	1	1
Intangible assets	-	85	85
Right-of-use assets	-	59	59
Property and equipment	-	29	29
Total Assets	**918**	**43,309**	**44,227**

8 RISK MANAGEMENT APPROACH

Risk management is a core discipline of MSL to ensure overall soundness of the bank. The management of risk in MSL broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions.

Under the bank's risk governance structure, the Board of Directors ("BOD") has overall responsibility for the oversight of the risk management of MSL. The Board-level Risk Management and Compliance Committee ("RMCC") assists the BOD to set the risk appetite and review the risk management frameworks, policies, and credit underwriting standards to steer MSL in risk taking activities.

In addition to Board oversight, there are several Executive-level risk management committees - Singapore Management Committee ("SMC"), Executive Risk and Compliance Committee ("ERCC"), Credit Committee Singapore ("CCS"), Non-Financial Risk Committee ("NFRC") and Asset and Liability Management Committee ("ALCO") - to assist and support BOD and RMCC's risk oversight.

Functions	Key Responsibilities
Board & Board-level Risk Management Committee	
Board of Directors	Ultimate governing body responsible for understanding the major risks faced by the bank, setting acceptable levels of risk taking and ensuring that senior management takes the steps necessary to identify, measure, control and monitor these risks.
Risk Management and Compliance Committee	Assists the BOD in the execution of its duties and responsibilities, by providing board level oversight of risk management and compliance matters in Singapore.

Functions	Key Responsibilities
Executive-level Risk Management Committees	
Executive Risk and Compliance Committee	Responsible to review and approve risk management strategies, tolerance and limits appropriate to the risk profile and business strategy in Singapore.
Senior Management & Working / Operating Level Committees	
Senior Management & Working / Operating Level Committees	Ensure the management of risk is in line with the approved risk appetite and strategy, risk frameworks and policies, and risk management practices.

The bank adopts Maybank Group's risk frameworks and policies with further customisation to suit local regulatory and business environment. For more details on Maybank's Risk Management Approach, please refer to Maybank Group's Annual Report as follows:

Annual Report

Chapter	Details Covered
Macro trends Impacting Our M25+ Strategy (page 48)	Significant macro trends that impact Maybank's strategy and the associated opportunities and risks.
Principal Risks (page 50)	Summary of principal risks and risk trends in FY2024. Risk heat map that shows the likelihood and potential impact of principal risks, with key mitigation actions taken to manage them.
Statement on Risk Management and Internal Control (page 138)	Risk management framework, risk appetite, risk governance and oversight, risk and compliance culture, risk management practices and processes, compliance framework, Shariah governance framework, stress testing, responsible lending, cyber and technology risk management frameworks and internal control system.

Further details can be found in Maybank Group's Pillar 3 disclosure:

Maybank Group's Pillar 3 Disclosure

Section	Details Covered
Internal Capital Adequacy Assessment Process (page 13)	Comprehensive risk assessment under ICAAP policy, assessment of Pillar 1 and Pillar 2 risks and regular and robust stress testing.
Risk Management (page 15)	Risk management framework, risk appetite, risk governance and oversight and independent group risk function.

9 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 increase in credit RWA is mainly due to higher exposures to banks and corporates.

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Dec 2024	30 Sep 2024	31 Dec 2024
1	**Credit risk (excluding CCR)**	**13,777**	**13,469**	**1,378**
2	Of which: Standardised Approach	2,945	2,923	294
3	Of which: F-IRBA	6,536	6,203	654
4	Of which: supervisory slotting approach	-	-	-
5	Of which: A-IRBA	4,297	4,342	430
6	**CCR**	**140**	**117**	**14**
7	Of which: SA-CCR	94	84	9
8	Of which: CCR internal models method	-	-	-
9	Of which: other CCR	46	34	5
10	Of which: CCP	-	-	-
11	**CVA**	**44**	**48**	**4**
12	**Equity investments in funds – look-through approach**	**-**	**-**	**-**
13	**Equity investments in funds – mandate-based approach**	**-**	**-**	**-**
14	**Equity investments in funds – fall-back approach**	**-**	**-**	**-**
15	**Equity investment in funds – partial use of an approach**	**-**	**-**	**-**
16	**Unsettled transactions**	**-**	**-**	**-**
17	**Securitisation exposures in the banking book**	**-**	**-**	**-**
18	Of which: SEC-IRBA	-	-	-
19	Of which: SEC-ERBA	-	-	-

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Dec 2024	30 Sep 2024	31 Dec 2024
20	Of which: SEC-IAA	-	-	-
21	Of which: SEC-SA	-	-	-
22	**Market risk (excluding CVA and capital charge for switch between trading book and banking book)**	**8**	**47**	**1**
23	Of which: SA(MR)	8	47	1
24	Of which: SSA(MR)	-	-	-
25	Of which: IMA	-	-	-
26	**Capital charge for switch between trading book and banking book**	**-**	**-**	**-**
27	**Operational risk**	**677**	**631**	**68**
28	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**-**	**-**	**-**
29	**Output floor calibration**	**50%**	**50%**	**-**
30	**Floor adjustment**	**-**	**-**	**-**
31	**Total**	**14,646**	**14,312**	**1,465**

10 COMPARISON OF MODELLED AND STANDARDISED RWA AT RISK LEVEL

The table below compares the RWA calculated using nominated approaches against the RWA calculated using only standardised approaches. The lower risk-weight for Retail exposures under Advanced-IRB Approach accounted largely for the difference in RWA calculated using nominated and standardised approaches.

SGD million		(a)	(b)	(c)	(d)
		RWA			
		RWA for portfolios where the Reporting Bank uses modelled approaches	RWA for portfolios where the Reporting Bank uses standardised approaches	Total RWA (a+b)	Total RWA calculated using only standardised approaches
1	Credit risk (excluding counterparty credit risk)	10,833	2,945	13,777	17,186
2	Counterparty credit risk	94	46	140	138
3	Credit valuation adjustment	-	44	44	44
4	Securitisation exposures in the banking book	-	-	-	-
5	Market risk	-	8	8	8
6	Operational risk		677	677	677
7	Residual RWA		-	-	-
8	**Total**	**10,927**	**3,719**	**14,646**	**18,052**

11 COMPARISON OF MODELLED AND STANDARDISED RWA FOR CREDIT RISK AT ASSET CLASS LEVEL

The table below compares the RWA calculated using nominated approaches at the asset class level against the corresponding RWA calculated using only standardised approaches. The lower risk-weight for Retail exposures under Advanced-IRB Approach, mainly from retail residential mortgages and other retail exposures, accounted largely for the difference in RWA calculated using nominated and standardised approaches.

SGD million		(a)	(b)	(c)	(d)
		RWA			
		RWA for IRBA exposures calculated using IRBA	RWA for IRBA exposures calculated using SA(CR)	Total RWA for IRBA exposures and SA(CR) exposures calculated using nominated approaches	Total RWA for IRBA exposures and SA(CR) exposures calculated using SA(CR)
1	Sovereign	-	-	-	-
1A	Of which : categorised as MDB/PSE in SA	-	-	-	-
2	Banks and other financial institutions treated as banks	1,734	1,581	1,734	1,581
3	Equity	-	-	-	-
4	Purchased receivables	-	-	-	-
5	Corporates	4,802	4,574	6,156	5,925
5A	Of which: F-IRBA is applied	4,802	4,574	4,802	4,574
5B	Of which: A-IRBA is applied	-	-	-	-
6	Retail	4,297	8,090	5,653	9,445
6A	Of which: QRRE	645	386	756	497
6B	Of which: other retail	1,551	3,497	2,675	4,618

6C	Of which: retail residential mortgages	2,100	4,207	2,223	4,330
7	Specialised lending	-	-	-	-
7A	Of which: IPRE and HVCRE	-	-	-	-
8	Others	-	-	235	235
9	**Total**	**10,833**	**14,244**	**13,777**	**17,186**

12 GENERAL QUALITATIVE DISCLOSURES ON CREDIT RISK

Credit risk is the risk of loss of principal or income arising from the failure of a borrower or counterparty to perform their contractual obligations in accordance with agreed terms.

The bank's credit risk management is supported by policies which cover credit risk management process in accordance with the standards established by the Maybank Group in order to manage credit risk in a structured, systematic and consistent manner. Credit policies are supplemented by operational procedures and guidelines to ensure consistency in identifying, assessing, underwriting, measuring, reporting and controlling credit risk.

Monitoring of credit exposures, portfolio performance and external environment factors potentially affecting the bank is part of the bank's efforts in managing credit risk. Relevant reports on exposures, performance and external credit trends are submitted to the relevant risk committees periodically.

The Credit Authority Limits ("AL") Policy governs the administration of the authority limits for various areas including credit extension, renewals and NPL management. The Credit AL Policy adopts a risk-based approach taking into consideration the risk rating, total credit exposures and facility tenor of the borrower.

The bank engages in various types of credit stress testing typically driven by regulators or internal requirements. The Board / ERCC and senior management exercise effective oversight on the stress test process and results to ensure that the requirements set out within the relevant policies are met.

13 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[a]	212	28,112	284	3	26	255	28,041
2	Debt securities	-	3,974	*	-	*	-	3,973
3	Off-balance sheet exposures	-	10,057	1	-	*	1	10,056
4	**Total**	**212**	**42,143**	**285**	**3**	**27**	**255**	**42,070**

* Amount is less than 0.5

[a] Excludes interbank loans

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.

14 CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

SGD million		(a)
		31 Dec 2024
1	**Defaulted loans and debt securities at end of the previous semi-annual reporting period**	**200**
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	71
3	Returned to non-defaulted status	12
4	Amounts written-off	22
5	Other changes	-25
6	**Defaulted loans and debt securities at end of the semi-annual reporting period (1+2-3-4±5)**	**212**

15 ADDITIONAL DISCLOSURES RELATED TO THE CREDIT QUALITY OF ASSETS

The bank's Credit Classification and Impairment Policy sets out the bank's standards on classification and impairment provisions for financing in accordance with the Group policy and MAS Notice 612 – Credit Files, Grading and Provisioning. Where country requirements differ from the Group, the more stringent policy shall apply.

Credit exposures are categorised as "Performing Loans" and "Non-Performing Impaired Loans ("NPIL")". Classification of accounts leads to the required action on distressed accounts / borrowers where the bank can allocate the right amount of focus for early, preventive and remedial actions.

Loans / financing are classified as follows:

Classification	Description
Performing Loans	
Pass	This indicates that timely repayment of the outstanding credit facility is not in doubt. Repayment is prompt and the credit facility does not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower. The credit facilities may be further sub-categorised to Early Warning Signal ("EWS") and Watch List ("WL") for early care and account management purposes.
Special Mention Account ("SMA")	Accounts exhibiting potential weaknesses that, if not corrected in a timely manner, may adversely affect repayment by the borrower at a future date, and warrant close attention by the bank.
Non-Performing Impaired Loans ("NPIL")	
Substandard	Accounts exhibiting definable weaknesses, in respect of either the business, cash flow or financial position of the borrower that may jeopardise repayment on existing terms.
Doubtful	Accounts with more severe weaknesses than those in a substandard credit facility such that the prospects of full recovery are questionable and the prospects of a loss are high, but the exact amount remains undeterminable yet.

Classification	Description
Bad (Loss)	Accounts where the outstanding credit facility is not collectable and little or nothing can be done to recover the outstanding amount from any collateral or from the borrower's assets generally.

Accounts are classified as NPIL under the following circumstances:

- Time Trigger – Borrowers / accounts that are past due for more than 90 days on their obligations to the bank.
- Judgmental Trigger – Borrowers that exhibit definable or more severe weaknesses and are unlikely to pay their obligations to the bank.

The following tables show the breakdown of credit risk exposures by geographical areas, industry and residual maturity.

15.1 Breakdown of Major Types of Credit Risk Exposures by Geographical Areas

SGD million	(a) Government securities and treasury bills	(b) Other debt securities	(c) Balances and placements with and loans to banks	(d) Amounts due from related corporations	(e) Bills receivable and loans and advances to non-bank customers	(f) Total on-balance sheet exposures	(g) Undrawn loan commitments	(h) Contingent liabilities
Singapore	3,614	216	11	10,322	27,564	**41,727**	9,096	239
India	-	-	-	-	3	**3**	1	-
Malaysia	-	-	-	*	149	**150**	138	*
China	-	-	-	-	342	**342**	23	-
Hong Kong	-	-	-	5	39	**44**	9	-
Others	144	-	140	15	227	**525**	349	*
Total	**3,758**	**216**	**151**	**10,342**	**28,324**	**42,791**	**9,616**	**240**

*Amount is less than 0.5

15.2 Breakdown of Major Types of Credit Risk Exposures by Industry Sector

SGD million	(a) Government securities and treasury bills	(b) Other debt securities	(c) Balances and placements with and loans to banks	(d) Amounts due from related corporations	(e) Bills receivable and loans and advances to non-bank customers	(f) Total on-balance sheet exposures	(g) Undrawn loan commitments	(h) Contingent liabilities
Building and construction	-	-	-	-	1,167	**1,167**	493	96
Financial institutions	-	-	151	10,342	2,625	**13,118**	1,022	7
Manufacturing	-	-	-	-	605	**605**	250	15
Transport, storage & communication	-	-	-	-	488	**488**	173	12
Government & public sector	3,758	216	-	-	-	**3,974**	-	-
Housing & bridging loans	-	-	-	-	14,263	**14,263**	1,222	-
General commerce	-	-	-	-	2,004	**2,004**	1,312	87
Professional and private individuals	-	-	-	-	5,671	**5,671**	4,714	3
Others	-	-	-	-	1,500	**1,500**	431	19
Total	**3,758**	**216**	**151**	**10,342**	**28,324**	**42,791**	**9,616**	**240**

15.3 Breakdown of Major Types of Credit Risk Exposures by Residual Maturity

SGD million	(a) Up to 7 days	(b) Over 7 days to 1 month	(c) Over 1 to 3 months	(d) Over 3 to 12 months	(e) Over 1 to 3 years	(f) Over 3 years	(g) No Specific	(h) Total
Government securities and treasury bills	151	255	846	1,143	727	636	-	**3,758**
Debt securities	-	-	-	45	57	114	-	**216**
Balances and placements with and loans to banks	151	-	-	-	-	-	-	**151**
Amounts due from related corporations	799	2,116	1,841	4,032	1,555	-	-	**10,342**
Bills receivable and loans and advances to non-bank customers	1,225	1,083	570	672	1,803	22,971	-	**28,324**
Total on-balance sheet exposures	**2,326**	**3,453**	**3,257**	**5,893**	**4,141**	**23,721**	**-**	**42,791**
Undrawn loan commitments	6,060	611	277	795	49	1,823	-	**9,616**
Contingent liabilities	39	28	32	71	44	26	-	**240**

The following tables show the breakdown of impaired exposures and related allowances and write-offs by geographical areas and industry.

15.4 Breakdown by Geographical Areas

SGD million	(a) Impaired loans, advances and financing	(b) Specific Allowance	(c) Write-Offs
Singapore	209	107	51
India	-	-	-
Malaysia	*	*	*
China	3	*	-
Hong Kong	-	-	-
Others	*	*	*
Total	**212**	**107**	**51**

*Amount is less than 0.5

15.5 Breakdown by Industry

SGD million	(a) Impaired loans, advances and financing	(b) Specific Allowance	(c) Write-Offs
Building and construction	90	51	13
Financial institutions	*	*	-
Manufacturing	10	3	2
Transport, storage & communication	13	6	3
Government & public sector	-	-	-
Housing & bridging loans	8	*	-
General commerce	65	33	13
Professional and private individuals	10	6	15
Others	15	7	5
Total	**212**	**107**	**51**

*Amount is less than 0.5

The following table shows the ageing analysis of past due exposures.

15.6 Ageing Analysis of Past Due but Not Impaired Exposures

SGD million	(a)
	31 Dec 2024
Less than 30 days	161
30 days to less than 90 days	171
90 days and more	1
Total	**333**

15.7 Restructured Exposures

A restructured facility is one whose principal terms and conditions have been modified due to an increase in the credit risk / deterioration in creditworthiness of the borrower and / or to assist the borrower to overcome / alleviate financial difficulties. Restructured accounts are classified as impaired i.e., minimum "substandard" grade, depending on the financial condition of the borrower and the ability of the borrower to repay based on the restructured terms.

SGD million	(a)
	31 Dec 2024
Impaired	5
Non-impaired	14
Total	**19**

16 QUALITATIVE DISCLOSURES RELATED TO CRM TECHNIQUES

The bank may use various risk mitigation methods such as collateral, netting arrangements, credit insurance, credit derivatives and guarantees to mitigate potential credit losses. When assessing whether a collateral is acceptable, the bank sets criteria including legal certainty and enforceability, marketability and valuations of the collateral.

The bank's Collateral Policy prescribes the list of acceptable collaterals, valuation method and frequency, loan-to-value ("LTV") in order to be recognised as secured, minimum insurance coverage requirements, etc.

Derivatives and repurchase agreements ("REPO") are typically governed and documented under market-standard documentation, such as International Swaps & Derivatives Association ("ISDA") Agreements and Master Repurchase Agreements. A master agreement provides general terms and conditions that are applied to all transactions which it governs.

Regular valuation of collateral is performed alongside regular analysis of collateral concentration. Collateral values are also adjusted during stress testing to ascertain their impact on recovery and loss.

Where necessary, recovery processes are in place to assist with the disposal of collateral. A panel of service providers (valuers, auctioneers, agents, brokers and solicitors) is maintained to assist the bank with the disposal of foreclosed properties / assets under impaired loans.

17 OVERVIEW OF CRM TECHNIQUES

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

The movements of loans and debt securities balances in the second half of 2024 were in line with overall balance sheet changes.

SGD million		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured	**Exposures secured[4]**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Loans	6,580	21,461	21,284	177	-
2	Debt securities	3,973	-	-	-	-
3	**Total**	**10,553**	**21,461**	**21,284**	**177**	**-**
4	Of which: defaulted	41	59	57	1	-

*Amount is less than 0.5

[4] 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.

18 QUALITATIVE DISCLOSURES ON THE USE OF EXTERNAL CREDIT RATINGS UNDER THE SA(CR)

The bank uses external ratings mainly for credit exposures to sovereigns under the Standardised Approach. The approved External Credit Assessment Institutions ("ECAI") are Fitch Ratings, Moody's Investor Service, and Standard & Poor's ("S&P"), and there has been no change in this regard during the reporting period.

Where the credit exposures under Standardised Approach have issue-specific external credit assessments by an approved ECAI, these assessments are used to determine the applicable risk weights. Where the issue-specific external credit assessments are not available, a process is in place to use the available external credit ratings of comparable assets as prescribed in paragraph 7.3.32 in MAS Notice 637.

19 CREDIT RISK EXPOSURES UNDER STANDARDISED APPROACH

19.1 SA(CR) – 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).

The applicable Credit Conversion Factor ("CCF") is applied on Off-balance sheet notional to derive the Exposures at Default ("EAD"). Where applicable, EAD is net of specific allowance and adjusted by eligible financial collateral to arrive at the net credit equivalent amount where capital requirements are applied.

RWA decreased in the second half of 2024 mainly due to transition of Bank portfolio from Standardised Approach to Foundation-IRB Approach.

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 sub-classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Cash items	64	-	64	-	-	0%
2	Central government and central bank	5,129	200	5,129	200	-	0%
3	PSE	216	-	368[b]	4	-	0%
4	MDB	-	-	-	-	-	-
5	Bank	-	-	-	-	-	-
6	Covered bond	-	-	-	-	-	
7	Corporate	162	349	117[b]	16	131	99%

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 sub-classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
7A	Of which: General	157	327	112	14	126	100%
7B	Of which: Corporate SME	5	22	5	2	6	85%
7C	Of which: SL	-	-	-	-	-	-
8	Equity and subordinated debt	-	-	-	-	-	-
9	Regulatory retail	933	1,580	805	108	693	76%
10	Other retail	478	275	311	17	338	103%
11	Real estate	1,587	302	1,584	109	1,543	91%
12	Other exposures	235	-	235	-	235	100%
13	Defaulted exposures	5	1	5	*	5	101%
14	**Total**	**8,808**	**2,706**	**8,617**	**454**	**2,945**	**32%**

*Amount is less than 0.5

[b] Corporate exposures which have credit risk mitigation under the government risk participation schemes are reported in the PSE asset class.

19.2 SA(CR) – 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.

The applicable Credit Conversion Factor ("CCF") is applied on Off-balance sheet notional to derive the Exposures at Default ("EAD"). Where applicable, EAD is net of specific allowance and adjusted by eligible financial collateral to arrive at the net credit equivalent amount where capital requirements are applied.

Exposures decreased in the second half of 2024 mainly due to transition of Bank portfolio from Standardised Approach to Foundation-IRB Approach.

SGD million Asset Classes \ Risk Weight		0%	10%	15%	20%	25%	30%	35%	40%	50%	65%	75%	80%	85%	100%	130%	150%	250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Cash items	64			-																	**64**
2	Central government and central bank	5,329			-					-					-		-				-	**5,329**
3	PSE	372			-					-					-		-				-	**372**
4	MDB	-			-		-			-					-		-					**-**
5	Bank				-		-		-	-		-			-		-					**-**
5A	Of which: securities firms and other financial institutions				-		-		-	-		-			-		-					**-**
6	Covered bonds		-	-	-	-		-		-					-							**-**
7	Corporate				-					-		-	-	7	126	-	-					**132**
7A	Of which: General corporate				-					-		-			126		-					**126**
7B	Of which: securities firms and other financial institutions				-					-		-			62		-					**62**
7C	Of which: Corporate SME				-					-		-		7	-		-					**7**
7D	Of which: securities firms and other financial institutions				-					-		-		2	-		-					**2**
7E	Of which: SL				-					-		-	-		-	-	-					**-**
8	Equity and subordinated debt																-	-	-	-	-	**-**

SGD million																						
Asset Classes	**Risk Weight**	**20%**	**25%**	**30%**	**35%**	**40%**	**45%**	**50%**	**60%**	**65%**	**70%**	**75%**	**85%**	**90%**	**100%**	**105%**	**110%**	**150%**	**250%**	**1250%**	**Other**	**Total credit exposure amount (post-CCF and post-CRM)**
9	Regulatory retail						57					789									67	**914**
10	Other retail														309						19	**328**
11	Real estate	35	39	153	5	1	45	1	230		23	76	62	80	153	-	-	532			259	**1,693**
11A	Of which: ADC														153			529			-	**682**
11B	Of which: Regulatory real estate	35	39	153	5	1	45	1	230		23	72	62	80		-	-				257	**1,001**
11C	Of which: RRE	35	39	153	5	1	45	1	-		1	-				-					140	**419**
11D	Of which: CRE								230		22	72	62	80			-				116	**582**
11E	Of which: Other real estate											4	-					2			2	**9**
12	Defaulted exposures														5			*				**5**
13	Other exposures														235				-	-		**235**

*Amount is less than 0.5

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures					
SGD million		(a)	(b)	(c)	(d)
14	**Risk weight**	**On-balance sheet exposure**	**Off-balance sheet exposure (pre-CCF)**	**Weighted average CCF***	**Exposure (post-CCF and post-CRM)**
14A	Less than 40%	5,926	261	80%	6,136
14B	40-70%	282	612	12%	358
14C	75%	812	479	11%	866
14D	80-85%	65	27	13%	68
14E	90-100%	981	308	15%	1,026
14F	105-130%	66	10	13%	67
14G	150%	486	165	39%	551
14H	250%	-	-	-	-
14I	400%	-	-	-	-
14J	1250%	-	-	-	-
14K	Other	-	-	-	-
14L	**Total exposures**	**8,617**	**1,862**	**24%**	**9,071**
* Weighting is based on off-balance sheet exposure (pre-CCF).					

20 QUALITATIVE DISCLOSURES FOR IRBA MODELS

The bank has obtained approval from MAS to use internal credit models for evaluating the majority of its credit risk exposures. For the RWA computation of corporate portfolios, the bank adopts the Foundation Internal Ratings-Based ("FIRB") Approach (for approved scorecards), which relies on its own internal Probability of Default ("PD") estimates and applies supervisory estimates of Loss Given Default ("LGD") and Exposure At Default ("EAD"), while the retail portfolios mainly adopt the Advanced Internal Ratings-Based ("AIRB") Approach relying on internal estimates of PD, LGD, and EAD.

In line with Basel requirements for capital adequacy purposes, the parameters are calibrated to a full economic cycle experience to reflect the long-run, cycle-neutral estimations.

- **Probability of Default**

  PD represents the probability of a borrower defaulting within the next 12 months. The first level estimation is based on the portfolio's Observed Default Rate of the more recent years' data. The average long-run default experience covering crisis periods (e.g. 2001-2002) is reflected through Central Tendency calibration for the Basel estimated PD.

- **Loss Given Default**

  LGD measures the economic loss the bank would incur in the event of a borrower defaulting. Among others, it takes into account post default pathways, cure probability, direct and indirect costs associated with the workout, recoveries from borrower and collateral liquidation.

  LGD is calibrated to loss experiences during a period of economic crisis whereby for most portfolios, the estimated loss during crisis years is expected to be higher than that during a normal economic period. LGD during a crisis period, known as Downturn LGD, is used as an input for RWA calculation.

- **Exposure At Default**

  EAD is linked to facility risk, namely the expected gross exposure of a facility should a borrower default. The “race-to-default” is captured by Credit Conversion Factor (“CCF”), which should reflect the expected increase in exposure amount due to additional drawdown by a borrower facing financial difficulties leading to default.

The A-IRB portfolios constitute 31% while the F-IRB portfolios constitute 48% of the bank’s Credit RWA respectively.

20.1 Application of Internal Ratings

Internal ratings are used in the following areas:

- **Credit Approval**

  The bank adopts a risk-based approval approach where the approval level of a loan application is determined based on the internal rating of the borrower, the quantum of exposure being requested and the facility tenor.

- **Risk Management and Setting of Risk Tolerances for Credit Portfolios**

  Internal ratings are used extensively in the bank's policies to ensure consistent application of the rating system, estimates, and processes among the various units in the bank. For example, borrowers with higher risk grades are subjected to more frequent reviews to ensure close monitoring and tracking of these borrowers.

- **Internal Capital Allocation and Pricing**

  The bank has emplaced risk-based capital management, including the Internal Capital Adequacy Assessment Process ("ICAAP"), and uses regulatory capital charge for decision making and budgeting. Internal ratings are used as a basis for pricing credit facilities.

- **Provisioning**

  The bank adopts the internal ratings generated to derive Expected Credit Loss ("ECL") for provisioning purposes.

- **Corporate Governance**

  Internal ratings, default and loss estimates are used in reports to provide meaningful analysis on areas relating to credit and profitability at all levels within the bank. This analysis is especially useful for senior management.

20.2 Non-Retail Portfolio

Non-retail exposures comprise mainly the bank's commercial banking and bank borrowers. The general modelling approach adopted by the bank can be categorised into the following categories:

- **Default History Based ("Good-Bad" Analysis)**

  This approach is adopted when the bank has sufficient default data. Under this approach, a statistical method is employed to determine the likelihood of default on existing exposures. Scorecards under the bank's Credit Risk Rating System ("CRRS") models were developed using this approach.

- **Shadow Rating Approach**

  This approach is usually applied when there are few or no default data available. The objective of this methodology is to replicate the risk rating applied by the external rating agencies.

- **Expert Judgement Approach**

  The default experience for some exposures, for example in real estate, is insufficient for the bank to perform the required analysis to develop a robust statistical model. Hence, another approach known as experts' judgement approach is opted to develop the scorecard. Under this approach, the qualitative and quantitative factors and their respective weights are determined by the Maybank Group's credit experts.

20.3 Credit Risk Models and Tools

- **Credit Risk Rating System ("CRRS")**

  The Borrower Risk Rating ("BRR"), which is a component of CRRS, is a borrower-specific rating element that provides an estimate of the likelihood of the borrower going into default over the next 12 months. The BRR estimates the borrower risk and is independent of the type or nature of facilities and collaterals offered.

For reference, each grade can be mapped to a set of external agency ratings, such as the S&P rating. This is illustrated in Table 1 which provides the indicative mapping of internal rating grades of corporate borrowers to S&P's rating grades.

Table 1: Rating Grades

Risk Category	Rating Grade	S&P equivalent
Very Low	1-5	AAA to BBB+
Low	6-10	BBB+ to BB+
Moderate	11-15	BB+ to B+
High	16-21	B+ to C

20.4 Retail Portfolio

The bank has adopted the A-IRBA for retail exposures, which consist of residential mortgages, qualifying revolving retail exposures and other retail exposures. These exposures are managed on a portfolio basis premised on homogenous risk characteristics.

This approach calls for a more extensive reliance on the bank's own internal experience by estimating all three main components of RWA calculation, namely PD, EAD and LGD, based on historical data.

20.5 Independent Model Validation

The use of models will give rise to model risk, which is defined as the risk of a model not performing the tasks or being able to capture the risks it was designed for. Any model not performing in line with expectations may potentially result in financial loss, incorrect business decisions, misstatement of external financial disclosures, or damage to the bank's reputation.

To manage this risk, a Model Risk Management ("MRM") framework was introduced in 2019 to provide an overall governance as well as clear roles and responsibilities throughout the model lifetime in order to manage new models being introduced mainly to support business analytics and decision making. As part of the MRM, model validation is performed to assess whether the model is performing according to expectations. The group model validation function is distinct from the group model development function and model users, with the objective to provide the required independence in performing the function. In line with regulatory requirements, all credit IRBA models used for capital calculation and finance models used for FRS 9 reporting are subject to independent validation by the group model validation team. Additionally, as part of best practice, other significant models such as market risk models used for valuation and pricing are also subject to independent validation. Approval and oversight of model validation are governed by a technical committee and the relevant risk committees. The technical committee known as Model Validation and Acceptance Committee ("MVAC") meets regularly and its membership is drawn from Risk and Business stakeholders.

In general, validation techniques include both quantitative and qualitative analysis to test the appropriateness and robustness of the models used. Validation of the models covers activities that evaluate and examine the rating system and the estimation process and methods for deriving the risk components. For instance, for credit risk models, the risk components are PD, LGD and EAD. The process involves validating whether risk models are capable of discriminating ('discriminatory or rank ordering power') and are giving consistent and predictive estimates ('calibration') of the relevant risk parameters.

Model validation is conducted at two stages:

- Pre-implementation model validation, which is conducted after model development; and
- Post-implementation validation, which is performed at least on an annual basis for models used for IRBA capital calculation. For other types of models deemed less risky and not subject to regulatory requirements, post-implementation validation may be performed on a less frequent basis.

In addition to annual review, frequent monitoring is performed by the model owners to ensure that models are performing as expected.

As part of the overall governance, validation processes are also subject to regular independent reviews by Internal Audit.

21 IRBA - 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.

RWA increased in the second half of 2024 mainly due to transition of Bank portfolio from Standardised Approach to Foundation-IRB Approach partly offset by reduction in RWAs arising from the implementation of Final Basel III Reforms.

	(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)**	
Bank												
0.00 to <0.15	5,332	2	100%	5,334	0.12%	16	45%	1.3	1,732	32%	3	
0.15 to <0.25	5	-	-	5	0.21%	2	45%	*	1	29%	*	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	**5,337**	**2**	**100%**	**5,338**	**0.12%**	**18**	**45%**	**1.3**	**1,734**	**32%**	**3**	**23**

*Amount is less than 0.5

	(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)	
General Corporate												
0.00 to <0.15	67	162	16%	91	0.09%	49	33%	3.3	22	24%	*	
0.15 to <0.25	41	90	16%	54	0.20%	36	32%	2.9	18	34%	*	
0.25 to <0.50	314	242	21%	362	0.34%	98	37%	4.0	240	66%	*	
0.50 to <0.75	137	102	22%	158	0.55%	54	36%	3.3	106	67%	*	
0.75 to <2.50	1,935	1,081	15%	2,062	1.28%	424	37%	3.6	1,997	97%	10	
2.50 to <10.00	604	368	21%	657	4.73%	243	34%	3.2	765	116%	11	
10.00 to <100.00	209	155	16%	218	13.34%	542	30%	3.3	322	147%	9	
100.00 (Default)	142	13	12%	138	100.00%	37	29%	4.0	-	0%	40	
Sub-total	**3,449**	**2,213**	**17%**	**3,739**	**6.06%**	**1,483**	**36%**	**3.5**	**3,470**	**93%**	**70**	**127**
Corporate Small Business												
0.00 to <0.15	4	43	12%	9	0.10%	18	30%	1.5	1	13%	*	
0.15 to <0.25	46	31	19%	52	0.20%	20	37%	4.2	22	42%	*	
0.25 to <0.50	115	133	19%	135	0.37%	50	38%	3.6	102	76%	*	
0.50 to <0.75	88	32	14%	91	0.55%	21	31%	4.5	51	56%	*	
0.75 to <2.50	716	397	15%	754	1.44%	208	36%	3.3	626	83%	4	
2.50 to <10.00	482	205	22%	500	4.75%	159	29%	3.1	410	82%	7	
10.00 to <100.00	87	56	15%	91	14.62%	43	33%	2.7	121	133%	4	
100.00 (Default)	1	1	10%	1	100.00%	2	40%	4.5	-	0%	1	
Sub-total	**1,539**	**898**	**17%**	**1,633**	**3.09%**	**521**	**34%**	**3.3**	**1,333**	**82%**	**16**	**18**
Total (all portfolios)	**10,325**	**3,112**	**17%**	**10,711**	**2.65%**	**2,022**	**40%**	**2.4**	**6,536**	**61%**	**89**	**168**

*Amount 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. RWA decreased in the second half of 2024 arising from the implementation of Final Basel III Reforms.

	(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)	
Retail - Residential Mortgage												
0.00 to <0.15	2,566	441	40%	2,742	0.09%	2,432	22%		139	5%	1	
0.15 to <0.25	4,472	210	40%	4,556	0.20%	9,274	23%		411	9%	2	
0.25 to <0.50	4,755	237	40%	4,850	0.36%	6,407	23%		672	14%	4	
0.50 to <0.75	2,630	260	40%	2,734	0.60%	2,644	23%		542	20%	4	
0.75 to <2.50	383	71	40%	411	1.15%	521	23%		127	31%	1	
2.50 to <10.00	128	15	40%	135	5.27%	319	22%		100	74%	2	
10.00 to <100.00	81	1	40%	81	20.39%	158	22%		98	121%	4	
100.00 (Default)	6	*	40%	6	100.00%	7	26%		12	200%	1	
Sub-total	**15,021**	**1,236**	**40%**	**15,515**	**0.51%**	**21,762**	**22%**		**2,100**	**14%**	**17**	**28**
Retail - Qualifying Revolving Retail												
0.00 to <0.15	1	55	66%	37	0.11%	1,703	90%		2	6%	*	
0.15 to <0.25	80	856	61%	600	0.20%	58,180	90%		57	10%	1	
0.25 to <0.50	58	597	61%	420	0.38%	38,180	90%		68	16%	1	
0.50 to <0.75	70	725	61%	511	0.56%	36,276	90%		111	22%	3	
0.75 to <2.50	97	627	58%	459	1.31%	34,106	90%		192	42%	5	
2.50 to <10.00	32	117	52%	93	4.87%	8,043	90%		98	105%	4	
10.00 to <100.00	27	54	43%	50	22.64%	4,284	90%		112	224%	10	
100.00 (Default)	4	-	-	4	100.00%	323	90%		5	125%	3	
Sub-total	**370**	**3,031**	**60%**	**2,175**	**1.46%**	**181,095**	**90%**		**645**	**30%**	**28**	**11**

*Amount is less than 0.5

	(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)	
Retail – Other retail												
0.00 to <0.15	1,049	77	39%	1,079	0.10%	16,433	39%		102	9%	*	
0.15 to <0.25	1,161	69	42%	1,190	0.19%	18,878	40%		187	16%	1	
0.25 to <0.50	1,024	90	47%	1,066	0.36%	13,239	40%		251	24%	2	
0.50 to <0.75	453	48	48%	476	0.60%	3,682	45%		169	35%	1	
0.75 to <2.50	643	118	46%	697	1.40%	6,335	47%		373	54%	5	
2.50 to <10.00	353	79	43%	387	4.52%	3,013	53%		296	77%	9	
10.00 to <100.00	108	28	45%	121	29.56%	820	49%		126	104%	17	
100.00 (Default)	44	8	25%	46	100.00%	372	43%		48	104%	16	
Sub-total	**4,834**	**518**	**44%**	**5,061**	**2.35%**	**62,772**	**43%**		**1,551**	**31%**	**51**	**33**
Total (all portfolios)	**20,225**	**4,785**	**53%**	**22,751**	**1.01%**	**265,629**	**33%**		**4,297**	**19%**	**97**	**72**

*Amount is less than 0.5

As at 31 December 2024, the bank does not recognise credit derivatives as a credit risk mitigant under the F-IRBA or A-IRBA.

22 EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM

The bank does not recognise credit derivatives as a credit risk mitigant.

23 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$287 million quarter-on-quarter mainly due to increase in bank and corporate exposures, partially offset by better asset quality.

SGD million		(a)
		RWA amounts
1	**RWA as at end of previous quarter**	**10,546**
2	Asset size	348
3	Asset quality	(124)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	63
8	Other	-
9	**RWA as at end of quarter**	**10,833**

24 IRBA – BACKTESTING OF PD PER PORTFOLIO

The following table provides backtesting data to validate the reliability of PD calculations, and compares the PD used in F-IRBA capital calculations with the effective default rates of the bank's obligors.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
PD Range	S&P	Fitch's Rating	Moody's Rating	Weighted Average PD by obligors	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the annual reporting period[5]	of which: new defaulted obligors in the annual reporting period[5]	Average historical annual default rate
						End of previous annual reporting period[5]	End of the annual reporting period[5]			
Bank[6]										
0.00 to < 0.15	AAA to A	AAA to A	Aaa to A2	0.12%	0.08%	-	17	-	-	-
0.15 to < 0.25	A-	A-	A3	0.21%	0.21%	-	2	-	-	-
0.25 to < 0.50	BBB+ to BBB	BBB+ to BBB	Baa1 to Baa2	-	-	-	-	-	-	-
0.50 to < 0.75	BBB-	BBB-	Baa3	-	-	-	-	-	-	-
0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	-	-	-	-	-	-	-
2.50 to < 10.00	B to CCC	B to CCC	B2 to Caa2	-	-	-	-	-	-	-
10.00 to < 100.00	CCC- to C	CCC- to C	Caa3 to Ca	-	-	-	-	-	-	-
General Corporate and Corporate Small Business										
0.00 to < 0.15	AAA to A	AAA to A	Aaa to A2	0.09%	0.11%	46	67	-	-	0.00%
0.15 to < 0.25	A-	A-	A3	0.20%	0.20%	40	56	-	-	0.22%
0.25 to < 0.50	BBB+ to BBB	BBB+ to BBB	Baa1 to Baa2	0.35%	0.34%	161	148	-	-	0.62%
0.50 to < 0.75	BBB-	BBB-	Baa3	0.55%	0.55%	88	75	-	-	0.63%
0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.32%	1.47%	644	637	2	-	0.43%
2.50 to < 10.00	B to CCC	B to CCC	B2 to Caa2	4.74%	4.69%	405	406	9	-	1.79%
10.00 to < 100.00	CCC- to C	CCC- to C	Caa3 to Ca	13.72%	13.50%	309	307	26	-	4.70%

[5] Annual reporting period references the period between Jan – Dec of the year.
[6] The Bank portfolio transitioned from Standardised Approach to Foundation-IRB Approach in September 2024. As such, the average historical annual default rate and number of obligors in the end of previous annual reporting period will be populated in the next reporting.

The following table provides backtesting data to validate the reliability of PD calculations, and compares the PD used in A-IRBA capital calculations with the effective default rates of the bank's obligors.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
						Number of obligors				
PD Range	S&P	Fitch's Rating	Moody's Rating	Weighted Average PD by obligors	Arithmetic average PD by obligors	End of previous annual reporting period[7]	End of the annual reporting period[7]	Defaulted obligors in the annual reporting period[7]	of which: new defaulted obligors in the annual reporting period[7]	Average historical annual default rate
Retail - Residential Mortgage										
0.00 to < 0.15				0.09%	0.09%	351	2,433	-	-	0.00%
0.15 to < 0.25				0.20%	0.19%	8,608	9,277	1	-	0.05%
0.25 to < 0.50				0.36%	0.35%	7,069	6,407	-	-	0.06%
0.50 to < 0.75				0.60%	0.60%	3,719	2,645	-	-	0.09%
0.75 to < 2.50				1.15%	1.28%	1,136	522	-	-	0.35%
2.50 to < 10.00				5.27%	5.31%	667	319	1	-	1.77%
10.00 to < 100.00				20.39%	21.33%	181	158	11	-	13.48%
Retail - QRRE										
0.00 to < 0.15				0.11%	0.11%	545	1,703	-	-	0.00%
0.15 to < 0.25				0.20%	0.20%	57,829	58,182	20	-	0.03%
0.25 to < 0.50				0.38%	0.38%	38,390	38,180	20	-	0.12%
0.50 to < 0.75				0.56%	0.56%	34,487	36,276	77	2	0.39%
0.75 to < 2.50				1.31%	1.35%	33,273	34,106	138	2	0.62%
2.50 to < 10.00				4.87%	4.94%	8,048	8,043	146	2	1.62%
10.00 to < 100.00				22.64%	22.91%	4,521	4,305	400	20	8.75%

[7] Annual reporting period references the period between Jan – Dec of the year.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
PD Range	S&P	Fitch's Rating	Moody's Rating	Weighted Average PD by obligors	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the annual reporting period[8]	of which: new defaulted obligors in the annual reporting period[8]	Average historical annual default rate
						End of previous annual reporting period[8]	End of the annual reporting period[8]			
Retail - Other Retail Exposures[9]										
0.00 to < 0.15				0.10%	0.10%	16,172	16,447	1	-	0.03%
0.15 to < 0.25				0.19%	0.19%	19,031	18,892	-	-	0.06%
0.25 to < 0.50				0.36%	0.35%	11,195	13,256	5	-	0.12%
0.50 to < 0.75				0.60%	0.60%	3,152	3,683	6	-	0.57%
0.75 to < 2.50				1.40%	1.42%	4,365	6,341	21	1	0.98%
2.50 to < 10.00				4.52%	4.59%	854	3,015	74	2	2.33%
10.00 to < 100.00				29.56%	27.39%	54	819	267	30	16.57%

[8] Annual reporting period references the period between Jan – Dec of the year.
[9] Other retail exposures includes the RSME portfolio which transitioned from Standardised Approach to Advanced-IRB Approach in February 2024.

25 IRBA – SPECIALISED LENDING UNDER THE SLOTTING APPROACH

The bank does not have specialised lending exposures using the supervisory slotting approach.

26 QUALITATIVE DISCLOSURES RELATED TO CCR

Counterparty credit risk ("CRR") is the risk arising from the possibility that a counterparty may default on current and future payments as required by contracts for treasury-related activities. Counterparty credit risk originates from the bank's lending business, as well as investment and treasury activities that impact the bank through dealings in foreign exchange, money market instruments, fixed income securities, commodities, equities and over-the-counter derivatives. The primary distinguishing feature of counterparty credit risk compared to other forms of credit risk is that the future value of the underlying contract is uncertain, and may be either positive or negative depending on the value of all future cash flows.

Counterparty credit risk exposures are managed via counterparty limits either on a single counterparty basis or on a counterparty group basis, predicated on MAS 656 Exposures to Single Counterparty Group for Banks. The extension of credit limits and exposures to counterparties is subject to the bank's prevailing underwriting standards and credit policies. Similar to other credit applications, counterparties are assigned the appropriate risk rating using internal rating models and the applications are subject to credit assessment and approval by the independent risk team. The bank actively monitors and manages its exposures to ensure that exposures to a single counterparty group are within prudent limits at all times. The bank also reports and takes the necessary actions on counterparties experiencing issues with excess management and settlement failure.

For on-balance sheet exposures, the bank's risk treatment is in accordance with MAS 637 guidelines. For derivatives and foreign exchange exposures, the bank measures a Credit Risk Equivalent Exposure via the Current Exposure Method for internal risk management and monitoring purposes. This method calculates the bank's credit risk exposure based on the mark-to-market exposure and an appropriate add-on factor for potential future exposure. The add-on factors applied are in accordance with Basel II requirements.

The bank typically engages with entities of strong credit quality and utilises a comprehensive approach of limit setting by trade, counterparty and portfolio levels to diversify exposures across different counterparties. As a secondary recourse, the bank adopts credit risk mitigation methods using collateral netting with counterparties, where appropriate. Counterparty credit risk exposures in derivatives are mitigated via master netting arrangements, where possible. A master agreement governs all transactions between the bank and a counterparty, and enables the netting of outstanding obligations upon termination of outstanding transactions should an event of default or other predetermined events occur. In certain cases, the bank may request for further mitigation by entering into a Credit Support Annex ("CSA") agreement with approved ISDA counterparties. This provides collateral margining in order to mitigate counterparty credit risk exposure.

27 ANALYSIS OF CCR EXPOSURE BY APPROACH

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

The higher RWA in the second half of 2024 was mainly from increase in reverse repurchase exposures.

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	SA-CCR (for derivatives)	37	90		1.4	178	94
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					5,236	46
5	VaR for SFTs					-	-
6	**Total**						**140**

28 STANDARDISED APPROACH – 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.

The decrease in exposures in the second half of 2024 was mainly due to the transition of Bank portfolio from Standardised Approach to Foundation-IRB Approach.

SGD million	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Risk weight / Asset classes	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Central government and central bank	-	-	-	-	-	-	-	-	-
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-
Covered bond	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	4	-	*	4
Equity and subordinated debt	-	-	-	-	-	-	-	-	-
Regulatory retail	-	-	-	-	-	-	-	-	-
Other retail	-	-	-	-	-	43	-	-	43
Real estate	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**46**	**-**	*****	**46**

*Amount is less than 0.5

29 IRBA - 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. The increase in exposures in the second half of 2024 was mainly due to transition of Bank portfolio from Standardised Approach to Foundation-IRB Approach.

	(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)**	**(%)**
Bank							
0.00 to < 0.15	5,366	0.13%	3	2%	1.0	93	2%
0.15 to < 0.25	-	-	-	-	-	-	-
0.25 to < 0.50	-	-	-	-	-	-	-
0.50 to < 0.75	-	-	-	-	-	-	-
0.75 to < 2.50	-	-	-	-	-	-	-
2.50 to < 10.00	-	-	-	-	-	-	-
10.00 to < 100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	**5,366**	**0.13%**	**3**	**2%**	**1.0**	**93**	**2%**
General Corporate							
0.00 to < 0.15	*	0.13%	4	40%	1.0	*	20%
0.15 to < 0.25	-	-	-	-	-	-	-
0.25 to < 0.50	*	0.28%	2	40%	1.0	*	33%
0.50 to < 0.75	*	0.54%	1	40%	1.0	*	49%
0.75 to < 2.50	*	1.42%	10	40%	1.0	*	74%
2.50 to < 10.00	*	5.20%	7	40%	1.0	*	119%
10.00 to < 100.00	*	11.40%	4	40%	1.4	*	169%
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	**1**	**4.47%**	**28**	**40%**	**1.1**	**1**	**98%**

*Amount is less than 0.5

	(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 Small Business							
0.00 to < 0.15	*	0.07%	1	40%	1.0	*	11%
0.15 to < 0.25	-	-	-	-	-	-	-
0.25 to < 0.50	-	-	-	-	-	-	-
0.50 to < 0.75	*	0.55%	1	40%	1.0	*	38%
0.75 to < 2.50	*	1.27%	11	40%	1.0	*	63%
2.50 to < 10.00	*	8.04%	2	40%	1.0	*	111%
10.00 to < 100.00	*	11.30%	1	40%	1.0	*	125%
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	**1**	**1.26%**	**16**	**40%**	**1.0**	*	**57%**
Total (sum of portfolios)	**5,367**	**0.13%**	**47**	**2%**	**1.0**	**94**	**2%**

*Amount is less than 0.5

30 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 derivative transactions and SFTs.

The increase in collateral posted and received for SFTs in the second half of 2024 was in line with the increase in reverse repurchase transactions.

	(a)	(b)	(c)	(d)	(e)	(f)
	Collateral used in derivative transactions				Collateral used in SFTs	
	Adjusted fair value of collateral received		Adjusted fair value of collateral posted		Adjusted fair value of collateral received	Adjusted fair value of collateral posted
SGD million	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
Cash - domestic currency	-	1,369	-	-	-	3,241
Cash - other currencies	-	9	-	12	96	1,930
Domestic sovereign debt	-	-	-	-	2,950	-
Other sovereign debt	-	-	-	-	1,105	65
Government agency debt	-	-	-	-	521	-
Corporate bonds	-	-	-	-	244	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	248	-
Total	**-**	**1,379**	**-**	**12**	**5,164**	**5,236**

31 CREDIT DERIVATIVE EXPOSURES

The bank does not have credit derivative exposure as at 31 December 2024.

32 EXPOSURE TO CENTRAL COUNTERPARTIES

The bank does not have exposure to central counterparties as at 31 December 2024.

33 SECURITISATION

The bank does not have securitisation exposure as at 31 December 2024.

34 QUALITATIVE DISCLOSURES RELATED TO MARKET RISK

The bank does not have a trading book as of 31 December 2024.

35 MARKET RISK UNDER STANDARDISED APPROACH

The table below shows the capital requirement for each component under the Standardised Approach 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	8
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	**Securitisation**	-
9	**Total**	**8**

36 GENERAL QUALITATIVE INFORMATION ON THE BANK'S OPERATIONAL RISK FRAMEWORK

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

The management of operational risk is anchored on an established risk strategy that provides the overall principles and objectives, with defined risk appetite reflecting the Bank's acceptable tolerance level for operational risk. The Non-Financial Risk Framework, Policy & Procedures, are supplemented by associated tools, such as the Risk Control Self-Assessment ("RCSA"), Key Risk Indicators ("KRI") and Incident Management Data Collection ("IMDC"). Operational risk events are classified according to Basel standards and are reported through well-established principles and thresholds.

A sound risk governance model premised on the three lines of defence and a robust risk culture are vital in driving the management of operational risk in the Bank. The independent Operational Risk Management ("ORM") unit provides oversight and ongoing monitoring and review of all outsourcing arrangements of the Bank. ORM also governs the Bank's mitigation of risks through the Business Continuity Management program to ensure the Bank's resilience in the event of a disaster. The Bank purchases insurance as a risk mitigation tool to transfer and reduce the risk to an acceptable level against events such as damage, injuries, and costs associated with unforeseen events.

An integrated risk management system for operational risk forms the foundation to enable the implementation of the methodologies and tools. The Bank calculates the Internal Loss Multiplier ("ILM") using its internal loss data for the computation of its Operational RWA and Operational Risk capital, as part of the computation method spelt out in MAS Notice 637.

Supporting the implementation of the methodologies and tools are clearly defined processes to facilitate timely escalation and reporting of operational risk exposures experienced by businesses and operations to designated stakeholders (i.e., management and board risk committees) in the Bank for effective oversight on operational risk exposures.

This includes continuous review, monitoring and reporting and analysis of operational risk incidents and their trend, risk 'hotspots', RCSA risk profile, risk exposure level via KRIs and the performance of outsourced service providers.

37 HISTORICAL LOSSES

SGD million		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	10-year average
Using S$30,000 threshold												
1	Total amount of operational risk losses net of recoveries (no exclusions)	*	*	*	-	1	*	-	-	1	*	*
2	Total number of operational risk losses	1	2	1	-	3	1	-	-	4	2	1.4
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded operational risk losses	*	*	*	-	1	*	-	-	1	*	*
Using S$150,000 threshold												
6	Total amount of operational risk losses net of recoveries (no exclusions)	-	-	*	-	1	-	-	-	*	-	*
7	Total number of operational risk losses	-	-	1	-	1	-	-	-	1	-	0.3
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded operational risk losses	-	-	*	-	1	-	-	-	*	-	*
Details of operational risk capital calculations												
11	Are losses used to calculate the ILM (yes/no)	Yes										
12	If "no" in row 11, is the exclusion of internal loss data due to non-compliance with the criteria set out in paragraphs 9.1.16 to 9.1.41 (yes/no)?	Not Applicable										
13	Threshold of S$30,000 or S$150,000 for the operational risk capital calculation, if applicable	S$30,000										

*Amount is less than 0.5

38 BUSINESS INDICATOR AND SUBCOMPONENTS

	SGD million	(a)	(b)	(c)
	BI and its subcomponents	2024	2023	2022
1	Interest, lease and dividend component	478		
1a	Interest and lease income	1,483	1,322	725
1b	Interest and lease expense	962	850	284
1c	Interest earning assets	42,475	37,856	33,160
1d	Dividend income	-	-	-
2	Services component	255		
2a	Fee and commission income	318	235	211
2b	Fee and commission expense	73	82	62
2c	Other operating income	2	1	*
2d	Other operating expense	1	*	*
3	Financial component	39		
3a	Net P&L on the trading book	-	-	-
3b	Net P&L on the banking book	37	28	52
4	BI	772		
5	Business indicator component (BIC)	93		
Disclosure on the BI:				
			(a)	
6	BI gross of excluded divested businesses pursuant to paragraph 9.1.7(a)		772	
7	Reduction in BI due to excluded divested businesses pursuant to paragraph 9.1.7(a)		-	

*Amount is less than 0.5

39 MINIMUM REQUIRED OPERATIONAL RISK CAPITAL

	SGD million	(a)
1	Business indicator component (BIC)	93
2	Internal loss multiplier (ILM)	0.6
3	Minimum required operational risk capital (K_{ORC})	54
4	**Operational RWA**	**677**

40 INTEREST RATE RISK IN THE BANKING BOOK RISK MANAGEMENT OBJECTIVES AND POLICIES

Interest Rate Risk in the Banking Book ("IRRBB") is defined as the risk of loss in earnings or economic value of banking book exposures arising from movements in interest rates. Sources of IRRBB include repricing risk, basis risk, yield curve risk and option risk.

Through the supervision of the Asset & Liability Management Committee ("ALCO"), the lines of businesses are insulated from IRRBB through fund transfer pricing whereby non-traded market and liquidity risks are centralised at the corporate treasury unit for active risk management and balance sheet optimisation. Banking book policies and limits are established to measure and manage IRRBB. Risk Management regularly reviews the balance sheet and works closely with the corporate treasury unit and the business to mitigate any unwarranted risk exposure in accordance with the approved policies and management strategy decided by ALCO. The bank's overall IRRBB management strategy is based on material currencies, ensuring that risk measurement, monitoring, and mitigation efforts are focused on currencies where the bank has material positions, as defined under Annex 10C of MAS Notice 637.

The bank measures IRRBB through two complementary risk metrics: Net Interest Income ("NII") sensitivity, which measures the sensitivity of earnings to interest rate movements over a 12-month horizon; and Economic Value of Equity ("EVE") sensitivity, which measures the sensitivity of the economic value of interest-bearing assets, liabilities (excluding capital) and off-balance sheet items to interest rate movements over a longer time horizon. Both NII and EVE sensitivities are monitored monthly against defined risk limits, with EVE sensitivity also being tracked against the bank's Tier 1 Capital.

Additionally, stress testing of IRRBB is carried out as part of the Group's Stress Testing exercise, the bank's Internal Capital Adequacy Assessment Process ("ICAAP") and MAS's Industry Wide Stress Test. These stress tests allow the bank to assess the potential vulnerabilities of the balance sheet to a range of plausible and forward-looking interest rate scenarios. The bank also assesses IRRBB using the six standardised interest rate shock scenarios defined in Annex 10C of MAS Notice 637, as well as historical and hypothetical interest rate stress scenarios.

The bank's policy is to use natural hedges over other forms of hedging strategies, under which the bank will seek to manage IRRBB exposures through the redirection of new business growth or product mix of on-balance sheet instruments, thereby achieving the target maturity or repricing tenure. Instruments such as derivatives may also be employed in the management of IRRBB.

The modelling assumptions used in the Bank's internal risk management are consistent with those prescribed for regulatory disclosure.

In the calculation of EVE, commercial spreads till contractual maturity are included in cash flow projections for fixed-rate products. For floating-rate products, commercial spreads are included in cash flow projections up to the next repricing date. Cash flows are discounted at the risk-free rate ("RFR") where possible, and at market equivalent rates for currencies that have yet to fully transition away from Interbank Offered Rates ("IBOR").

Non-maturity deposits ("NMD") are segmented into different cohorts according to the nature of the deposit and the depositor. Through an assessment of the expected stability and rate sensitivity of each cohort, NMDs are further divided into core and non-core deposits. Non-core deposits are assumed to reprice overnight and core deposits are assumed to reprice over a longer time horizon.

As part of the bank's ongoing assessment of IRRBB, the amortisation profile of core NMDs has been extended from four years to six years in 2024. This revision is based on a comprehensive analysis of the bank's NMD stability, incorporating historical data dating back to 2015.

The extension of the amortisation profile better aligns with the bank’s observed NMD repricing behaviour, considering deposit data, balance sheet composition, and industry practices. This assumption is subject to regular internal review, market assessments, and model validation to ensure it remains an accurate representation of the Bank’s risk profile. The revised assumption has also been approved by the ALCO in accordance with the bank’s governance framework.

Behavioural assumptions on prepayment of customer loans and early withdrawal of time deposits are also applied in IRRBB calculations. These parameters are calibrated through observations of historical customer behaviour across the bank’s loan and deposit portfolios, and subject to periodic refresh and back-testing.

The worst-case impact to NII and EVE are calculated respectively based on an aggregation of material currencies exposures without correlation assumptions. As of 31 December 2024, the material currencies within the banking book portfolio comprise Singapore Dollar and US Dollar, and across these material currencies, the average and longest repricing maturity for NMDs is 2.0 years and 6 years respectively.

41 QUANTITATIVE INFORMATION ON INTEREST RATE RISK IN THE BANKING BOOK

The bank's EVE loss is most significant under the Flattener scenario. Compared to 2023, the worst-case scenario has shifted from the Steepener scenario to the Flattener scenario, driven by an increase in fixed-rate housing loans and the extension of the core NMD amortisation profile from four years to six years in 2024. The most severe impact on NII is expected under a parallel rate down scenario. However, the NII loss in 2024 is less severe than in 2023, reflecting the growth in fixed deposits and a shift in the housing loan portfolio, with an increase in fixed-rate loans and a reduction in floating-rate loans.

Changes in EVE and NII under standardised interest rate shock scenarios (material currencies only)				
SGD million	**ΔEVE**		**ΔNII**	
Period	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
Parallel up	(4)	17	2	(123)
Parallel down	43	(10)	19	131
Steepener	(77)	58		
Flattener	62	(58)		
Short rate up	53	(45)		
Short rate down	(29)	57		
Maximum	62	58	19	131
Tier 1 Capital				
Period	**31 December 2024**		**31 December 2023**	
Tier 1 Capital	2,369		2,319	

ΔEVE/ΔNII in the table is defined as the value when the EVE/NII under a given scenario is subtracted from the EVE/NII under the base scenario. Positive values of ΔEVE and ΔNII denote losses under a given scenario, while negative values denote gains.

42 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.

The decrease in CVA RWA in the second half of 2024 is in line with decreased derivative exposures.

SGD million		(a) EAD (post-CRM)	(b) 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	178	44
4	**Total portfolios subject to the CVA risk capital requirement**	**178**	**44**

43 REMUNERATION

In line with the bank's vision, goals and strategies, the bank's remuneration philosophy focuses on a holistic approach to create a performance-oriented and prudent risk-managed culture in delivering strong business results and growth year on year which in turn ensures a sustainable and longer-term shareholders' values.

The bank has in place a comprehensive Total Rewards system which is a strategic human capital component embedded with sustainability considerations of the integrated Talent Management framework that guides the bank to abide by "Reward Right" principles to drive positive outcomes and deliver exponential business results responsibly. The system not only supports the bank's goals and strategies, it also motivates and enhances employee productivity and engagement as well as aids retention of employees. Other than a right and market competitive compensation, the bank has in place a series of comprehensive benefits and wellness programmes to ensure a balanced eco-system for all employees. A life-long learning culture is also being instilled in the bank so that that all employees are inspired to embrace learning as their responsibilities to achieve personal and professional goals and be part of the future-ready workforce. To uphold the bank's Environmental, Social and Governance ("ESG") commitments, ESG is embedded in various aspects of its Total Rewards management through proper governance, performance measurement standards and prudent risk management considerations.

Governed by sound principles, the bank's remuneration policies and practices are reviewed periodically to ensure alignment with regulatory requirements and to reinforce a high-performance culture. The aim is to attract, motivate and retain talents through market competitiveness, responsible principles and values.

43.1 Components of Remuneration

The bank adopts a holistic Total Rewards Framework comprising three main elements, namely Total Compensation, Benefits & Well-Being, and Development & Career Opportunities.

43.1.1 Total Compensation

Total compensation is based on based on four components, namely Base Pay, Fixed Pay, Short-term Incentives and Long-term Incentives and these compensation tools are deployed accordingly to support vision and goals of the bank.

Component	Purpose
Fixed Pay including Base Pay	Attract and retain talents by providing competitive and equitable level of pay based on job size/role. Reviewed annually through internal and external benchmarking against relevant peers/locations, with consideration of market dynamics, differences in individual responsibilities, functions/roles, performance levels, skillsets, as well as competency levels.
Variable Bonus	<u>Variable Bonus</u> a) Reinforce a pay-for-performance culture and adherence to Maybank Group's Core Values, TIGER. b) Variable cash award design that is aligned with the risk management and long-term performance goals of the Group through deferral and claw-back policies. c) Based on the overall performance of the Group, business/corporate function and individual. d) Premised on the Balanced Scorecard ("BSC") approach (comprising financial and non-financial Key Performance Indicators ("KPIs") that is tailored to drive the desired behaviour and performance levels in creating long-term shareholders' value. <u>Long-term Incentive Award</u> Offered to eligible talents and senior management who have a direct line of sight in driving, leading and executing Maybank Group's business strategies and objectives. <u>Deferral Policy</u> Any Variable Bonus in excess of certain thresholds will be deferred over a period of time. A Deferred Variable Bonus will lapse immediately upon termination of employment (including

Component	Purpose
	resignation) except in the event of ill health, disability, redundancy, retirement or death. Clawback Provision The Board has the right to make adjustments or clawbacks to any Variable Bonus or Long-term Incentive Award if deemed appropriate based on risk management issues, financial misstatement, fraud, gross negligence or wilful misconduct.

43.1.2 Benefits & Well-being

Employee benefits are integral to the bank's Total Rewards management, along with the integration of ESG values and M25+ objectives. Maybank's benefits programme provides financial protection, healthcare benefits, paid time-off, employee loans at preferential rates and other benefits that support work-life integration. These are reviewed periodically and benchmarked against industry practices and evolving trends within the rapidly changing business environment. The bank embraces a holistic way of working that embeds sustainability considerations to cater to employees' physical, mental and emotional well-being as well as their financial, social and career needs.

43.1.3 Development and Career Opportunities

In line with the bank's strong learning culture, the bank continues to deploy best-in-class learning and development programmes to nurture its employees at all levels in a multitude of flexible or customisable development programmes for long-term relevance, competitive advantage and growth. Employees are encouraged to assume personal ownership of their development by upgrading their skills and taking on stretch assignments, as well as expanded responsibilities.

43.2 Long-Term Incentive Award – Employees' Share Grant Plan

In December 2018, Maybank rolled out the Employees' Share Grant Plan ("ESGP") under the Long-Term Incentive Award to replace a previous scheme that has expired in June 2018. The ESGP is valid for seven years and it serves as a long-term incentive for eligible talents and senior management.

Due to restrictions under the Malaysian foreign laws, regulatory requirements and/or systems and administrative constraints, the senior management and material risk personnel are not eligible to participate in the ESGP.

Senior management and material risk personnel are however eligible to participate in the Cash-settled Performance-based Employees' Share Plan ("CESGP"). The CESGP is a cash plan where a cash amount (equivalent to the value of the Maybank reference shares) is awarded to eligible employees.

Vesting eligibility of the ESGP / CESGP is subject to fulfilment of the ESGP / CESGP vesting conditions as well as upon meeting the performance criteria at the Maybank Group and individual levels.

The first to fourth CESGP that were granted in December 2018, September 2019, September 2020, September 2021 were vested in December 2021, September 2022, September 2023 and March 2024 respectively. The fifth CESGP granted in September 2022 will vest in 2025.

In 2024, the CESGP was awarded to the senior management and material risk personnel where the cash payment based on the value of 503,000 units and 740,000 units of Maybank shares awarded to the senior management and material risk personnel respectively, will be made to the employees by 2027 and is conditional upon the employees fulfilling the payment criteria[10].

[10] The total CESGP awarded to the eligible employees at award date are based on assumption that Maybank Group and the eligible employees have met performance targets. The vesting date is conditional upon fulfilling the vesting criteria.

43.3 Governance & Controls – Remuneration Practices

The bank's remuneration policies and practices comply with all statutory and regulatory requirements, and are strengthened by sound risk management and controls, ensuring remuneration practices are carried out responsibly.

The bank has strong internal governance on the performance and remuneration of control functions which are measured and assessed independently from the business units to avoid any conflict of interests. The remuneration of employees in control functions are predominantly fixed to reflect the nature of their responsibilities. Annual reviews of their compensation are benchmarked internally and against the market to ensure they are competitive.

Based on sound Performance Management principles, the bank's KPIs are outcome focused and aligned with business plans. Each of the Senior Officers and Material Risk Personnel ("MRP") carry Risk, Governance and Compliance goals in their individual scorecards which are cascaded accordingly. The right KPI setting continues to shape the organisational culture while driving risk and compliance agendas effectively. Inputs from control functions and Board Committees are incorporated into the respective functional areas and individual performance results.

43.4 Remuneration of Senior Officers and Material Risk Personnel

The bank's key executives comprise senior management who by virtue of their roles and responsibilities would be classified as material risk personnel. These are individual employees or a group of employees collectively involved in strategic decision making, and they are accountable for the bank's performance and risk profile.

Material risk personnel are individual employees or a group of employees who can collectively and materially commit significant amount of resources that have significant impact on the bank's performance and risk profile.

The remuneration package of the CEO, senior management and material risk personnel are reviewed annually and submitted to the Maybank Group Nomination and Remuneration Committee ("NRC") for recommendation to the Group Board for approval.

43.5 Remuneration Awarded During the Financial Year

	Category	(a) Senior Management	(b) Material Risk Personnel
	Fixed remuneration		
1	Number of employees	12	77
2	Total fixed remuneration (sum of row 3 to row 8)	62.8%	68.0%
3	of which: cash-based	62.5%	67.9%
4	of which: deferred	-	-
5	of which: shares and other share-linked instruments	-	-
6	of which: deferred	-	-
7	of which: other forms of remuneration	0.3%	0.1%
8	of which: deferred	-	-
	Variable remuneration		
9	Number of employees	10	74
10	Total variable remuneration (sum of row 11 to row 16)	37.2%	32.0%
11	of which: cash-based	31.0%	28.2%
12	of which: deferred	5.1%	2.5%
13	of which: shares and other share-linked instruments	-	-
14	of which: deferred	-	-
15	of which: other forms of remuneration	1.1%	1.2%
16	of which: deferred	-	-
17	**Total remuneration (Row 2 + Row 10)**	**100.0%**	**100.0%**

43.6 Special Payments

Category		Guaranteed bonuses		Sign-on awards		Severance payments	
		Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
1	Senior Management	-	-	-	-	-	-
2	Material Risk Personnel	-	-	-	-	-	-

43.7 Deferred Remuneration

		(a)	(b)	(c)	(d)	(e)
	Deferred and retained remuneration	Total outstanding deferred remuneration	of which: total outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustments	Total amendments during the year due to ex post explicit adjustments	Total amendments during the year due to ex post implicit adjustments	Total deferred remuneration paid out in the financial year
	Senior Management					
1	Cash	5.1%	-	-	-	5.1%
2	Shares	-	-	-	-	-
3	Share-linked instruments	-	-	-	-	-
4	Other	-	-	-	-	-
	Material Risk Personnel					
5	Cash	2.5%	-	-	-	2.5%
6	Shares	-	-	-	-	-
7	Share-linked instruments	-	-	-	-	-
8	Other	-	-	-	-	-

44 ABBREVIATIONS

Abbreviations	Brief Description
A-IRBA	Advanced Internal Ratings-Based Approach
AL	Authority Limits
ALCO	Asset and Liability Management Committee
AT1	Additional Tier 1 Capital
BOD	Board of Directors
BRR	Borrower Risk Rating
BSC	Balanced Scorecard
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CCS	Credit Committee Singapore
CCyB	Countercyclical Capital Buffer
CESGP	Cash-settled Performance-based Employees' Share Grant Plan
CET1	Common Equity Tier 1 Capital
CMS	Credit Management Singapore
CRM	Credit Risk Mitigation
CRR	Counterparty Credit Risk
CRRS	Credit Risk Rating System
CSA	Credit Support Annex
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Banks
EAD	Exposure At Default
ECAI	External Credit Assessment Institutions
ECL	Expected Credit Loss
EL	Expected Loss
EPE	Expected Positive Exposure
ERCC	Executive Risk and Compliance Committee
ESG	Environmental, Social and Governance
ESGP	Employees' Share Grant Plan
EVE	Economic Value of Equity
EWS	Early Warning Signal
F-IRBA	Foundation Internal Ratings-Based Approach
FC(SA)	Financial Collateral Simple Approach
FVOCI	Fair Value Through Other Comprehensive Income
G-SIB	Global Systemically Important Banks
GTRC	Group Trading Room Credit
IAA	Internal Assessment Approach
IBOR	Interbank Offered Rates
ICAAP	Internal Capital Adequacy Assessment Process
ILM	Internal Loss Multiplier
IMA	Internal Models Approach

Abbreviations	Brief Description
IMDC	Incident Management Data Collection
IMM	Internal Models Method
ISDA	International Swaps & Derivatives Association
IRBA	Internal Ratings-Based Approach
IRRBB	Interest Rate Risk in the Banking Book
KPI	Key Performance Indicators
KRI	Key Risk Indicators
LGD	Loss Given Default
LTV	Loan-to-value
MAS	Monetary Authority of Singapore
MDB	Multilateral Development Bank
MRM	Model Risk Management
MRP	Material Risk Personnel
MSL	Maybank Singapore Limited
MVAC	Model Validation and Acceptance Committee
NBIC	Non-Bank Intuitional Counterparty
NFRC	Non-Financial Risk Committee
NII	Net Interest Income
NMD	Non-maturity Deposits
NRC	Nomination and Remuneration Committee
NPIL	Non-Performing Impaired Loans
ORM	Operational Risk Management
PD	Probability of Default
PSE	Public Sector Entity
PSR	Pre-Settlement Risk
PVA	Prudent Valuation Adjustments
RCSA	Risk Control Self-Assessment
REPO	Repurchase Agreements
RFR	Risk-free Rate
RMCC	Risk Management and Compliance Committee
RWA	Risk-Weighted Assets
SA	Standardised Approach
SA(CR)	Standardised Approach to Credit Risk
SA(EQ)	Standardised Approach for Equity Exposures
SA(MR)	Standardised Approach to 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
SMA	Special Mention Account
SMC	Singapore Management Committee
SGD	Singapore Dollar
S&P	Standard & Poor's

Abbreviations	Brief Description
T2	Tier 2 Capital
TC	Total Capital
TEP	Total Eligible Provisions
WL	Watch List