



Pillar 3 Disclosure Report

Quarter ended June 2019

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, Maybank Singapore Limited (“MSL”) is subject to the reporting of MAS Notice 637 Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore.

The following disclosures are made pursuant to Notice 637 “Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore” (“MAS Notice 637”) issued by MAS.

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 Standardised Approach and Basic Indicator Approach to compute the market risk-weighted assets and operational risk-weighted assets respectively.

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

## 2 CAPITAL ADEQUACY

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

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

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

## 2.1 Key Metrics

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

SGD million		(a)	(b)	(c)
		30 Jun 2019	31 Mar 2019	31 Dec 2018
<b>Available capital (amounts)</b>				
1	CET1 capital	2,385	2,413	2,405
2	Tier 1 capital	2,385	2,413	2,405
3	Total capital	2,431	2,456	2,442
<b>Risk weighted assets (amounts)</b>				
4	Total RWA	14,175	14,288	14,233
<b>Risk-based capital ratios as a percentage of RWA</b>				
5	CET1 ratio (%)	16.8	16.9	16.9
6	Tier 1 ratio (%)	16.8	16.9	16.9
7	Total capital ratio (%)	17.1	17.2	17.2
<b>Additional CET1 buffer requirements as a percentage of RWA</b>				
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	1.9
9	Countercyclical buffer requirement (%)	0.0	0.0	0.0
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5	2.5	1.9
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	7.1	7.2	7.2
<b>Leverage Ratio (SGD million / %)</b>				
13	Total Leverage Ratio exposure measure	36,789	37,375	37,414
14	Leverage Ratio (%) (row 2 / row 13)	6.5	6.5	6.4
<b>Liquidity Coverage Ratio (SGD million / %)<sup>1</sup></b>				
15	Total High Quality Liquid Assets	12,916	13,182	11,162
16	Total net cash outflow	11,451	13,578	12,010
17	Liquidity Coverage Ratio (%)	113	97	94
<b>Net Stable Funding Ratio (SGD million / %)<sup>2</sup></b>				
18	Total available stable funding	37,323	37,397	36,638
19	Total required stable funding	35,357	35,126	35,042
20	Net Stable Funding Ratio (%)	106	106	105

Commentaries for the quarter explaining significant changes in the above regulatory metrics, if any, have been included in subsequent sections of this document.

<sup>1</sup> MSL is subject to the reporting of MAS Notice 649 Liquidity Coverage Ratio on Country Group basis (consisting of Malayan Banking Berhad, Singapore Branch and Maybank Singapore Limited). The LCR numbers are revised and presented as simple average of reporting period on 15 April 20.

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

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

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

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

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

The Basel III countercyclical capital buffer 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-specific countercyclical buffer requirement	RWA for private sector credit exposures used in the computation of the countercyclical buffer	Bank-specific countercyclical buffer requirement	Countercyclical buffer amount
HONG KONG	2.50%	23		
ICELAND	1.25%	*		
NORWAY	2.00%	*		
SWEDEN	2.00%	*		
UNITED KINGDOM	1.00%	3		
Others		10,521		
<b>Total</b>		<b>10,548</b>	<b>0.0%</b>	<b>1</b>

\* represents amounts of less than S\$0.5 million

### 3 COMPOSITION OF CAPITAL

#### 3.1 Composition of Regulatory Capital

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

SGD million		Amount
<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Paid-up ordinary shares and share premium (if applicable)	2,400
2	Retained earnings	*
3 <sup>#</sup>	Accumulated other comprehensive income and other disclosed reserves	3
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
5	Minority interest that meets criteria for inclusion	-
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>2,403</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	-
8	Goodwill, net of associated deferred tax liability	-
9 <sup>#</sup>	Intangible assets, net of associated deferred tax liability	-
10 <sup>#</sup>	Deferred tax assets that rely on future profitability	-
11	Cash flow hedge reserve	-
12	Shortfall of TEP relative to EL under IRBA	18
13	Increase in equity capital resulting from securitisation transactions	-
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	-
15	Defined benefit pension fund assets, net of associated deferred tax liability	-
16	Investments in own shares	-
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	-
20 <sup>#</sup>	Mortgage servicing rights (amount above 10% threshold)	
21 <sup>#</sup>	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of associated deferred tax liability)	
22	Amount exceeding the 15% threshold	-
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
24 <sup>#</sup>	of which: mortgage servicing rights	
25 <sup>#</sup>	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments	-
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-



SGD million		Amount
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-
26C	Any other items which the Authority may specify	-
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-
<b>28</b>	<b>Total regulatory adjustments to CET1 Capital</b>	<b>18</b>
<b>29</b>	<b>Common Equity Tier 1 capital (CET1)</b>	<b>2,385</b>
<b>Additional Tier 1 capital: instruments</b>		
30	AT1 capital instruments and share premium (if applicable)	-
31	of which: classified as equity under the Accounting Standards	-
32	of which: classified as liabilities under the Accounting Standards	-
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-
35	of which: instruments issued by subsidiaries subject to phase out	-
<b>36</b>	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>-</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>		
37	Investments in own AT1 capital instruments	-
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
41	National specific regulatory adjustments which the Authority may specify	-
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>-</b>
<b>44</b>	<b>Additional Tier 1 capital (AT1)</b>	<b>-</b>
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>2,385</b>
<b>Tier 2 capital: instruments and provisions</b>		
46	Tier 2 capital instruments and share premium (if applicable)	-
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Provisions	46
<b>51</b>	<b>Tier 2 capital before regulatory adjustments</b>	<b>46</b>
<b>Tier 2 capital: regulatory adjustments</b>		
52	Investments in own Tier 2 instruments	-
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-

SGD million		Amount
54	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
54a#	Investments in other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake: amount previously designated for the 5% threshold but that no longer meets the conditions	-
55	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
56	National specific regulatory adjustments which the Authority may specify	-
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-
58	<b>Tier 2 capital (T2)</b>	<b>46</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>2,431</b>
60	<b>Floor-adjusted total risk weighted assets</b>	<b>14,175</b>
<b>Capital ratios (as a percentage of floor-adjusted risk weighted assets)</b>		
61	<b>Common Equity Tier 1 CAR</b>	<b>16.8%</b>
62	<b>Tier 1 CAR</b>	<b>16.8%</b>
63	<b>Total CAR</b>	<b>17.1%</b>
64	Bank-specific buffer requirement	9.0%
65	of which: capital conservation buffer requirement	2.5%
66	of which: bank specific countercyclical buffer requirement	0.0%
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	-
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	7.1%
<b>National minima</b>		
69	Minimum CET1 CAR	6.5%
70	Minimum Tier 1 CAR	8.0%
71	Minimum Total CAR	10.0%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	Investments in ordinary shares, AT1 capital, Tier 2 capital and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-
74	Mortgage servicing rights (net of associated deferred tax liability)	
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liability)	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	46
77	Cap on inclusion of provisions in Tier 2 under standardised approach	75
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	39

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

\* represents amounts of less than S\$0.5 million

### 3.2 Main Features of Regulatory Capital Instruments

The following table provides a description of the main features of the regulatory capital instruments under MSL that are recognised as regulatory capital pursuant to the requirements of MAS Notice 637 under Annex 11D.

1	Issuer	Maybank Singapore Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Singapore
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/group/group&solo	Group and Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)	S\$2,400 million
9	Par value of instrument	NA
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	05 November 2018
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Represents the most subordinated claim upon occurrence of liquidation of the bank
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

## 4 LEVERAGE RATIO

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

### 4.1 Leverage Ratio

SGD million	30 Jun 2019	31 Mar 2019
<b>Capital and Total exposures</b>		
Tier 1 Capital	2,385	2,413
Total Exposures	36,789	37,375
<b>Leverage ratio (%)</b>		
<b>Leverage ratio</b>	6.5	6.5

### 4.2 Leverage Ratio Common Disclosure Template

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

SGD million		Amount	
	Item	30 Jun 2019	31 Mar 2019
	<b>Exposure measures of on-balance sheet items</b>		
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	32,031	32,233
2	Asset amounts deducted in determining Tier 1 capital	(18)	(7)
3	<b>Total exposure measures of on-balance sheet items</b> (excluding derivative transactions and SFTs)	32,013	32,227
	<b>Derivative exposure measures</b>		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	24	21
5	Potential future exposure associated with all derivative transactions	115	119
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8	CCP leg of trade exposures excluded	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	<b>Total derivative exposure measures</b>	139	140
	<b>SFT exposure measures</b>		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	2,190	2,362

SGD million		Amount	
	Item	30 Jun 2019	31 Mar 2019
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	13	5
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	<b>Total SFT exposure measures</b>	2,203	2,367
	<b>Exposure measures of off-balance sheet items</b>		
17	Off-balance sheet items at notional amount	10,375	9,744
18	Adjustments for calculation of exposure measures of off-balance sheet items	(7,941)	(7,103)
19	<b>Total exposure measures of off-balance sheet items</b>	2,434	2,641
	<b>Capital and Total exposures</b>		
20	Tier 1 capital	2,385	2,413
21	<b>Total exposures</b>	36,789	37,375
	<b>Leverage ratio</b>		
22	<b>Leverage ratio</b>	6.5%	6.5%

The bank's leverage ratio as at June 2019 remains at 6.5% as compared to the previous quarter and is well above the 3% regulatory minimum ratio prescribed by MAS, effective 1 January 2018.

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

The following table presents MSL’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. There was a marginal decrease quarter-on-quarter in total RWA as at 30 June 2019, largely contributed by asset quality improvement for corporate exposures.

SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Jun 2019	31 Mar 2019	30 Jun 2019
1	<b>Credit risk (excluding CCR)</b>	<b>12,738</b>	<b>12,858</b>	<b>1,274</b>
2	of which: Standardised Approach	5,884	5,908	588
3	of which: F-IRBA	4,270	4,343	427
4	of which: supervisory slotting approach	-	-	-
5	of which: A-IRBA	2,584	2,607	258
6	<b>CCR</b>	<b>122</b>	<b>102</b>	<b>12</b>
7	of which: Current Exposure Method	96	102	10
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	26	-	3
9a	of which: CCP	-	-	-
10	<b>CVA</b>	<b>65</b>	<b>74</b>	<b>6</b>
11	Equity exposures under the simple risk weight method	-	-	-
11a	Equity exposures under the IMM	-	-	-
12	Equity investments in funds - look through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall back approach	-	-	-
14a	Equity investment in funds - partial use of an approach	-	-	-
15	Unsettled transactions	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	of which: SEC-IRBA	-	-	-
18	of which: SEC-ERBA, including IAA	-	-	-
19	of which: SEC-SA	-	-	-
20	<b>Market risk</b>	<b>4</b>	<b>3</b>	<b>*</b>
21	of which: SA(MR)	4	3	*
22	of which: IMA	-	-	-
23	<b>Operational risk</b>	<b>1,247</b>	<b>1,251</b>	<b>125</b>
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-



SGD million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Jun 2019	31 Mar 2019	30 Jun 2019
25	Floor adjustment	-	-	-
26	Total	14,175	14,288	1,418

\*Number is less than 0.5

## 6 CREDIT QUALITY OF ASSETS

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

SGD million		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of		Allowances and impairments	of which: allowances for standardised approach exposures		of which: allowances for IRBA exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		of which: specific allowances	of which: general allowances		
1	Loans	179	22,702	159	25	28	105	22,722
2	Debt securities	-	3,819	*	-	*	-	3,819
3	Off-balance sheet exposures	4	8,137	1	-	*	*	8,139
4	<b>Total</b>	<b>182</b>	<b>34,658</b>	<b>160</b>	<b>25</b>	<b>29</b>	<b>106</b>	<b>34,681</b>

\*Number is less than 0.5

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

## 7 CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

SGD million		(a)
		30 Jun 2019
1	Defaulted loans and debt securities at end of the previous semi-annual reporting period	194
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	86
3	Returned to non-defaulted status	39
4	Amounts written-off	57
5	Other changes	(5)
6	Defaulted loans and debt securities at end of the semi-annual reporting period (1+2-3-4±5)	179

## 8 OVERVIEW OF CRM TECHNIQUES

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

SGD million		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured	Exposures secured <sup>3</sup>	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	3,458	19,264	19,254	10	-
2	Debt securities	3,819	-	-	-	-
3	<b>Total</b>	<b>7,278</b>	<b>19,264</b>	<b>19,254</b>	<b>10</b>	<b>-</b>
4	Of which: defaulted	26	90	90	-	-

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

## 9 CREDIT RISK EXPOSURES UNDER STANDARDISED APPROACH

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

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

SGD million		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Asset Classes and others		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Cash items	60	-	60	-	-	0%
2	Central government and central bank	4,797	-	4,797	-	*	0%
3	PSE	-	-	-	-	-	-
4	MDB	-	-	-	-	-	-
5	Bank	4,245	544	4,245	2	2,087	49%
6	Corporate	329	290	323	20	343	100%
7	Regulatory retail	2,315	2,072	2,266	93	1,769	75%
8	Residential mortgage	46	83	46	23	28	41%
9	CRE	945	103	944	36	980	100%
10	Equity - SA(EQ)	-	-	-	-	-	-
11	Past due exposures	23	7	23	*	29	125%
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	687	300	619	28	647	100%
14	<b>Total</b>	<b>13,446</b>	<b>3,400</b>	<b>13,323</b>	<b>201</b>	<b>5,884</b>	<b>44%</b>

\*Number is less than 0.5

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

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

SGD million		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Risk weight		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
Asset Classes and others											
1	Cash items	60	-	-	-	-	-	-	-	-	60
2	Central government and central bank	4,795	-	2	-	-	-	-	-	-	4,797
3	PSE	-	-	-	-	-	-	-	-	-	-
4	MDB	-	-	-	-	-	-	-	-	-	-
5	Bank	-	-	140	-	4,094	-	12	-	-	4,246
6	Corporate	-	-	-	-	-	-	343	-	-	343
7	Regulatory retail	-	-	-	-	-	2,359	-	-	-	2,359
8	Residential mortgage	-	-	-	61	-	1	6	-	-	68
9	CRE	-	-	-	-	-	-	980	-	-	980
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	-	-
11	Past due exposures	-	-	-	-	-	-	11	11	-	23
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	647	-	-	647
14	<b>Total</b>	<b>4,855</b>	<b>-</b>	<b>142</b>	<b>61</b>	<b>4,094</b>	<b>2,360</b>	<b>2,000</b>	<b>11</b>	<b>-</b>	<b>13,523</b>

## 10 CREDIT RISK EXPOSURES UNDER INTERNAL RATINGS-BASED APPROACH

The following tables provide the main parameters for the calculation of the bank's capital requirements for its Internal Ratings-Based approach ("IRBA") models.

### 10.1 IRBA - RWA Flow Statement for Credit Risk Exposures

The following table provides an overview of the quarter-on-quarter movement of the bank's total IRBA Credit RWA attributed to the key drivers.

The IRBA Credit RWA decreased by S\$96 million mainly due to a corresponding improvement in asset quality for corporate exposures, partially offset by an increase in RWA due to increase in corporate exposures.

SGD million		(a)
		RWA amounts
<b>1</b>	<b>RWA as at end of previous quarter</b>	<b>6,950</b>
2	Asset size	33
3	Asset quality	(128)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	*
8	Other	-
<b>9</b>	<b>RWA as at end of quarter</b>	<b>6,854</b>

\*Absolute number is less than 0.5

## 10.2 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.

	(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)	
<b>Corporate</b>												
0.00 to <0.15	64	193	18%	98	0.10%	74	41%	1.9	21	22%	*	
0.15 to <0.25	42	47	13%	48	0.20%	48	38%	2.5	18	38%	*	
0.25 to <0.50	319	348	15%	373	0.34%	184	41%	2.8	214	57%	1	
0.50 to <0.75	365	326	21%	434	0.54%	123	41%	3.1	319	73%	1	
0.75 to <2.50	981	645	29%	1,165	1.50%	391	41%	3.4	1,240	106%	7	
2.50 to <10.00	381	203	15%	412	4.69%	207	41%	2.6	565	137%	8	
10.00 to <100.00	123	363	7%	148	14.42%	410	39%	2.8	286	194%	8	
100.00 (Default)	36	70	1%	37	100.00%	34	43%	1.5	-	-	16	
<b>Sub-total</b>	<b>2,312</b>	<b>2,194</b>	<b>18%</b>	<b>2,714</b>	<b>3.64%</b>	<b>1,471</b>	<b>41%</b>	<b>3.0</b>	<b>2,664</b>	<b>98%</b>	<b>41</b>	<b>53</b>
<b>Corporate Small Business</b>												
0.00 to <0.15	30	74	3%	32	0.13%	53	41%	2.6	8	25%	*	
0.15 to <0.25	55	70	14%	65	0.20%	41	41%	2.3	20	31%	*	
0.25 to <0.50	467	343	15%	519	0.35%	153	42%	3.6	329	63%	1	
0.50 to <0.75	177	89	13%	189	0.55%	89	39%	3.2	116	61%	*	
0.75 to <2.50	734	591	10%	791	1.25%	261	40%	3.3	665	84%	4	
2.50 to <10.00	197	93	17%	213	3.67%	72	39%	2.9	222	105%	3	
10.00 to <100.00	7	5	2%	8	14.76%	7	16%	1.1	4	53%	*	
100.00 (Default)	21	9	8%	22	100.00%	9	40%	2.6	-	-	9	
<b>Sub-total</b>	<b>1,688</b>	<b>1,275</b>	<b>12%</b>	<b>1,837</b>	<b>2.36%</b>	<b>685</b>	<b>40%</b>	<b>3.2</b>	<b>1,365</b>	<b>74%</b>	<b>17</b>	<b>19</b>
<b>Total (all portfolios)</b>	<b>4,000</b>	<b>3,469</b>	<b>16%</b>	<b>4,551</b>	<b>3.12%</b>	<b>2,156</b>	<b>41%</b>	<b>3.1</b>	<b>4,028</b>	<b>89%</b>	<b>58</b>	<b>72</b>

\*Number is less than 0.5

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Original on-balance sheet gross exposures	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	TEP
PD Range	(SGD million)		(%)	(SGD million)	(%)	(Count)	(%)	(Years)	(SGD million)	(%)	(SGD million)	
<b>Residential Mortgage</b>												
0.00 to <0.15	61	18	100%	79	0.13%	141	13%		3	4%	*	
0.15 to <0.25	2,476	112	100%	2,588	0.22%	6,811	13%		141	5%	1	
0.25 to <0.50	4,946	311	100%	5,257	0.37%	8,716	13%		420	8%	2	
0.50 to <0.75	3,258	346	100%	3,604	0.58%	4,704	13%		402	11%	3	
0.75 to <2.50	577	177	100%	754	1.31%	1,339	13%		143	19%	1	
2.50 to <10.00	270	79	100%	349	4.12%	607	13%		131	37%	2	
10.00 to <100.00	68	*	100%	68	13.45%	141	13%		44	64%	1	
100.00 (Default)	64	*	100%	64	100.00%	121	18%		80	126%	5	
<b>Sub-total</b>	<b>11,720</b>	<b>1,043</b>	<b>100%</b>	<b>12,764</b>	<b>1.12%</b>	<b>22,580</b>	<b>13%</b>		<b>1,364</b>	<b>11%</b>	<b>15</b>	<b>4</b>
<b>Qualifying Revolving Retail</b>												
0.00 to <0.15	-	*	60%	*	0.15%	1	90%		*	7%	*	
0.15 to <0.25	*	9	66%	6	0.21%	323	90%		1	10%	*	
0.25 to <0.50	99	1,057	67%	812	0.37%	92,088	90%		129	16%	3	
0.50 to <0.75	59	428	68%	349	0.61%	40,104	90%		82	23%	2	
0.75 to <2.50	168	824	68%	727	1.13%	78,474	90%		271	37%	7	
2.50 to <10.00	47	112	69%	123	4.97%	12,916	90%		131	106%	6	
10.00 to <100.00	20	14	73%	30	17.67%	2,764	90%		60	200%	5	
100.00 (Default)	6	2	100%	8	100.00%	672	90%		10	125%	6	
<b>Sub-total</b>	<b>400</b>	<b>2,445</b>	<b>68%</b>	<b>2,055</b>	<b>1.59%</b>	<b>227,342</b>	<b>90%</b>		<b>683</b>	<b>33%</b>	<b>29</b>	<b>26</b>



	(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)	
<b>Other Retail</b>												
0.00 to <0.15	1,377	-	-	1,377	0.09%	33,491	35%		110	8%	*	
0.15 to <0.25	403	*	0%	403	0.19%	9,164	34%		53	13%	*	
0.25 to <0.50	398	9	70%	405	0.36%	9,174	35%		84	21%	1	
0.50 to <0.75	123	5	72%	127	0.60%	2,787	36%		36	29%	*	
0.75 to <2.50	173	2	82%	175	1.37%	4,038	36%		71	40%	1	
2.50 to <10.00	39	1	77%	40	4.25%	947	39%		23	57%	1	
10.00 to <100.00	7	*	100%	7	18.92%	202	44%		7	90%	1	
100.00 (Default)	3	*	100%	4	100.00%	72	63%		8	214%	2	
<b>Sub-total</b>	<b>2,524</b>	<b>18</b>	<b>72%</b>	<b>2,537</b>	<b>0.52%</b>	<b>59,875</b>	<b>35%</b>		<b>390</b>	<b>15%</b>	<b>5</b>	<b>3</b>
<b>Total (all portfolios)</b>	<b>14,645</b>	<b>3,506</b>	<b>77</b>	<b>17,356</b>	<b>1.09</b>	<b>309,797</b>	<b>25</b>		<b>2,437</b>	<b>14%</b>	<b>49</b>	<b>33</b>

\*Number is less than 0.5

### **10.3 IRBA - Effect on RWA of Credit Derivatives used as CRM**

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

### **10.4 IRBA - Specialised Lending and Equities under the Simple Risk Weight Method**

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

## 11 COUNTERPARTY CREDIT RISK

### 11.1 Analysis of CCR by Approach

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

SGD million		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost	Potential future exposure	Effective EPE	$\alpha$ used for computing regulatory EAD	EAD (post-CRM)	RWA
1	Current Exposure Method (for derivatives)	18	115			133	96
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					130	26
5	VaR for SFTs					-	-
6	<b>Total</b>						<b>122</b>

### 11.2 CVA Risk Capital Requirements

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

SGD million		(a)	(b)
		EAD (post-CRM)	RWA
Total portfolios subject to the Advanced CVA capital requirement		-	-
1	(i) VaR component (including the three-times multiplier)		-
2	(ii) Stressed VaR component (including the three-times multiplier)		-
3	All portfolios subject to the Standardised CVA capital requirement	133	65
4	<b>Total portfolios subject to the CVA risk capital requirement</b>	<b>133</b>	<b>65</b>

### 11.3 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.

SGD million	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total Credit exposure
Asset classes									
Central government and central bank	-	-	-	-	-	-	-	-	-
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	135	67	-	-	-	-	201
Corporate	-	-	-	-	-	*	-	-	*
Regulatory retail	-	-	-	-	*	-	-	-	*
Other exposures	-	-	-	-	-	61	-	-	61
<b>Total</b>	-	-	<b>135</b>	<b>67</b>	<b>*</b>	<b>61</b>	-	-	<b>262</b>

\*Number is less than 0.5

#### 11.4 IRBA - CCR Exposures by Portfolio and PD Range Counterparty

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
PD Range	(SGD million)	(%)	(Count)	(%)	(Years)	(SGD million)	(%)
<b>Corporate</b>							
0.00 to <0.15	*	0.06%	6	45%	1.00	*	12%
0.15 to <0.25	*	0.20%	1	45%	1.00	*	30%
0.25 to <0.50	*	0.33%	7	45%	1.00	*	41%
0.50 to <0.75	*	0.55%	4	45%	1.00	*	55%
0.75 to <2.50	*	0.86%	10	45%	1.00	*	67%
2.50 to <10.00	*	2.93%	3	45%	1.00	*	109%
10.00 to <100.00	*	11.30%	1	45%	1.00	*	185%
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>1</b>	<b>1.33%</b>	<b>32</b>	<b>45%</b>	<b>1.00</b>	<b>*</b>	<b>66%</b>
<b>Corporate Small Business</b>							
0.00 to <0.15	*	0.14%	2	45%	1.00	*	19%
0.15 to <0.25	*	0.20%	7	45%	1.00	*	25%
0.25 to <0.50	*	0.32%	13	45%	1.00	*	35%
0.50 to <0.75	*	0.54%	4	45%	1.00	*	47%
0.75 to <2.50	*	0.80%	7	45%	1.00	*	55%
2.50 to <10.00	*	2.93%	1	45%	1.00	*	85%
10.00 to <100.00	*	11.30%	1	45%	1.00	*	142%
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>*</b>	<b>0.62%</b>	<b>35</b>	<b>45%</b>	<b>1.00</b>	<b>*</b>	<b>42%</b>
<b>Total (sum of portfolios)</b>	<b>1</b>	<b>1.01%</b>	<b>67</b>	<b>45%</b>	<b>1.00</b>	<b>1</b>	<b>55%</b>

\*Number is less than 0.5

### 11.5 Composition of Collateral for CCR Exposure

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

SGD million	(a)	(b)	(c)	(d)	(e)	(f)
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
Segregated	Unsegregated	Segregated	Unsegregated			
Cash - domestic currency	-	-	-	-	-	1,242
Cash - other currencies	-	-	-	-	-	949
Domestic sovereign debt	-	-	-	-	1,236	-
Other sovereign debt	-	-	-	-	54	-
Government agency debt	-	-	-	-	668	-
Corporate bonds	-	-	-	-	188	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	32	-
<b>Total</b>	-	-	-	-	<b>2,178</b>	<b>2,190</b>

### 11.6 Credit Derivatives Exposures

The bank does not have credit derivatives exposures as at 30 June 2019.

### 11.7 Exposures to Central Counterparties

The bank does not have exposures to central counterparties as at 30 June 2019.

## 12 SECURITISATION EXPOSURES

The bank does not have securitisation exposures as at 30 June 2019.

## 13 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
	<b>Products excluding options</b>	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	4
4	Commodity risk	-
	<b>Options</b>	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
<b>8</b>	<b>Securitisation</b>	-
<b>9</b>	<b>Total</b>	<b>4</b>