

Standard Chartered Bank (Singapore) Limited
Company Registration Number: 201224747C

Pillar 3 Disclosure
As at 30 Sep 2019

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1. Introduction

This document presents the information of Standard Chartered Bank (Singapore) Limited (the ‘Company’), its subsidiary (together referred to as the ‘Group’) and the Company’s interest in associate in accordance with Pillar 3 disclosure requirements under Monetary Authority of Singapore Notice to Banks No. 637 “Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore” (MAS Notice 637). Prior to 30 June 2019 disclosure, all information in this document refers to that of the Company.

Business Acquisition

On 13 May 2019, Standard Chartered Bank, Singapore Branch transferred the commercial banking, corporate and institutional banking, and private banking businesses in Singapore to Standard Chartered Bank (Singapore) Limited.

The Company adopted the Internal Ratings-Based Approach (IRBA) for calculating credit risk-weighted exposures from 13 May 2019.

2. Key Metrics

Sm		(a)	(b)	(c)	(d)	(e)
		30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18
	Available capital (amounts)					
1	CET 1 capital	5,337	5,245	1,894	1,862	1,861
2	Tier 1 capital ⁽¹⁾	7,065	6,227	2,194	2,162	2,161
3	Total capital	8,117	8,036	3,055	3,020	3,041
	Risk weighted assets (amounts)					
4	Total RWA ⁽²⁾	42,782	41,808	16,973	16,420	16,040
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	12.47	12.55	11.16	11.34	11.60
6	Tier 1 ratio (%)	16.51	14.89	12.93	13.17	13.48
7	Total capital ratio (%)	18.97	19.22	18.00	18.39	18.96
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	1.875	1.875
9	Countercyclical buffer requirement (%)	0.11	0.10	0.02	0.02	0.02
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.61	2.60	2.52	1.90	1.89
12	CET1 available after meeting the Reporting Bank's minimum capital requirements* (%)	5.97	6.05	4.66	4.84	5.10
	Leverage Ratio					
13	Total Leverage Ratio exposure measure	125,813	124,820	37,150	36,489	36,996
14	Leverage Ratio (%) (row 2 / row 13)	5.62	4.99	5.91	5.93	5.84
	Liquidity Coverage Ratio⁽³⁾					
15	Total High Quality Liquid Assets	24,027	15,395	4,897	6,095	5,422
16	Total net cash outflow	14,771	8,367	1,097	2,833	2,138
17	Liquidity Coverage Ratio (%)	163	184	446	215	254
	Net Stable Funding Ratio⁽⁴⁾					
18	Total available stable funding	64,809	63,327	30,961	30,495	30,000
19	Total required stable funding	48,721	47,710	19,457	18,988	18,333
20	Net Stable Funding Ratio (%)	133	133	159	161	164

⁽¹⁾ Movement due to capital injection of S\$750m of AT1 Capital to replace the S\$784m of T2 Capital that was redeemed.

⁽²⁾ For significant RWA movements between 30 September 2019 and 30 June 2019, please refer to the "Overview of RWA" on page 3.

⁽³⁾ For Liquidity Coverage Ratio details, the ratios are for the Company's daily averages for each quarter.

For more details, please refer to SCB's website at <https://www.sc.com/sg/about-us/financial-results-pillar-3/>.

⁽⁴⁾ For Net Stable Funding Ratio details, the ratios are for the Company's period end results.

For more details, please refer to SCB's website at <https://www.sc.com/sg/about-us/financial-results-pillar-3/>.

* Regulatory minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively.

3. Overview of RWA

Sm		RWA		Minimum Capital Requirements ⁽¹⁾
		a	b	c
		30-Sep-2019	30-Jun-2019	30-Sep-2019
1	Credit risk (excluding CCR)	35,155	34,201	3,515
2	of which: Standardised Approach	13,180	12,658	1,318
3	of which: F-IRBA	-	-	-
4	of which: supervisory slotting approach	-	-	-
5	of which: A-IRBA	21,975	21,543	2,197
6	CCR	1,104	920	110
7	of which: Current Exposure Method	993	727	99
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	111	193	11
9a	of which: CCP	-	-	-
10	CVA	200	157	20
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 investments in funds - partial use of an approach	-	-	-
15	Unsettled transactions	-	-	-
16	Securitisation exposures in the banking book	168	138	17
17	of which: SEC-IRBA	-	-	-
18	of which: SEC-ERBA, including IAA	168	138	17
19	of which: SEC-SA	-	-	-
20	Market risk	1,784	2,106	178
21	of which: SA(MR)	1,784	2,106	178
22	of which: IMA	-	-	-
23	Operational risk	4,371	4,285	437
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total	42,782	41,808	4,278

⁽¹⁾ Minimum capital requirements in this column correspond to 10% of the RWA in column “(a)” which is 2.0% higher than Basel Committee’s requirement.

The increase in total RWA between 30 June 2019 and 30 September 2019 was largely attributed to higher Credit RWA mainly from exposure growth.

4. Leverage Ratio

4.1. Leverage Ratio Common Disclosure Template

	Item	Amount (\$m)	
		30-Sep-19	30-Jun-19
	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)	105,615	103,636
2	Asset amounts deducted in determining Tier 1 capital	(404)	(376)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	105,211	103,260
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	1,280	582
5	Potential future exposure associated with all derivative transactions	2,237	1,610
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	Total derivative exposure measures	3,517	2,192
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	2,072	5,095
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	44	44
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	2,116	5,140
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	63,333	63,717
18	Adjustments for calculation of exposure measures of off-balance sheet items	(48,364)	(49,489)
19	Total exposure measures of off-balance sheet items	14,969	14,228
	Capital and Total exposures		
20	Tier 1 capital	7,065	6,227
21	Total exposures	125,813	124,820
	Leverage ratio		
22	Leverage ratio	5.62%	4.99%

The Group's leverage ratio as at 30 Sep 2019 has increased by 0.6% to 5.62% mainly from the increase in Tier 1 Capital.

4.2. Leverage Ratio Summary Comparison Table

	Item	Amount
1	Total consolidated assets as per published financial statements*	109,073
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4	Adjustment for derivative transactions	2,130
5	Adjustment for SFTs	44
6	Adjustment for off-balance sheet items	14,969
7	Other adjustments	(404)
8	Exposure measure	125,813

* The Group only publishes financial statements annually. Amount indicated here is for Q3 2019.

5. Credit Risk

5.1. IRBA – RWA Flow Statement for Credit Risk Exposures

\$m	Amounts
1 RWA as at end of previous quarter	21,543
2 Asset size	166
3 Asset quality	106
4 Model updates	-
5 Methodology and policy	-
6 Acquisitions and disposals	-
7 Foreign exchange movements	160
8 Other	-
9 RWA as at end of quarter	21,975

The increase in RWA was mainly driven by exposure growth, foreign currency translation and asset quality.

6. Market Risk

6.1. RWA Flow Statements of Market Risk Exposures under IMA

The Group has not adopted IMA to measure its regulatory capital requirements for market risk.