Standard Chartered Bank (Singapore) Limited
and its subsidiary
Registration Number: 201224747C

Public Disclosure

Year ended 31 December 2019

Contents

1. Introduction

Standard Chartered Bank (Singapore) Limited (the "Bank") is incorporated in the Republic of Singapore and has its registered office at 8 Marina Boulevard, #27-01 Marina Bay Financial Centre Tower 1, Singapore 018981. The Bank operates in Singapore under a full bank licence with an Asian Currency Unit and Qualifying Full Bank privileges granted by the Monetary Authority of Singapore.

The Pillar 3 Disclosure of the Group as at 31 December 2019 comprise the Bank and its subsidiary (together referred to as the 'Group' and individually as 'Group entity') and the Group's interest in an equity-accounted investee. This disclosure presents the information 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 the disclosure refers to that of the Bank.

The immediate holding company is Standard Chartered Holdings (Singapore) Private Limited, an entity incorporated in Singapore. The intermediate holding company and ultimate holding company is Standard Chartered Bank and Standard Chartered PLC (the "SC PLC") respectively. Both the intermediate holding company and ultimate holding company are incorporated in the United Kingdom.

This disclosure should be read in conjunction with the Group's Financial Statements as of 31 December 2019.

Business Acquisition

On 13 May 2019, Standard Chartered Bank, Singapore Branch transferred the commercial banking, corporate and institutional banking (excluding certain financial market transactions), and private banking businesses in Singapore to Standard Chartered Bank (Singapore) Limited. Consequently, approximately 2,800 employees were transferred from Standard Chartered Bank, Singapore Branch to Standard Chartered Bank (Singapore) Limited.

Adoption of IRBA

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

2. Attestation Statement Pursuant to MAS Notice 637 – Disclosure Requirements (Pillar 3)

The Pillar 3 disclosure as at 31 December 2019 has been prepared in accordance with the internal controls processes approved by Standard Chartered Bank (Singapore) Limited Board of Directors.

Patrick Lee

Chief Executive Officer

30 March 2020

3. Key Metrics

$m		(a) 31-Dec-19	(b) 30-Sep-19	(c) 30-Jun-19	(d) 31-Mar-19	(e) 31-Dec-18
	Available capital (amounts)					
1	CET 1 capital(1)	5,437	5,337	5,245	1,894	1,862
2	Tier 1 capital	7,165	7,065	6,227	2,194	2,162
3	Total capital	8,193	8,117	8,036	3,055	3,020
	Risk weighted assets (amounts)					
4	Total RWA(2)	42,131	42,782	41,808	16,973	16,420
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	12.90	12.47	12.55	11.16	11.34
6	Tier 1 ratio (%)	17.01	16.51	14.89	12.93	13.17
7	Total capital ratio (%)	19.45	18.97	19.22	18.00	18.39
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	1.875
9	Countercyclical buffer requirement (%)	0.11	0.11	0.10	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	2.61	2.60	2.52	1.90
12	CET1 available after meeting the Reporting Bank's minimum capital requirements* (%)	6.40	5.97	6.05	4.66	4.84
	Leverage Ratio					
13	Total Leverage Ratio exposure measure	130,383	125,813	124,820	37,150	36,489
14	Leverage Ratio (%) (row 2 / row 13)	5.50	5.62	4.99	5.91	5.93
	Liquidity Coverage Ratio(3)					
15	Total High Quality Liquid Assets	25,230	24,027	15,395	4,897	6,095
16	Total net cash outflow	17,242	14,771	8,367	1,097	2,833
17	Liquidity Coverage Ratio (%)	146	163	184	446	215
	Net Stable Funding Ratio(4)					
18	Total available stable funding	64,142	64,809	63,327	30,961	30,523
19	Total required stable funding	49,219	48,721	47,710	19,457	18,988
20	Net Stable Funding Ratio (%)	130	133	133	159	161

(1) Movement between 31 Dec 2019 and 30 Sep 2019 was largely due to full year audited profit of S$500m being added to Retained Earnings for 2019.

(2) For significant RWA movements between 31 Dec 2019 and 30 Sep 2019, please refer to the "Overview of RWA" on page 5.

(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 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/

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

4. Overview of RWA

		a	b	c
		RWA		Minimum Capital Requirements[1]
$m		31-Dec-2019	30-Sep-2019	31-Dec-2019
1	**Credit risk (excluding CCR)**	34,955	35,155	3,496
2	of which: Standardised Approach	12,825	13,180	1,283
3	of which: F-IRBA	-	-	-
4	of which: supervisory slotting approach	-	-	-
5	of which: A-IRBA	22,130	21,975	2,213
6	**CCR**	986	1,104	98
7	of which: Current Exposure Method	964	993	96
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	22	111	2
9a	of which: CCP	-	-	-
10	**CVA**	304	200	30
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**	160	168	16
17	of which: SEC-IRBA	-	-	-
18	of which: SEC-ERBA, including IAA	160	168	16
19	of which: SEC-SA	-	-	-
20	**Market risk**	1,132	1,784	113
21	of which: SA(MR)	1,132	1,784	113
22	of which: IMA	-	-	-
23	**Operational risk**	4,594	4,371	460
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	-	-	-
25	**Floor adjustment**	-	-	-
26	**Total**	**42,131**	**42,782**	**4,213**

[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 decrease in RWA between Dec 2019 and Sep 2019 was largely attributed to a decrease in Market Risk RWA driven by decreased securities holdings within the Credit Trading Business.

5. Composition of Capital

5.1. Reconciliation of Regulatory Capital to Balance Sheet

$m	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Reference to Section 5.2
	31-Dec-19		
Equity			
Share capital and other capital	6,979		
of which: paid-up ordinary shares	5,248		A
of which: redeemable preference shares	1,731		G
Reserves	225		C
of which: Regulatory loss allowance reserves		298	C1
of which: Cash flow hedge reserve		14	F
of which: Unrealised fair value gains/losses on financial liabilities and derivatives arising from changes in own credit risk		(1)	J
Accumulated profits	684		B
of which: retained earnings	681		
of which: Share of retained earnings in associate	3		
Total equity attributable to owner of the Bank	**7,888**		
Liabilities			
Deposits from banks	3,405		
Deposits from non-bank customers	77,248		
Structured notes and deposits	476		
Derivative financial instruments	2,112		
Bills and drafts payable	1,046		
Amounts due to overseas branches	10,413		
Amounts due to related corporations	1,055		
Other liabilities	5,897		
Current tax payable	64		
Subordinated notes	727		H
Deferred tax liabilities	30		
of which: Deferred tax liabilities for Intangible assets		14	E2
Total Liabilities	**102,473**		
Assets			
Cash and balances with central banks	13,462		
Singapore government securities and treasury bills	2,770		
Other government securities and treasury bills	6,481		
Derivative financial instruments	1,876		
Debt securities	7,310		
Loans and advances to banks	6,873		
Loans and advances to customers	50,750		
of which: Provisions eligible for inclusion in T2 Capital		301	I
Bills receivable	11,045		
Amounts due from ultimate holding company and its branches	5,582		
Amounts due from related corporations	659		
Other assets	2,967		
Goodwill and intangible assets	387		
of which: Amount related to Goodwill	279		D
of which: Amount related to Intangible Assets (excluding MSRs)	108		E1
Property and Equipment	169		
Investment in Associate	31		
Total Assets	**110,362**		

5.2. Composition of Regulatory Capital

$m		31-Dec-19 Amounts	Reference to Section 5.1
Common Equity Tier 1 capital: Instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	5,248	A
2	Retained earnings	684	B
3	Accumulated other comprehensive income and other disclosed reserves	(73)	C – C1
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	**Common Equity Tier 1 capital before regulatory adjustments**	**5,859**	
Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	36	
8	Goodwill, net of associated deferred tax liability	279	D
9	Intangible assets, net of associated deferred tax liability	94	E1 – E2
10	Deferred tax assets that rely on future profitability	-	
11	Cash flow hedge reserve	14	F
12	Shortfall of TEP relative to EL under IRBA	-	
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	(1)	J
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	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 (including insurance subsidiaries)	-	
24	of which: mortgage servicing rights	-	
25	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	-	
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	-	
28	**Total regulatory adjustments to CET1 Capital**	**422**	
29	**Common Equity Tier 1 capital (CET1)**	**5,437**	
Additional Tier 1 capital: Instruments			
30	AT1 capital instruments and share premium (if applicable)	1,731	G
31	of which: classified as equity under the Accounting Standards	1,731	
32	of which: classified as liabilities under the Accounting Standards	-	

$m		31-Dec-19 Amounts	Reference to Section 5.1
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	-	
36	**Additional Tier 1 capital before regulatory adjustments**	**1,731**	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	3	
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	-	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**3**	
44	**Additional Tier 1 capital (AT1)**	**1,728**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**7,165**	
Tier 2 capital: instruments and provisions			
46	Tier 2 capital instruments and share premium (if applicable)	727	H
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	301	I
51	**Tier 2 capital before regulatory adjustments**	**1,028**	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-	
54	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
55	Investments in Tier 2 capital instruments 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	**Total regulatory adjustments to Tier 2 capital**	-	
58	**Tier 2 capital (T2)**	**1,028**	
59	**Total capital (TC = T1 + T2)**	**8,193**	
60	**Floor-adjusted total risk weighted assets**	**42,131**	
Capital ratios (as a percentage of floor-adjusted risk weighted assets)			
61	**Common Equity Tier 1 CAR**	**12.90%**	
62	**Tier 1 CAR**	**17.01%**	
63	**Total CAR**	**19.45%**	
64	Bank-specific buffer requirement	9.11%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	0.11%	
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	-	

$m		31-Dec-19 Amounts	Reference to Section 5.1
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	6.40%	
National minima			
69	Minimum CET1 CAR	6.50%	
70	Minimum Tier 1 CAR	8.00%	
71	Minimum Total CAR	10.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	219	
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)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	163	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	163	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of \cap)	139	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	139	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
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)	-	

5.3. Main Features of Regulatory Capital Instruments

		Ordinary Shares SGD	Ordinary Shares USD
1	Issuer	Standard Chartered Bank (Singapore) Limited	Standard Chartered Bank (Singapore) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Common Equity Tier 1	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo/group/group&solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Ordinary Shares
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)	S$1,653 million	S$3,595 million
9	Par value of instrument	N/A	N/A
10	Accounting classification	Equity	Equity
11	Original date of issuance	S$100 issued on 7 Feb 2013 S$1,652,999,900 issued on 9 Oct 2013	US$50,000,000 issued on 26 Jun 2018 US$200,000,000 issued on 17 Apr 2019 US$2,390,000,000 issued on 13 May 2019
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Discretionary dividend amount	Discretionary dividend amount
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	N/A	N/A
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	N/A	N/A
22	Noncumulative or cumulative	Noncumulative	Noncumulative
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	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Additional Tier 1 Capital Instruments.	Immediately subordinated to Additional Tier 1 Capital Instruments.
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A

Main Features of Regulatory Capital Instruments (Continued)

		Non-cumulative Preference Shares	Non-cumulative Preference Shares
1	Issuer	Standard Chartered Bank (Singapore) Limited	Standard Chartered Bank (Singapore) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Additional Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	Additional Tier 1	Additional Tier 1
6	Eligible at solo/group/group&solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Non-cumulative Preference Shares	Non-cumulative Preference Shares
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)	S$300 million	S$681 million
9	Par value of instrument	S$300 million	US$500 million
10	Accounting classification	Equity	Equity
11	Original date of issuance	11 Dec 2015	13 May 2019
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Call Date - 12 Dec 2020 Contingent Call Dates - Change of Qualification Event or Tax Event Redemption Amount - Principal amount together with accrued but unpaid dividends	Optional Call Date - 12 Apr 2026 Contingent Call Dates - Change of Qualification Event or Tax Event Redemption Amount - Principal amount together with accrued but unpaid dividends
16	Subsequent call dates, if applicable	Each dividend payment date after the First Redemption Date.	Each dividend payment date after the First Redemption Date.
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Discretionary dividend amount	Discretionary dividend amount
18	Coupon rate and any related index	6M SIBOR + 4.46%	6M LIBOR + 4.35%
19	Existence of a dividend stopper	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	N/A	N/A
22	Noncumulative or cumulative	Noncumulative	Noncumulative
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	Yes	Yes
31	If write-down, write-down trigger(s)	"Trigger Event" means the earlier of: (a) the MAS notifying the Issuer in writing that it is of the opinion that a write-off or conversion is necessary, without which the Issuer 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 Issuer would have become non-viable, as determined by the MAS.	"Trigger Event" means the earlier of: (a) the MAS notifying the Issuer in writing that it is of the opinion that a write-off or conversion is necessary, without which the Issuer 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 Issuer would have become non-viable, as determined by the MAS.
32	If write-down, full or partial	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Tier 2 Capital Instruments.	Immediately subordinated to Tier 2 Capital Instruments.
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A

Main Features of Regulatory Capital Instruments (Continued)

		Non-cumulative Preference Shares	Subordinated Notes
1	Issuer	Standard Chartered Bank (Singapore) Limited	Standard Chartered Bank (Singapore) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Tier 1	Tier 2
5	Post-transitional Basel III rules	Tier 1	Tier 2
6	Eligible at solo/group/group&solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Non-cumulative Preference Shares	Subordinated note
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)	S$750 million	S$727 million
9	Par value of instrument	S$750 million	US$540 million
10	Accounting classification	Equity	Liability
11	Original date of issuance	02 Jul 2019	08 May 2019
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No Maturity	17 Apr 2030
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Call Date – 3 Oct 2024 Contingent Call Dates - Change of Qualification Event or Tax Event Redemption Amount - Principal amount together with accrued but unpaid dividends	Optional Call Date - 17 Apr 2025 Contingent Call Dates - Change of Qualification Event or Tax Event Redemption Amount - Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Each dividend payment date after the First Redemption Date.	Each interest payment date after the First Call Date.
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Discretionary dividend amount	Floating
18	Coupon rate and any related index	5.375% p.a. up to (but excluding) 3 Oct 2024; if not redeemed, the distribution rate will be reset every 5 years thereafter to a fixed rate equal to the then prevailing 5-year SGD SOR plus 3.683% p.a.	3M LIBOR + 1.95%
19	Existence of a dividend stopper	Yes	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	Noncumulative or cumulative	Noncumulative	Cumulative
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	Yes	Yes
31	If write-down, write-down trigger(s)	“Trigger Event” means the earlier of: (a) the MAS notifying the Issuer in writing that it is of the opinion that a write-off or conversion is necessary, without which the Issuer 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 Issuer would have become non-viable, as determined by the MAS.	“Trigger Event” means the earlier of: (a) the MAS notifying the Issuer in writing that it is of the opinion that a write-off or conversion is necessary, without which the Issuer 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 Issuer would have become non-viable, as determined by the MAS.
32	If write-down, full or partial	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Tier 2 Capital Instruments.	Immediately subordinated to senior creditors.
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A

6. Leverage Ratio

The following disclosures are presented in prescribed templates under MAS Notice 637 Tables 11F and 11G.

6.1. Leverage Ratio Common Disclosure Template

	Item	Amount ($m)	
		31-Dec-19	**30-Sep-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)	107,243	105,615
2	Asset amounts deducted in determining Tier 1 capital	(424)	(404)
3	**Total exposure measures of on-balance sheet items** (excluding derivative transactions and SFTs)	106,819	105,211
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	1,848	1,280
5	Potential future exposure associated with all derivative transactions	2,833	2,237
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	1,551	-
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	(22)	-
11	**Total derivative exposure measures**	6,210	3,517
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	1,242	2,072
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	204	44
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	**Total SFT exposure measures**	1,446	2,116
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	65,933	63,333
18	Adjustments for calculation of exposure measures of off balance sheet items	(50,025)	(48,364)
19	**Total exposure measures of off-balance sheet items**	15,908	14,969
	Capital and Total exposures		
20	Tier 1 capital	7,165	7,065
21	**Total exposures**	130,383	125,813
	Leverage ratio		
22	Leverage ratio	5.50%	5.62%

6.2. Leverage Ratio Summary Comparison Table

	Item	Amount
1	Total consolidated assets as per published financial statements	110,362
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	4,333
5	Adjustment for SFTs	204
6	Adjustment for off-balance sheet items	15,908
7	Other adjustments	(424)
8	Exposure measure	130,383

7. Geographical Distribution of Credit Exposures Used in the Countercyclical Capital Buffer

	31-Dec-19			
	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	2.000	914		
Norway	2.500	0		
Sweden	2.500	8		
United Kingdom	1.000	1,235		
France	0.250	87		
Others		26,152		
Total		28,396	0.11	31

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. The Group attributes private sector credit exposures to jurisdictions primarily based on the jurisdiction of risk of each obligor, or its guarantor, if applicable.

8. Linkages between financial statements and regulatory exposures

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

	31-Dec-19					
	(a)	(b)	(c)	(d)	(e)	(f)
		Carrying amounts of items -				
$m	**Carrying amounts as reported in balance sheet of published financial statements**	**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	13,462	13,462	-	-	-	-
Singapore government securities and treasury bills	2,770	2,514	-	-	256	-
Other government securities and treasury bills	6,481	3,687	-	19	2,794	-
Derivative financial instruments	1,876	-	1,876	-	151	-
Investment securities	7,310	6,282	-	807	225	-
Loans and advances to banks	6,873	6,873	-	-	-	-
Loans and advances to customers	50,750	50,539	211	-	-	-
Bills receivable	11,045	11,045	-	-	-	-
Amounts due from overseas branches	5,582	4,410	1,134	-	39	-
Amounts due from related corporations	659	659	-	-	-	-
Investment in associate	31	31	-	-	-	-
Other assets	2,967	2,407	2	1	558	-
Property and equipment	169	169	-	-	-	-
Goodwill and intangible assets	387	-	-	-	-	387
Total assets	**110,362**	**102,078**	**3,223**	**827**	**4,023**	**387**
Liabilities						
Deposits and balances of banks	3,405	-	-	-	-	3,405
Deposits of non-bank customers	77,248	-	-	-	-	77,248
Structured deposits of non-bank customers	476	-	-	-	289	476
Derivative financial instruments	2,112	-	2,112	-	116	-
Bills and drafts payable	1,046	-	-	-	-	1,046
Amounts due to intermediate holding company and its branches	10,413	-	1,418	-	19	8,995
Amounts due to related corporations	1,055	-	-	-	664	1,056
Current tax payable	64	-	-	-	-	64
Other liabilities	5,897	-	4	-	560	5,894
Subordinated notes	727	-	-	-	-	727
Deferred tax liabilities	30	-	-	-	-	30
Total liabilities	**102,473**	**-**	**3,534**	**-**	**1,648**	**98,941**

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

		31-Dec-19			
		(a)	(b)	(c)	(d)
			Items subject to -		
$m		Total	Credit risk requirements	CCR requirements	Securitisation framework
1	**Asset carrying amount under regulatory scope of consolidation (as per Table 8.1)**	106,128	102,078	3,223	827
2	Liabilities carrying amount under regulatory scope of consolidation (as per Table 8.1)	3,534	-	3,534	-
3	Total net amount under regulatory scope of consolidation	102,594	102,078	(311)	827
4	Off-balance sheet amounts	65,933	12,037	-	-
5	Differences due to derivatives and securities financing transactions		-	-	-
6	Differences due to consideration of provisions		397	-	-
7	Other differences		-	-	-
8	**Exposure amounts considered for regulatory purposes**	115,028	114,512	(311)	827

The key differences between accounting amounts and regulatory exposure amounts are:

(i) Off-balance sheet amounts include contingent liabilities and undrawn portions of committed facilities after application of credit conversion factors;

(ii) Securities financing transactions counterparty exposures and derivatives offset by netting under enforceable netting agreements.

(iii) Differences due to consideration of provisions where the carrying values of assets in the financial statements are net of allowances while regulatory exposures are net of specific allowances.

(iv) Other differences due to recognition of credit risk mitigation and others.

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

Front Office marks-to-market all positions daily using readily available close out prices (where observable) from appropriate sources, such as Reuters and Bloomberg. Similarly, swaps are automatically marked in booking systems using independent yield curves. Positions are marked to the more prudent side of bid and offer, depending on whether the position is long or short, although certain securities held by the Rates desk and derivative positions are marked at mid. Valuation Control performs an independent assessment of fair value each month by comparing internal trading position valuations with independently calculated valuations. Valuation Control also calculates fair value adjustments to be reflected in the ledgers at month-end. Product Control verifies the P&L from an accounting and financial reporting perspective, including making necessary adjustments as determined by VC. Positions which are marked to model by the FO are tested using independently sourced inputs. Where model deficiencies exist, adjustments are calculated to ensure the appropriate level of prudence using market determined inputs or parameters where available. A periodic review of market data sources is undertaken semi-annually to assess alternative sources of market data inputs to determine the most appropriate market data to be used in the input price testing.

The Independent Price Testing ("IPT") Policy mandates that Valuation Control perform periodic independent review and assessment of all fair valued positions. Price testing is performed by comparing external and independent market data against internal marking prices and input parameters which are used by Front Office. The IPT process takes place at the month-end date where the P&L impact is taken to books and records. There is also a second IPT cycle performed on an unannounced date during each month for which the P&L impact will not be taken to books and records however differences are escalated to Front Office.

The Valuation Control team computes adjustments to the P&L accounts resulting from the Independent Price Verification process which is governed by the Independent Price Testing Policy document. Valuation Control also determines appropriate fair value adjustments to system valuations required to arrive at fair value in the P&L accounts. The underlying methodologies are governed by the Fair Value Adjustment Methodology document. Additionally, Valuation Control calculates prudent valuation adjustments which are taken to common equity tier 1 capital. The underlying methodologies are governed by the Prudent Valuation Adjustments ("PVA") Governance and Methodology document.

8.4. Prudent Valuation Adjustments

		31-Dec-19							
		a	b	c	d	e	f	g	h
$m		**Equity**	**Interest rates**	**FX**	**Credit**	**Commodities**	**Total**	**of which: in the trading book**	**of which: in the banking book**
1	Closeout uncertainty	0.1	9.6	0.1	3.3	-	13.1	8.0	5.1
2	of which: mid-market value	-	6.5	0.1	3.3	-	9.9	6.1	3.8
3	of which: closeout cost	0.1	1.8	-	-	-	1.9	1.9	-
4	of which: concentration	-	1.3	-	-	-	1.3	-	1.3
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risk	-	0.8	-	0.4	-	1.2	0.8	0.4
8	Investing and funding costs	-	-	-	-	-	-	-	-
9	Unearned credit spreads	-	-	-	0.9	-	0.9	0.9	-
10	Future administrative costs	0.2	0.2	-	0.9	-	1.3	0.9	0.4
11	Other	-	-	-	19.4	-	19.4	19.4	-
12	**Total adjustment**	**0.3**	**10.6**	**0.1**	**24.9**	**-**	**35.9**	**30.0**	**5.9**

9. Risk Management Approach

Enterprise Risk Management Framework ("ERMF") defines the Principal Risk Types ("PRTs"), sets out the principles and standards for risk management across the branches and subsidiaries of Standard Chartered PLC (the "Group") and is supported by distinct Risk Type Frameworks ("RTF"), Policies and Standards.

For Standard Chartered Bank Singapore Limited ("SCBSL"), the ERMF is approved by the SCBSL Board.

The ERMF defined 10 Principal Risk Types; namely Credit Risk, Traded Risk, Operational Risk, Capital & Liquidity Risk, Country Risk, Reputational Risk, Conduct Risk, Compliance Risk, Financial Crime Risk and Information & Cyber Security Risk.

Each of the PRTs has its own Risk Type Framework which is supported by Policies & Standards.

The Group's Board approves the Risk Appetite Statement, which defines the maximum amount and type of risk the Group is willing to assume in pursuit of its strategy, in accordance with its Risk Principles. Each PRTs has its own Risk Appetite Statement.

The Board Risk Committee ("Committee") shall exercise oversight on behalf of the Board on the overall risk appetite, risk management strategy and risk management frameworks; overseeing implementation thereof by senior management.

The Committee is responsible for overseeing the governance of risk and setting risk appetite within the Company. The Committee has delegated executive responsibility to the Executive Committee ("EXCO") for the day-to-day management of risk and to maintain a sound system of risk management and internal control.

The EXCO delegates authority for the management of risks to the Executive Risk Committee ("ERC") and for Capital and Liquidity Risk to the Asset and Liability Committee ("ALCO") while the management of risk associated with the Group's strategy remains directly with the EXCO. This governance structure ensures that risk taking authority and risk management policies and procedures are cascaded down from the Board through to the appropriate committees.

The primary responsibility of ALCO is the management of liquidity and capital risks and maintaining a strong balance sheet to support business objectives and comply with the Company's policies and regulatory requirements.

The ERC is responsible for the effective management of risk (excluding Liquidity and Capital risks) in support of the strategy; including defining the overall Enterprise Risk Management Framework ("ERMF") which sets out the principles and standards for risk management. The ERMF and the risk appetite are approved and overseen by the Board.

10. Credit Risk

10.1. General Qualitative Disclosures on Credit Risk

Credit risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Group in accordance with agreed terms. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a segregation of duties between transaction originators in the businesses and approvers within the Risk function. Credit exposure limits are approved within a defined credit approval authority framework.

Policies and procedures are established by the ERC. These are consistent with the Group-wide credit policies, but are adopted by the Group as its own to reflect the country-specific risk environment and portfolio characteristics of the Group.

The Credit Risk function is the second line control function that performs independent challenge, monitoring and oversight of the credit risk management practices of the business and functions engaged in or supporting revenue generating activities which constitute the first line of defence. The credit risk function is also responsible for ensuring that the quality of portfolio is maintained within acceptable parameters defined in the Group's risk appetite and policies. Group Internal Audit serves as the third line of defence to provide independent assurance on the effectiveness of controls that support the first line's risk management of business activities and the processes maintained by the second line. Its role is defined and overseen by the Audit Committee of the Board.

The Group's ultimate credit authority lies with the Board and Executive Risk Committee. Risk authorities are linked to individual appointments where authorities are delegated. These individuals then in turn delegate authorities to individuals in writing in accordance with the list of delegated authority matrices and principles of delegation of authorities. Delegations vary based on business segment, limit category, credit grade, expected loss and maximum tenor.

Credit monitoring

The Group regularly monitors credit exposures, portfolio performance, and external trends that may impact risk management outcomes. Internal risk management reports are presented to the risk committees containing information on key trends across major portfolios, portfolio delinquency and loan impairment performance.

Clients are placed on early alert when they display signs of actual or potential weakness. Such accounts are subjected to a dedicated credit monitoring process overseen by the Credit Issues Committee appointed by the ERC. Portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behaviour is also tracked and is considered for lending decisions.

Credit concentration risk

Credit concentration risk may arise from a single large exposure to a counterparty or a group of connected counterparties, or from multiple exposures across the portfolio that are closely correlated. Large exposure concentration risk is managed through concentration limits set by counterparty or group of connected counterparties. At the portfolio level, credit concentration thresholds are set and monitored to control concentrations, where appropriate, by customer segment, industry, product, tenor, credit grade and collateral type.

10.2. Credit Quality of Assets

$m		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 [1]	466	75,185	393	210	123	60	75,258
2	Debt securities	-	16,563	2	-	2	-	16,561
3	Off-balance sheet exposures	2	55,358	-	-	-	-	55,360
4	**Total**	**468**	**147,106**	**395**	**210**	**125**	**60**	**147,179**

Default is defined in accordance with the loan grading guidelines of substandard, doubtful and loss under MAS Notice to Banks 612.

10.3. Changes in Stock of Defaulted Loans [1] and Debt Securities

	$m	Amounts
1	**Defaulted loans and debt securities at end of the previous semi-annual reporting period**	**448**
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	344
3	Returned to non-defaulted status	188
4	Amounts written-off	42
5	Other changes	(96)
6	**Defaulted loans and debt securities at end of the semi-annual reporting period (1 + 2 - 3 - 4 ± 5)**	**466**

The increase in defaulted loans and bills receivable since the previous semi-annual reporting period was mainly driven by new defaulted loans offset by curing and write offs.

[1] Loans include loans and advances to customers and other assets which give rise to credit exposures.

10.4. Additional Disclosures related to the Credit Quality of Assets

The following tables show the breakdown of the Group's on-balance sheet credit risk exposures by geographical areas, industry and residual maturity:

Breakdown by Geography

$m	Exposure
Singapore	75,749
United Kingdom	4,899
Australia	222
United Arab Emirates	2,676
Hong Kong	1,625
India	564
Indonesia	1,543
Vietnam	794
China	155
Other South and Southeast Asia	372
Other Western markets	515
Other Emerging markets	3,100
Total	**92,214**

Breakdown by Industry

$m	Exposure
Manufacturing	4,107
Building and Construction	3,632
Housing	16,040
General Commerce	15,789
Transport, Storage & Communication	3,730
Finance institutions, investment and holding companies	7,917
Professional and Private Individuals (excluding Housing loans)	10,802
Government	8,543
Others	21,654
Total	**92,214**

Breakdown by Residual Maturity

$m	Exposure
Up to 1 year	49,535
Between 1 year to 3 years	10,966
After 3 years	31,713
Total	**92,214**

The following tables show the breakdown of impaired exposures, specific allowances and write offs (during the year) by geographical areas and industry:

Breakdown by Geography

$m	Impaired Exposure	Specific allowances	Write off (during 2019)
Singapore	373	230	
United Kingdom	-	-	
Australia	-	-	
United Arab Emirates	-	-	
Hong Kong	-	-	
India	-	-	
Indonesia	16	3	
Vietnam	-	-	
China	3	-	
Other South and Southeast Asia	46	23	
Other European markets	-	-	
Other Emerging markets	28	5	
Total	**466**	**261**	**77**

Breakdown by Industry

$m	Impaired Exposure	Specific allowances	Write off (during 2019)
Manufacturing	156	136	
Building and Construction	6	6	
Housing	42	8	
General Commerce	6	6	
Transport, Storage & Communication	86	32	
Finance institutions, investment and holding companies	8	-	
Professional and Private Individuals (excluding Housing loans)	135	64	
Government	-	-	
Others	27	9	
Total	**466**	**261**	**77**

Ageing analysis of past due exposures

Past due:	$m
Less than 30 days	1,387
30 to 90 days	72
Over 90 days	466
Total	1,925

10.5. Qualitative Disclosures related to CRM Techniques

Potential credit losses from any given account, client or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives taking into account expected volatility and guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. The credit risk mitigation policy determines the key considerations for eligibility, enforceability and effectiveness of credit risk mitigation arrangements.

In order to be recognised as security and for the loan to be classified as secured, all items pledged must be valued and an active secondary resale market must exist for the collateral. Documentation must be held to enable the Group to realise the asset without the cooperation of the asset owner in the event that this is necessary. The Group also seeks to diversify its collateral holdings across asset classes and markets.

Regular valuation of collateral is required in accordance with the credit risk mitigation policy, which prescribes both the process of valuation and the frequency of valuation for different collateral types.

Where appropriate, collateral values are adjusted to reflect current market conditions, the probability of recovery and the period of time to realise the collateral in the event of possession. Where guarantees or credit derivatives are used as credit risk mitigation, the creditworthiness of the guarantor is assessed and established using the credit approval process in addition to that of the obligor or main counterparty.

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation, correlation and counterparty risk of the guarantor. The Group's risk mitigation standards determine the key considerations for eligibility, enforceability and effectiveness of credit risk mitigation arrangements.

In order to be recognised as security and for the loan to be classified as secured, all items pledged must be valued and an active secondary resale market must exist for the collateral. Documentation must be held to enable the Group to realise the asset without the cooperation of the asset owner in the event that this is necessary. The Group also seeks to diversify its collateral holdings across asset classes and markets.

Regular valuation of collateral is required in accordance with the credit risk mitigation policy, which prescribes both the process of valuation and the frequency of valuation for different collateral types. Where appropriate, collateral values are adjusted to reflect current market conditions, the probability of recovery and the period of time to realise the collateral in the event of possession. Where guarantees or credit derivatives are used as credit risk mitigation, the creditworthiness of the guarantor is assessed and established using the credit approval process in addition to that of the obligor or main counterparty.

The presence of credit risk mitigation is not a substitute for the ability to pay, which is the primary consideration for any credit decision, but may influence credit limit sizing, for example eligible financial collateral taken under eligible master netting agreements supported by a legal opinion may be netted against exposures. Where appropriate, credit derivatives are used to reduce credit risks in the portfolio. Due to their potential impact on income volatility, such derivatives are used in a controlled manner with reference to their expected volatility. Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types. Collateral concentrations are monitored and reported to the relevant risk committees. The Group uses credit limits to record guarantees taken against individual guarantors where a capital benefit is taken. The Group uses netting in the case of financial market's transactions under master netting agreements supported by a legal opinion.

10.6. Overview of CRM Techniques

		a	b	c	d	e
$m		**Exposures unsecured**	**Exposures secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Loans	41,539	33,719	33,692	27	-
2	Debt securities	16,561	-	-	-	-
3	**Total**	**58,100**	**33,719**	**33,692**	**27**	**-**
4	of which: defaulted	158	308	281	27	-

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

10.7. Qualitative Disclosures on the use of external credit ratings under the SA(CR)

External ratings, where available, are used to assign risk-weights for standardised approach (SA) exposures. These external ratings must come from approved rating agencies, known as External Credit Assessment Institutions (ECAI); which currently include Moody's, Standard & Poor's and Fitch. The Group uses the ECAI ratings from these agencies in its day-to-day business, which are tracked and kept updated.

The Group currently does not use assessments provided by export credit agencies for the purpose of evaluating RWA in the standardised approach.

10.8. SA(CR) and SA(EQ) - Credit Risk Exposure and CRM effects

		a	b	c	d	e	f
		Exposures before CCF and CRM		**Exposures post-CCF and post-CRM**		**RWA and RWA density**	
$m	**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	46	-	46	-	0	0.98%
2	Central Governments and Central Banks	-	-	-	-	-	0.00%
3	PSE	-	-	-	-	-	0.00%
4	MDB	1,817	15	1,817	15	-	0.00%
5	Bank	1,303	2,076	1,303	91	804	57.66%
6	Corporate	8,371	14,418	5,917	449	6,036	94.81%
7	Regulatory Retail	5,092	10,272	4,662	153	3,627	75.32%
8	Residential Mortgage	24	26	24	26	33	67.12%
9	Commercial Real Estate	773	9	764	4	768	100.00%
10	Equity – SA(EQ)	31	-	31	-	31	100.00%
11	Past due exposures	168	66	149	26	256	146.28%
12	High-risk categories	-	-	-	-	-	0.00%
13	Other exposures	2,272	1,112	2,059	53	1,270	60.19%
14	**Total**	**19,897**	**27,994**	**16,772**	**817**	**12,825**	**72.92%**

Credit Risk exposures and RWA under the Standardised approach remained stable in the second half of 2019.

10.9. SA(CR) and SA(EQ) – Exposures by Asset Classes and Risk Weights

		a	b	c	d	e	f	g	h	i	j
		Risk weight									
$m	**Asset classes and others**	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure amount (post-CCF and post-CRM)**
1	Cash Items	44	-	2	-	-	-	-	-	-	46
2	Central Governments and Central Banks	-	-	-	-	-	-	-	-	-	-
3	PSE	-	-	-	-	-	-	-	-	-	-
4	MDB	1,832	-	-	-	-	-	-	-	-	1,832
5	Bank	-	-	121	-	986	-	286	-	-	1,393
6	Corporate	288	-	54	-	-	-	6,024	1	-	6,367
7	Regulatory Retail	-	-	-	-	-	4,755	61	-	-	4,816
8	Residential Mortgage	-	-	-	25	-	-	24	-	-	49
9	Commercial Real Estate	-	-	-	-	-	-	768	-	-	768
10	Equity – SA(EQ)	-	-	-	-	-	-	31	-	-	31
11	Past due exposures	-	-	-	-	-	-	13	162	-	175
12	High-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	43	-	-	-	1,071	-	997	2,111
14	**Total**	**2,164**	**-**	**220**	**25**	**986**	**4,755**	**8,278**	**163**	**997**	**17,588**

Credit Risk exposures across Asset classes and Risk weights remained stable in the second half of 2019.

10.10. Qualitative Disclosures for IRBA Models

Advanced Internal ratings Based approach (“A-IRBA”) to credit risk

The Group uses the AIRB approach to measure credit risk for the majority of its portfolios, including its corporate and institutional banking, commercial banking, and mortgages exposures. This allows the Group to use its own internal estimates of Probability of Default (“PD”), Loss Given Default (“LGD”), and Exposure at Default (“EAD”) to determine an asset risk-weighting. The IRB models cover 64 per cent of the Group’s credit RWA.

PD is the likelihood that an obligor will default on an obligation within the next 12 months. Banks utilising the IRB approach must assign an internal PD to all borrowers. EAD is the expected amount of exposure to a particular facility at the point of default; it is modelled based on historical experience to determine the amount that is expected to be further drawn down from the undrawn portion of a facility. LGD is the percentage of EAD that a lender expects to lose in the event of obligor default. EAD and LGD are measured based on expectation in economic downturn periods, if these are more conservative than the long-run average.

All assets under the IRB approach have internal PD, LGD and EAD models developed to support portfolio management and credit decision making process. RWA under the IRB approach is determined by regulatory specified formulae dependent on the Group’s estimates of residual maturity, PD, LGD and EAD.

All IRB models are developed by Group Enterprise Risk Analytics ("ERA"). Both new and existing models, as well as changes to the existing models, are subject to independent validation by Group Model Validation ("GMV") and are recommended by the Group Credit Model Assessment Committee ("CMAC") and Local Model Assessment Committee ("LMAC") of the Group to the Executive Risk Committee for approval. ERA and GMV are separate departments within Group Risk.

The performance of existing IRB models, including actual against predicted metrics, is monitored regularly by ERA and reported to the LMAC on a quarterly basis. Existing models are subject to annual independent validation by GMV. The CMAC sets out internal standards for model development, validation and performance monitoring. The Board Risk Committee is updated on the status and performance of IRB models periodically. Rating overrides are tracked and threshold breaches are escalated to the relevant risk management committees, and model issues are tracked at the CMAC. Group Internal Audit is responsible for carrying out independent audit reviews of IRB models' development, validation, approval and monitoring.

Corporate Institutional Banking ("CIB") / Commercial Banking ("CB")

In Corporate & Institutional Banking and Commercial Banking, the largest portfolios are rated based on the shadow bond approach (Sovereigns, Banks, Large Corporates) or the good-bad approach (Mid Corporates). Central governments and central banks are rated using the Sovereign model. Non-bank financial institutions are rated using one of six constrained expert judgement models depending on their line of business, with the largest being Funds, Finance & Leasing, and Broker Dealers.

Corporate clients are differentiated by their annual sales turnover and rated using one of the corporate models, unless they are commodity traders (for which a separate model has been developed) or are classified under specialised lending.

Excluding the Sovereign model, the CIB and CB IRB PD models are subject to the 0.03 per cent regulatory floor. Within Corporate & Institutional Banking and Commercial Banking, each client is assigned a credit grade and exposures to each client or client group are aggregated consistently with the regulatory Large Exposures requirements. Corporate & Institutional Banking and Commercial Banking PD models are calibrated following a through-the-cycle rating philosophy based on historical data that includes a full economic cycle.

Retail Banking

The PD model for residential mortgages is based on the good-bad approach. The portfolio is rated using country and product specific application scores for new to group clients and behaviour scores for existing clients. The model includes additional risk drivers based on delinquency status and property type. Statistical techniques are used to develop a relationship between the scores and PDs. For calibration, a long-run PD approach has been taken which covers the downturn periods (i.e. SARS and Global Financial Crisis). Finally, the PD are subject to the 0.03 per cent regulatory floor.

The scorecards are built using demographic information, financial information, observed client performance data (for behaviour scores), and where available, credit bureau data. Statistical techniques are used to develop a relationship between this information and the PD. The scorecards are used to make credit decisions.

Loss Given Default

The LGD model is a parameter-based model reflecting the Group's recovery and workout process, which takes into account risk drivers such as portfolio segment, product, credit grade of the obligor and collateral attached to the exposure. The model is calibrated based on downturn experience, if that is more conservative than the long-run experience. Regulatory floors are applied to unsecured LGD for sovereign and financial institutions exposures, and to fully secured facilities (except if secured by cash).

Corporate and Institutions we have adopted an approach based on a four-year rolling period of predicted and realised LGD. This approach compares the four-year rolling predicted LGD, providing the predicted outcome of these resolved defaults one year prior to default, against the realised LGD for the same set of defaults. These two figures are fully comparable, thereby providing a meaningful assessment of the LGD model's performance.

LGDs for mortgage products are parameter-based estimates mainly driven by how the default is resolved (cure, sale or charge-off). LGD parameters are differentiated by segments such as loan-to-value, property type and default status. To reflect the portfolio's downturn experience, the worst observed value for each LGD parameter has been used with an assumed 30% house price drop. Finally, the LGDs are subject to the 10 per cent regulatory floor.

Exposure at Default

EAD takes into consideration the potential drawdown of a commitment as an obligor moves towards default by estimating the Credit Conversion Factor ("CCF") of undrawn commitments. EAD for corporate and institutional clients is determined on a global basis, while the commercial and retail EAD is dependent on the combination of country and product.

The corporate and institutional EAD model has adopted the momentum approach to estimate the CCF, with the type of facility and the level of utilisation being key drivers of CCF. The model is calibrated based on the Group's internal downturn experience and floored at 0 per cent.

For residential mortgages, the EAD is set at the outstanding balance plus any undrawn portion. The EAD models are built and validated using internal default data.

Standardised approach to credit risk

The Standardised Approach is applied to portfolios that are classified as permanently exempted from the IRB approach, and those portfolios for which an IRB approach has yet to be developed, for instance due to insuffcient data availability.

The permanent exemptions apply to:

- Private Banking
- Private Equity
- Development organisations
- Purchased receivables
- Hedge funds
- Exposures to, or guaranteed by, central governments and central banks of EEA States, provided they are eligible for a zero per cent risk weighting under the Standardised Approach.

The Standardised Approach measures credit risk pursuant to fixed risk-weights and is the least sophisticated of the capital requirement calculation methodologies under Basel III. The risk-weight applied under the Standardised Approach is prescribed within the MAS Notice 637 and is based on the asset class to which the exposure is assigned.

10.11. IRBA – Credit Risk Exposures by Portfolio and PD Range

	31-Dec-19											
	a	b	c	d	e	f	g	h	i	j	k	l
PD range (%)	**Original on-balance sheet gross exposures ($m)**	**Off-balance sheet exposures pre-CCF ($m)**	**Average CCF (%)**	**EAD post-CRM and post-CCF ($m)**	**Average PD (%)**	**Number of obligors**	**Average LGD (%)**	**Average Maturity (Years)**	**RWA ($m)**	**RWA Density (%)**	**EL ($m)**	**TEP ($m)**
`Sovereign												
0.00 to < 0.15	20,296	0	11	21,501	0.01	23	46	1.4	1,182	6	1	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to < 2.50	-	-	-	-	1.60	2	-	3.0	-	-	-	
2.50 to < 10.00	104	31	40	117	3.51	3	46	3.8	188	162	2	
10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	**20,400**	**31**	**20**	**21,618**	**0.03**	**28**	**46**	**1.4**	**1,370**	**6**	**3**	**0**
Banks												
0.00 to < 0.15	21,605	3,193	89	22,469	0.05	196	38	1.0	2,860	12	4	
0.15 to < 0.25	306	54	100	361	0.23	25	39	1.1	145	40	0	
0.25 to < 0.50	407	17	100	424	0.40	16	29	0.6	156	37	0	
0.50 to < 0.75	516	64	100	587	0.59	25	40	0.2	340	58	1	
0.75 to < 2.50	1,909	413	92	2,376	1.55	144	31	0.3	1,596	67	11	
2.50 to < 10.00	28	11	96	37	3.07	28	23	0.8	24	69	0	
10.00 to < 100.00	-	-	-	-	11.62	3	-	1.3	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	**24,771**	**3,752**	**90**	**26,254**	**0.21**	**437**	**38**	**0.9**	**5,121**	**19**	**16**	**-**
Corporate												
0.00 to < 0.15	5,464	7,715	34	8,793	0.08	304	45	1.5	1,924	22	3	
0.15 to < 0.25	1,658	2,398	40	2,638	0.23	145	42	1.1	916	35	3	
0.25 to < 0.50	1,117	1,482	32	1,587	0.40	123	53	1.5	1,039	65	3	
0.50 to < 0.75	3,761	1,714	32	4,304	0.60	198	49	0.8	3,280	76	13	
0.75 to < 2.50	3,379	2,606	28	4,017	1.24	272	42	1.7	3,309	82	20	
2.50 to < 10.00	685	371	29	792	4.86	124	44	1.8	1,184	150	19	
10.00 to < 100.00	208	30	53	223	24.71	12	11	2.3	145	65	7	
100.00 (Default)	235	0	100	236	100.00	16	55	1.3	466	197	141	
Sub-total	**16,507**	**16,316**	**33**	**22,590**	**1.88**	**1,194**	**45**	**1.4**	**12,263**	**54**	**209**	**41**
Corporate small business												
0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to < 0.25	-	14	37	5	0.22	4	34	1.6	2	30	0	
0.25 to < 0.50	1	2	100	3	0.43	1	8	1.0	0	8	0	
0.50 to < 0.75	25	14	20	28	0.60	9	46	1.0	16	57	0	

0.75 to < 2.50	34	53	26	47	1.69	23	47	2.0	50	106	0	
2.50 to < 10.00	100	102	83	185	3.75	23	57	1.5	255	138	4	
10.00 to < 100.00	3	22	23	8	14.52	9	20	1.0	7	77	0	
100.00 (Default)	5	-	-	6	100.00	2	56	1.0	-	-	6	
Sub-total	**168**	**207**	**55**	**282**	**5.21**	**71**	**52**	**1.5**	**330**	**117**	**10**	**6**
Specialised lending												
0.00 to < 0.15	323	230	60	239	0.10	7	28	1.6	41	17	0	
0.15 to < 0.25	200	690	20	328	0.23	11	40	0.5	89	27	0	
0.25 to < 0.50	121	599	9	175	0.43	21	22	3.0	57	32	0	
0.50 to < 0.75	843	854	46	1,236	0.57	18	35	0.3	536	43	2	
0.75 to < 2.50	672	1,456	16	899	1.35	42	36	0.5	568	63	4	
2.50 to < 10.00	38	155	10	54	2.89	17	33	0.2	41	76	1	
10.00 to < 100.00	5	-	100	5	18.04	4	45	0.2	13	221	0	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	**2,202**	**3,984**	**24**	**2,936**	**0.80**	**120**	**35**	**0.6**	**1,345**	**46**	**7**	**-**
Retail - Residential mortgage												
0.00 to < 0.15	10,333	250	100	10,605	0.09	16,037	15		377	4	1	
0.15 to < 0.25	2,215	496	100	2,715	0.19	4,200	16		184	7	1	
0.25 to < 0.50	2,063	286	100	2,353	0.34	3,822	17		248	11	1	
0.50 to < 0.75	661	94	100	756	0.60	1,146	17		119	16	1	
0.75 to < 2.50	392	23	100	416	1.22	816	17		108	26	1	
2.50 to < 10.00	159	0	100	160	5.03	416	16		90	56	1	
10.00 to < 100.00	136	-	-	136	34.85	343	17		121	89	8	
100.00 (Default)	32	1	100	31	100.00	111	30		20	62	9	
Sub-total	**15,991**	**1,150**	**100**	**17,172**	**0.70**	**26,891**	**16**		**1,267**	**7**	**23**	**7**
Retail - Small business												
0.00 to < 0.15	0	0	-	-	-	-	-		-	-	-	
0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
0.50 to < 0.75	-	1	54	0	0.67	1	1		0	1	0	
0.75 to < 2.50	0	5	38	2	1.71	5	10		0	12	0	
2.50 to < 10.00	3	6	13	3	6.40	9	41		2	65	0	
10.00 to < 100.00	1	-	-	1	12.32	1	46		1	82	0	
100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
Sub-total	**4**	**12**	**25**	**6**	**5.96**	**16**	**31**		**3**	**50**	**0**	**-**
Purchased receivables												
0.00 to < 0.15	62	-	45	1,259	0.05	17	46	0.5	156	12	0	
0.15 to < 0.25	36	-	-	842	0.22	4	45	0.2	223	26	3	
0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to < 0.75	94	-	-	201	0.54	4	56	0.5	127	63	1	
0.75 to < 2.50	3	-	-	5	0.95	2	52	0.4	3	77	0	
2.50 to < 10.00	0	-	-	0	8.01	1	46	0.2	0	162	0	
10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	**195**	**-**	**45**	**2,307**	**0.16**	**28**	**47**	**0.4**	**509**	**22**	**4**	**-**
Total (all portfolios)	**80,238**	**25,452**	**43**	**93,165**	**0.70**	**28,785**	**38**	**1.2**	**22,208**	**24**	**272**	**54**

Credit Exposures and RWA under the IRB approach remained stable in the second half of 2019.

10.12. IRBA – Effect on RWA of Credit Derivatives used as CRM

		a	b
		Pre-credit derivatives RWA	Actual RWA
1	Sovereign - F-IRBA	-	-
2	Sovereign - A-IRBA	1,370	1,370
3	Banks - F-IRBA	-	-
4	Banks - A-IRBA	5,043	5,043
5	Corporate - F-IRBA	-	-
6	Corporate - A-IRBA	12,263	12,263
7	Corporate small business - F-IRBA	-	-
8	Corporate small business - A-IRBA	330	330
9	Specialised lending - F-IRBA	-	-
10	Specialised lending - A-IRBA	1,345	1,345
11	High Volatility Commercial Real Estate - F-IRBA	-	-
12	High Volatility Commercial Real Estate - A-IRBA	-	-
13	Retail - QRRE	-	-
14	Retail - residential mortgage	1,267	1,267
15	Retail - small business	4	4
16	Other retail exposures	-	-
17	Equity - F-IRBA	-	-
18	Equity - A-IRBA	-	-
19	Purchased receivables - F-IRBA	-	-
20	Purchased receivables - A-IRBA	508	508
21	**Total**	**22,130**	**22,130**

The Group does not recognise credit derivatives as a credit risk mitigant for exposures.

10.13. IRBA – RWA Flow Statement for Credit Risk Exposures

$m		**Amounts**
1	**RWA as at end of previous quarter**	**21,975**
2	Asset size	195
3	Asset quality	155
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	(195)
8	Other	-
9	**RWA as at end of quarter**	**22,130**

RWA remained relatively stable in the fourth quarter of 2019 with a slight increase in Asset size and Asset quality, offset by foreign exchange movement.

10.14. IRBA – Backtesting of PD per Portfolio

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

10.15. IRBA – Specialised Lending and Equities under the Simple Risk Weight Method

The Group does not have any specialised lending and equity exposures under the Simple Risk Weight Method.

11. Counterparty Credit Risk (“CCR”)

11.1. Qualitative Disclosures related to CCR

Counterparty Credit Risk (CCR) for Financial Market derivative trades include:

- Pre Settlement Risk: replacement cost of the trade if the counterparty defaults prior to the maturity date of the trade and if the mark-to-market is in the Group’s favour.
- Settlement Risk: risk that the counterparty fails to deliver the terms of the trade at the time of settlement.

The credit risk arising from all financial derivatives is managed as part of the overall lending limits. The Group reduces its credit exposure to counterparties by entering into contractual netting agreements. Following Financial Reporting Standard 32 requirements, exposures are however presented on a gross basis in the financial statements as such transactions are not intended to be settled net in the ordinary course of business.

Counterparty credit risk (“CCR”) is the risk that a counterparty in foreign exchange, interest rate, commodity, equity or credit derivative or repo contract defaults prior to the maturity date of the contract, and that the Group at the time has a claim on the counterparty. CCR arises predominantly in the trading book, but also arises in the non-trading book when hedging with external counterparties is required.

CCR is managed within the overall credit risk appetite for corporate and financial institutions. CCR limits are set for individual counterparties, including central clearing counterparties, and for specific portfolios. Individual limits are calibrated to the credit grade and business model of the counterparties and are set on Potential Future Exposure (“PFE”). Portfolio limits are set to contain concentration risk across multiple dimensions and are set on PFE or other equivalent measures.

The Group reduces its credit exposures to counterparties by entering into eligible master netting agreements which result in a single amount owed by or to the counterparty. The amount is calculated by netting the Mark-To-Market (“MTM”) owed by the counterparty to the Group and the MTM owed by the Group to the counterparty on the transactions covered by the netting agreement.

Wrong-way risk

Wrong-way risk occurs when an exposure increase is coupled with a decrease in the credit quality of the obligor. Specifically, as the MTM on a derivative or repo contract increases in favour of the Group, the driver of this MTM change also reduces the ability of the counterparty to meet its payment, margin call or collateral posting requirements. Wrong-way risk mostly arises from FX transactions and financing transactions. The Group employs various policies and procedures to ensure that wrong-way risk exposures are recognised upfront, monitored, and where required, contained by limits on country, tenor, collateral type and counterparty.

Stress testing

Stress testing is an integral part of CCR management, complementing PFE or other portfolio limits. Single and multi-factor scenarios are regularly applied to the CCR portfolio to identify and quantify exposures that could become a concern for the Group. The stressed exposures are monitored monthly at regional and global counterparty credit risk exposure forums. The relevance and severity of the stress scenarios are periodically reviewed with cross functional stakeholders.

Exposure value calculation

Exposure calculation used for risk management is based on PFE. The PFE is mostly calculated from simulation models, and from PFE add-ons for the non-simulated products. Derivatives exposures are calculated using the Current Exposure Method (“CEM”) Method. Individual transactions are measured using the sum of current replacement cost and potential future credit exposure, and the benefit of master netting agreements is applied using the Net-Gross Ratio. Exposure for repurchase transactions and securities lending or borrowing transactions is calculated using the Financial Collateral Comprehensive Method. Supervisory volatility adjustments are applied to both collateral and exposure legs and the benefit of master netting agreements is taken into consideration. The Group has credit policies and procedures setting out the criteria for collateral to be recognised as a credit risk mitigant, including requirements concerning legal certainty, priority, concentration, correlation, liquidity and valuation parameters such as frequency of review and independence. The Group seeks to negotiate Credit Support Annexes ("CSA") with counterparties when collateral is deemed as necessary or desirable mitigant to the exposure. The credit terms of a CSA are specific to each legal document and determined by the credit risk approval unit responsible for the counterparty. The nature of the collateral is specified in the legal document and is typically cash or highly liquid securities. The MTM of all trades captured under CSAs is calculated daily. The Group does not negotiate CSA terms where thresholds related to each party are dependent on their ECAI long-term rating. As a result, a downgrade in the Group's rating would not result in counterparties seeking additional collateral calls to cover negative MTM portfolios where thresholds are lowered.

The Group also has policies and procedures in place setting out the criteria for guarantees to be recognised as a credit risk mitigant. Where guarantees meet regulatory criteria, the Group treats the exposure as guarantor risk from counterparty credit risk capital standpoint.

11.2. Analysis of CCR Exposure by Approach

$m		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	α used for computing regulatory EAD	EAD (post-CRM)	RWA
1	Current Exposure Method	1,848	2,833			2,611	964
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					365	22
5	VaR for SFTs					-	-
6	**Total**						**986**

Increase in RWA is mainly driven by increase exposures in SFT in the second half of 2019 .

11.3. CVA Risk Capital Requirements

$m		a EAD (post-CRM)	b RWA
1	**Total portfolios subject to the Advanced CVA capital requirement**	**-**	**-**
2	(i) VaR component (including the three-times multiplier)		-
3	(ii) Stressed VaR component (including the three-times multiplier)		-
4	All portfolios subject to the Standardised CVA capital requirement	1,907	304
5	**Total portfolios subject to the CVA risk capital requirement**	**1,907**	**304**

In the second half of 2019, the increase in CVA RWA is in line with increased exposures within the Financial Markets business.

11.4. Standardised Approach - CCR Exposures by Portfolio and Risk Weights

		a	b	c	d	e	f	g	h	i
		Risk weight								
$m		0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
	Asset classes and others									
1	Central Governments and Central Banks	-	-	-	-	-	-	-	-	-
2	PSE	-	-	-	-	-	-	-	-	-
3	MDB	-	-	-	-	-	-	-	-	-
4	Bank	-	-	-	-	-	-	-	-	-
5	Corporate	-	-	-	-	-	31	0	-	31
6	Regulatory Retail	-	-	-	-	2	-	-	-	2
7	Other exposures	-	-	-	-	-	-	-	-	0
	Total	**-**	**-**	**-**	**-**	**2**	**31**	**0**	**-**	**33**

CCR exposures under Standardised approach remained relatively stable in the second half of 2019.

11.5. IRBA – CCR Exposures by Portfolio and PD Range

	a	b	c	d	e	f	g
PD range (%)	EAD post-CRM ($m)	Average PD (%)	Number of obligors	Average LGD (%)	Average Maturity (Years)	RWA ($m)	RWA Density (%)
Sovereign							
0.00 to <0.15	79	0.01	1	46	1.0	3	3.4
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	**79**	**0.01**	**1**	**46**	**1.0**	**3**	**3.4**
Banks							
0.00 to <0.15	3,571	0.05	54	27	0.6	231	6.5
0.15 to <0.25	27	0.22	3	40	1.0	9	33.0
0.25 to <0.50	101	0.39	1	19	4.1	47	46.5
0.50 to <0.75	2	0.67	1	46	1.0	2	85.3
0.75 to <2.50	32	1.57	36	42	1.7	38	119.8
2.50 to <10.00	0	3.51	1	46	1.0	0	152.6
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	**3,733**	**0.07**	**96**	**27**	**0.7**	**327**	**8.8**
Corporate							
0.00 to <0.15	270	0.06	57	42	2.2	77	28.6
0.15 to <0.25	50	0.22	27	59	1.0	24	47.7
0.25 to <0.50	11	0.39	9	81	3.7	16	154.1
0.50 to <0.75	52	0.60	41	58	1.9	48	93.0
0.75 to <2.50	247	0.99	30	69	1.1	294	118.9
2.50 to <10.00	26	4.23	14	43	2.5	38	151.3
10.00 to <100.00	0	13.77	3	46	1.0	0	248.9
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	**656**	**0.63**	**181**	**55**	**1.7**	**497**	**76.0**
Total (all portfolios)	**4,468**	**0.15**	**278**	**32**	**0.9**	**827**	**18.5**

CCR exposures and RWA density remained relatively stable in the second half of 2019.

11.6. Composition of Collateral for CCR Exposure

	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
$m	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	4	-	-
Cash - other currencies	-	241	-	405	-	-
Domestic sovereign debt	3	-	-	-	217	424
Other sovereign debt	52	-	87	21	252	-
Government agency debt	5	-	-	-	-	994
Corporate bonds	30	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**90**	**241**	**87**	**430**	**469**	**1,418**

The above table provides a breakdown of all types of collateral posted or received by the Group to support or reduce the CCR exposures related to derivative transactions or securities financing transactions ("SFTs"), including transactions cleared through Central Counterparties ("CCP").

11.7. Credit Derivative Exposures

		a	b
$m		**Protection bought**	**Protection sold**
	Notionals		
1	Single-name credit default swaps	1,433	1,433
2	Index credit default swaps	118	118
3	Total return swaps	67	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notionals**	**1,618**	**1,551**
	Fair values		
7	Positive fair value (asset)	31	23
8	Negative fair value (liability)	(53)	(4)

The notional for Credit Derivatives remained stable in the second half of 2019

11.8. RWA Flow Statements under the CCR Internal Models Method

This disclosure has been omitted as the Group has not adopted the CCR Internal Models Method.

11.9. Exposures to Central Counterparties

The Group does not have any exposures to central counterparties.

12. Securitisation Exposures

12.1. Qualitative Disclosures related to Securitisation Exposures

Securitisation is defined as a structure where the cash flow from a pool of assets is used to service obligations to at least two different tranches or classes of creditors. The Group does not securitize its own assets, nor does it acquire assets with a view to re-securitising them. The Group does not provide implicit support for any transactions it structures or on which it has invested. The Group does not arrange securitisations for clients.

The Group holds certain investments in Asset Backed Securities ("ABS") in the banking book for managing its liquidity and to meet the regulatory requirements for maintaining high quality assets.

The Group has $804m of EAD classified as securitisation positions. These transactions meet the criteria to qualify as securitisation positions under the MAS Notice 637 and the particulars of these transactions are discussed below.

Asset Backed Securities

The Group's securitisation portfolio comprises of liquid ABS investments for the Treasury Markets ("TM") book. These purchases by TM are governed by a set of portfolio limits and standards which include an aggregate portfolio limit besides sub limits on the underlying collateral types, jurisdictions, originators, issue size, seniority, rating and tenor. The credit quality of the ABS portfolio remains strong, with 100 per cent of the overall portfolio rated Investment Grade, rated as AAA. The portfolio is broadly diversified across asset classes and geographies, with an average credit grade of AAA. Residential mortgage-backed securities ("RMBS") make up 93 percent of the overall portfolio. Other ABS include Auto ABS, making up 5 percent of the overall portfolio, and credit card ABS (2 percent).

The ABS portfolio is assessed frequently for objective evidence of impairment. In 2019, there were no impairments in the TM portfolio.

12.2. Securitisation Exposures in the Banking Book

		a	b	c	d	e	f	g	h	i
		A Reporting Bank act as originator			A Reporting Bank acts as sponsor			A Reporting Bank acts as investor		
$m		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Total retail**	-	-	-	-	-	-	**689**	**-**	**689**
2	of which: residential mortgage	-	-	-	-	-	-	647	-	647
3	of which: credit card	-	-	-	-	-	-	20	-	20
4	of which: other retail exposures	-	-	-	-	-	-	22	-	22
5	of which: resecuritisation	-	-	-	-	-	-	-	-	-
6	**Total wholesale**	-	-	-	-	-	-	**115**	**-**	**115**
7	of which: loans to corporates	-	-	-	-	-	-	-	-	-
8	of which: commercial mortgage	-	-	-	-	-	-	-	-	-
9	of which: lease and receivables	-	-	-	-	-	-	-	-	-
10	of which: other wholesale	-	-	-	-	-	-	115	-	115
11	of which: resecuritisation	-	-	-	-	-	-	-	-	-

Securitisation Exposures remained stable in the second half of 2019.

12.3. Securitisation Exposures in the Trading Book

The Group does not have any securitisation exposures in the Trading Book.

12.4. Securitisation Exposures in the Banking Book and associated Regulatory Capital Requirements – A Reporting Bank acting as Originator or Sponsor

The Group does act as an Originator or Sponsor for its securitisation exposures in the Banking Book.

12.5. Securitisation Exposures in the Banking Book and associated Regulatory Capital Requirements – A Reporting Bank acting as Investor

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
$m		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
1	**Total exposures**	**804**	-	-	-	-	-	**804**	-	-	-	**160**	-	-	-	**16**	-	-
2	Traditional securitisation	804	-	-	-	-	-	804	-	-	-	160	-	-	-	16	-	-
3	of which: securitisation	804	-	-	-	-	-	804	-	-	-	160	-	-	-	16	-	-
4	of which: retail underlying	689	-	-	-	-	-	689	-	-	-	137	-	-	-	14	-	-
5	of which: wholesale	115	-	-	-	-	-	115	-	-	-	23	-	-	-	2	-	-
6	of which: resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Securitisation Exposures and RWA remained stable in the second half of 2019.

13. Market Risk

13.1. Qualitative Disclosures related to Market Risk

Market risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. It is managed under the Traded Risk Type Framework to obtain the best balance of risk and return whilst meeting customers' requirements. The primary categories of market risk are:

- interest rate risk in banking book: arising from changes in yield curves and credit spreads impacting the banking/ non-Trading book.
- interest rate risk in trading book: arising from changes in yield curves and credit spreads.
- currency exchange rate risk: arising from changes in exchange rates.

Standard Chartered Bank (Singapore) Limited has started to take full trading exposures in its trading book as part of its commitments to build trading capabilities in the entity. The Group has maintained market risk capital for all its trading positions. The SCBSL Board has established appropriate Risk Appetite for Market Risk activities. The Traded Risk Management function monitors exposures against approved limits. Sensitivity measures are used in addition to Value at Risk ("VaR") and Stress Loss Triggers ("SLT") as risk management tools. Further details on Market Risk measured can be found in Note 42 of the Group's financial statements. The Group's market risk capital requirement under Standardised Approach as at 31 December 2019 is summarised in the next table. The Group has not adopted Internal Models Approach ("IMA") to measure its regulatory capital requirements for market risk.

13.2. Market Risk under Standardised Approach

$m	Products excluding options	RWA
1	Interest rate risk (general and specific)	784
2	Equity risk (general and specific)	-
3	Foreign exchange risk	301
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	47
8	**Securitisation**	-
9	**Total**	**1,132**

The increase in RWA was mainly due to Interest rate risk.

13.3. RWA Flow Statements of Market Risk Exposures under IMA, IMA Values for Trading Portfolios and Comparison of VaR Estimates with Gains or Losses

These disclosures are not applicable as the Group has not adopted IMA to measure its regulatory capital requirements for market risk.

14. Operational Risk

Operational risk is the potential for loss arising from inadequate or failed internal processes, people and systems or from the impact of external events, including legal risks.

Executive Risk Committee ("ERC") oversees the management of operational risks at the entity level. Its scope includes all client segments, products and functions. ERC ensures the effective risk management of operational risk in the entity in line with its Risk Appetite Approach and meet the standards of the Operational Risk Type Framework.

Further details on the Group's operational risk management framework can be found in Financial Statements Note 42.

15. Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is predominantly managed by Treasury-Markets function. Interest rate positions are measured, reported and monitored independently against limits on a daily basis.

Transfer pricing of interest rate risk is overseen by the ALCO and is in accordance with Transfer Pricing Policy. Any material basis risks that are not transferred to Treasury-Markets are reported to the ALCO.

Value at Risk ("VaR"), Stress Loss Trigger ("SLT") and sensitivity limits such as Net and Gross PV01, curve tenor limits etc. are monitored by Traded Risk Management function on a daily basis. A summary report on Traded Risk exposures is presented to ERC for noting.

PV01 exposures, summarised in table below, are monitored by currency. This table reflects top 4 interest rate risk exposures in the non-trading book and is a measure of the economic sensitivity that would result from increasing interest rates by 1 basis point (immediate parallel shift).

Non-trading book PV01 by currency

By currency	Actual[1] (S$million)
SGD	(0.13)
USD	(0.54)
AUD	(0.12)
GBP	0.02
Others	0.00
Total Non-trading book[2]	(0.77)

[1] *Actual PV01 at period end date*
[2] *Includes all currencies*

Interest rate risk originated in SCBSL non-Trading book arises primarily from the commercial balance sheet and investment of capital resources.

16. Remuneration

16.1. Governance

The Remuneration Committee (the "Committee") of Standard Chartered PLC is comprised of independent non-executive directors. The Committee reviews, and is responsible for setting the principles, parameters and governance framework of the Group and its subsidiaries' remuneration approach and overseeing its implementation. The terms of reference for the Committee can be found on the Group's website. Further information on the activities of the Committee can be found in the Group's Annual Report.

The Committee is assisted in its considerations by PricewaterhouseCoopers LLP (PwC). This includes advice to the Committee relating to executive directors' remuneration and regulatory matters. PwC were formally re-appointed by the Committee as its remuneration advisor in 2017 following a review of potential advisors and the quality of advice received. It is the Committee's practice to undertake a detailed review of potential advisors. PwC is a signatory to the voluntary Code of Conduct in relation to remuneration consulting in the UK.

Standard Chartered Bank (Singapore) Limited (the "Bank") is granted exemption to set up a subsidiary remuneration committee, on the basis that the employees of the Bank, including Bank directors and executive officers, are subject to the remuneration framework and processes of Standard Chartered PLC. In addition, the Bank Board annually reviews the remuneration framework to ensure that it aligns with the Monetary Authority of Singapore ("MAS") Corporate Governance ("CG") Regulations and CG Guidelines.

16.2. Remuneration framework

Attracting, retaining and motivating a diverse, future-ready workforce is essential to delivering on our purpose, long-term strategy and shareholder returns. In support of this, the Standard Chartered PLC Remuneration Committee developed our Fair Pay Charter which sets out the principles we use to determine and deliver pay for all colleagues globally, including senior management and executive directors.

Our Fair Pay Charter sets out the principles we use to make remuneration decisions that are fair, transparent, competitive and strongly reflect business and individual performance, supporting us in embedding a high-performance culture. Our approach to remuneration promotes long-term focus and alignment with shareholder interests and reflects the achievement of financial and strategic results as well as the demonstration of our valued behaviours in pay decisions. We seek to keep remuneration as simple as possible, ensure we meet all regulatory requirements and incorporate evolving best practice.

Our Fair Pay Charter principles are set out below:

1. We commit to pay a living wage in all our markets by 2020 and seek to go beyond compliance with minimum wage requirements
2. We provide an appropriate mix of fixed and variable pay and a core level of benefits to ensure a minimum level of earnings and security to colleagues and to reflect the Group's commitment to wellbeing
3. We support colleagues in working flexibly, in ways that balance both business needs and their personal circumstances, and provide colleagues with the opportunity to select the combination and level of benefits that is right for them
4. Pay is well administered with colleagues paid accurately, on time and in a way that is convenient
5. We provide a competitive total fixed and variable pay opportunity that enables us to attract, motivate and retain colleagues based on market rates for their role, location, performance, skills and experience
6. The structure of pay and benefits is consistent for colleagues based on their location and role, with a clear rationale for exceptions

7. We are committed to rewarding colleagues in a way that is free from discrimination on the basis of diversity, as set out in our Group Code of Conduct
8. We ensure pay decisions reflect the performance of the individual, the business they work in and the Group, and recognise the potential, conduct, behaviours and values demonstrated by each individual
9. We set clear expectations for how colleagues are rewarded and the principles guiding decisions, including clear personal objectives and feedback
10. We provide clear communication of pay and performance decisions, and seek feedback and input from colleagues on our pay structures and outcomes

Key elements of remuneration

Employees typically receive salary, pension and other benefits and are eligible to be considered for variable remuneration (determined based on Group, business area and individual performance). Further information on the remuneration approach for different employees is provided in the table below. There may be some country variations based on statutory requirements and market practice.

Salary	• Salaries reflect the skills and experience of the individual and are reviewed annually against market information and in the context of the annual performance assessment and affordability • Increases may occur where there is a role change, increased responsibility or to ensure market competitiveness • Salary ranges are implemented in selected businesses as an additional way to support decision making in line with market rate and help reduce the potential for bias • Salaries are delivered in cash monthly
Pension and benefits	• Benefits are provided, with the details depending on local market practice. Employees have access to country-specific, company-funded benefits such as pension schemes, private medical insurance, permanent health insurance, life insurance and cash allowances. The cost of providing the benefits is defined and controlled • Pension and benefit levels differ globally to be competitive in different markets, and there is no single pension level across the Group • Employees who are relocated or spend a substantial portion of their time in more than one jurisdiction for business purposes may be provided with mobility benefits. If employees incur tax charges when travelling overseas in performance of their duties, these costs may be met by the Group • Sharesave is an all employee plan where participants are able to open a savings contract to fund the exercise of an option over shares. The option price is set at a discount of up to 20 per cent of the share price at the date of invitation (or such other discount as may be determined by the Standard Chartered PLC Remuneration Committee). An equivalent cash or share plan is offered in countries where Sharesave may not be offered (typically due to tax, regulatory or securities law issues)

Discretionary variable remuneration

- Employees are typically eligible to be considered for variable remuneration
- There is a clear link between performance and reward. Individual incentives are determined with reference to Group, business area and individual performance. Employees are assessed on both what they have achieved and their demonstration of our valued behaviours
- Balanced scorecards are used to assess Group and business area performance. The scorecards include financial and strategic measures and are designed to drive the right outcome for clients while ensuring prudent risk-taking
- Discretionary variable remuneration is delivered in the form of annual incentive and, for eligible employees, a Long-Term Incentive Plan (LTIP) award
- Annual incentives are delivered in the form of cash, shares and/or deferred shares and deferred cash
- Typically awarded to senior management, LTIP awards are delivered in shares and subject to long-term performance measures
- The variable remuneration of employees in the Audit, Risk and Compliance functions is set independently of the business they oversee
- Senior management incentives are deferred for up to seven years
- When determining levels of variable remuneration, the Group considers the overall level of performance and risk events in the year
- The proportion of variable to fixed remuneration is carefully monitored to ensure compliance with regulatory requirements
- All incentives are subject to the Group Regulation of Variable Compensation Policy and Standard. This provides the Group with the ability to reduce or revoke variable remuneration in respect of a risk, control or conduct issue, event or behaviour

Discretionary variable remuneration for Group Material Risk Takers

The following structure of variable remuneration applies to Group Material Risk Takers (MRTs):

- Variable remuneration is restricted to a maximum of two times fixed remuneration
- At least 40 per cent of variable remuneration is deferred. This increases to 60 per cent if variable remuneration is at least GBP500,000
- At least 50 per cent of variable remuneration (upfront and deferred) is paid in shares
- Upfront shares are subject to a minimum 12-month post-vest retention period
- There are 3 categories of Group MRTs - Senior Managers, Risk Managers and Other MRTs:
  - Senior Managers are subject to a seven-year deferral period, with no vesting prior to year three.
  - Risk Managers are subject to a five-year deferral period, with no vesting prior to year one and
  - Other MRTs are subject to a three-year deferral period, with no vesting prior to year one
- Deferred shares are subject to a minimum 12-month post-vest retention period for Senior Managers and Other MRTs, and a minimum six-month post-vest retention period for Risk Managers
- Variable remuneration is subject to the Group Regulation of Variable Compensation Policy and Standard, which enables us to suspend payment or vesting of awards, apply in-year adjustments, apply malus to unvested awards and apply clawback to vested variable remuneration, in appropriate circumstances
- No dividends should accrue or be paid during the deferral period of variable remuneration (this includes deferred shares and long-term incentive plans).

There were no material changes to the Group's approach to remuneration in 2019, this includes identifying and remunerating MRTs.

Remuneration for control function employees:

- The methodology for determining individual variable remuneration awards ensures that colleagues engaged in financial and risk control are independent, have appropriate authority, and are compensated in a manner that is independent of the business areas they oversee and commensurate with their key role
- The methodology for determining individual variable remuneration awards ensures that colleagues in Control Functions (including Audit, Compliance and Risk) are not incentivised to drive the performance of the business areas they control
- The remuneration of colleagues in Control Functions is in line with market practice to attract and retain talent

16.3. Performance and risk considerations

Our remuneration approach is designed to promote sound risk management by aligning employee incentives with the longer-term interests of the Group, taking into account the timeframe over which financial risks crystallise. Good conduct and the demonstration of appropriate behaviours are rewarded.

The Group's variable remuneration is subject to approval by the Committee. When considering the Group's variable remuneration and its allocation between businesses and functions, the Committee considers performance and risk factors including (but not limited to):

- The Group's performance, measured using a balanced scorecard;
- That the Group's remuneration policies, practices and procedures do not encourage risk-taking that exceeds the Group's Risk appetite;
- Shareholder returns;
- Regulatory expectations; and
- The risk, control and conduct environment and specific risk, control and conduct events.

Balanced scorecards	
	• At a Group and business area level, balanced scorecards play an integral role in the determination of Group discretionary variable remuneration. The scorecards take into consideration financial and non-financial targets, including those related to conduct and remediation programmes. This incentivises improvements in shareholder returns whilst ensuring that returns are not generated by excessive risk-taking • Measures in the Group scorecard are determined in alignment with the Group's strategy. The Standard Chartered PLC Remuneration Committee is responsible for setting the measures, weightings and targets

Conduct risk in bonus pools

- The Group's discretionary variable remuneration is subject to approval by the Standard Chartered PLC Remuneration Committee, based on a recommendation by the Group Reward Plan Committee. When determining the Group's variable remuneration and its allocation between business areas, the Standard Chartered PLC Remuneration Committee (amongst other things):
  - the general risk and control environment, principal risks and material events, taking into account the impact of current and future risks including operational risk, information and cyber security, and the audit control environment;
  - considers specific risk, control and conduct events;
  - considers performance measured against scorecards, ensuring risk-taking does not exceed the Group's Risk Appetite; and
  - ensures that the Group's remuneration policies do not encourage risk-taking that exceeds the Group's Risk Appetite.
- To account for current and future risks, we consider whether any remuneration adjustments are required. Adjustments can be made in relation to risks that are inherent in our business activities (ex-ante) or in relation to events and issues that have crystallised (ex-post). Our process includes adjustments which are automatic and discretionary. Adjustments apply at a collective (i.e. Group-wide and/or country / region / business area / function) and/or individual level
- Automatic ex-ante and ex-post risk adjustments are applied at a collective level in relation to risks, events and issues that impact the financials of the Group and therefore have a direct impact on the Group's incentive funding. We may also apply additional incremental discretionary ex-ante and ex-post risk adjustments at a collective level where deemed necessary

Identification of Group MRTs

- We identify colleagues whose professional activities have the ability to have a material impact on the risk profile of the Group in line with the Group Regulation of Variable Compensation Policy and Standard. A higher proportion of their variable remuneration is deferred over a longer period, compared with other colleagues.

Individual performance assessment

- At an individual level, we have a clearly defined performance management framework. Colleagues have objectives aligned to our strategy and receive ongoing feedback
- Colleagues are assessed annually in relation to what they have achieved and how they have achieved it, based on the valued behaviours they have demonstrated. Remuneration outcomes relate to the performance of the individual, the business area they work in and the Group. This ensures that everyone is aligned to deliver long-term sustainable growth in the interests of shareholders and that variable remuneration recognises the achievement, conduct, behaviours and values of employees
- Colleagues are also subject to a global risk and compliance objective, which reinforces the expectation that colleagues must appropriately manage risk and compliance in their roles

Deferral mechanism	• Depending on the quantum of an individual's variable remuneration, a portion may be deferred into shares and/or other instruments according to the Group-wide deferral mechanism. This aligns the pay-out period for remuneration with the business cycle of the Group whilst taking into account the timeframe over which financial risks crystallise • The proportion deferred increases with the quantum of variable remuneration awarded
Individual risk adjustments	• Consideration is given to whether variable remuneration should be adjusted when there is conduct that has resulted in significant losses to the Group, a material risk management failure or where the individual has failed to meet appropriate standards of valued behaviours. In determining a reasonable outcome, factors such as the impact of the event, the intent of the individual, the significance of the event, the speed of remediation and the frequency of issues are considered • Adjustments to variable remuneration can take the form of an in-year adjustment, malus or clawback • Where legally possible, variable remuneration is subject to clawback for a period of at least seven years from the date on which it is awarded
Reinforcing positive conduct	• Recognition, such as the "Standard Chartered Recognition Awards" and "Going the Extra Mile" awards, are used to recognise colleagues that bring the valued behaviours to life and to reward exemplary behaviour. This includes material improvements in the risk and control environment; extraordinary efforts in supporting colleagues; improving the working environment; creatively solving problems and making process improvements

16.4. Group Material Risk Takers

- The Group's Regulation of Variable Compensation Policy (formerly the 'Identification of Material Risk Takers for Remuneration Purposes Policy') was introduced in 2014 to comply with expanded rules for identifying key risk-taking colleagues in accordance with the European Banking Authority's ("EBA") Regulatory Technical Standards and the remuneration rules of the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA").
- Variable remuneration for MRTs is structured in line with the PRA and FCA's remuneration rules. Further information is set out on Page 3.

The identification of MRTs is based on qualitative and quantitative criteria, in accordance with the regulatory requirements.

Qualitative criteria

The qualitative criteria broadly identify the following colleagues:

- Directors (both executive directors and non-executive directors) of Standard Chartered PLC
- A member of senior management, which is defined as one or more of the following:
    - A Senior Manager under the PRA/FCA Senior Manager Regime
    - A member of the Group's Management Team
- Senior colleagues within the audit, compliance, legal and risk functions
- Colleagues who are able to initiate or approve credit risk exposures above a certain threshold and/or sign off on trading book transactions at or above a specific value at risk limit
- Senior colleagues within material business units or colleagues with managerial responsibility who report directly to a Material Business Unit head

For the purpose of the Pillar 3 tables, unless otherwise stated, senior management is defined as directors of Standard Chartered PLC (both executive and non-executive), senior managers under the PRA or FCA Senior Manager Regime and members of the Group Management Team.

Quantitative criteria

The quantitative criteria identify colleagues who:

- Have been awarded total remuneration of EUR500,000 or more in the previous financial year
- Are within the 0.3 per cent of the number of colleagues on a global basis who have been awarded the highest total remuneration in the preceding financial year
- Were awarded total remuneration in the preceding financial year that was equal to or greater than the lowest total remuneration awarded that year to certain specified groups of colleagues

Colleagues identified by only the quantitative criteria can be notified for exclusion from the list of Group MRTs if they do not have the ability to have a material impact on the Group's risk profile.

16.5. MAS Notice 637 Pillar 3 disclosures

The Company has adopted the following definitions for the purposes of MAS Notice 637 Pillar 3 reporting:

- **Category 1: Material Risk Takers ("MRT")** are defined as employees who have been identified as MRTs in accordance with the Group Regulation of Variable Compensation Policy, as set out above.
- **Category 2: Senior Management ("SM")** are defined as Executive Committee members who are direct reports to the Chief Executive Officer of the Group excluding Material Risk Takers identified above.

Table 1: Guaranteed Bonuses, Sign-on Awards and Severance Payments

Category	MRT	SM
Number of guaranteed bonus awards	0	0
Number of sign-on awards	0	0
Number of severance payments	4	0
Total amount of above payments made during the Financial Year (SGD)	1,944,799	0

Table 2: Number of Remuneration Awarded in Current Financial Year

Category	MRT	SM
Headcount	112	5
Number of variable remuneration awards received	112	5

Table 3: Breakdown of Remuneration Awarded in Current Financial Year

Category		MRT %		SM %	
		Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration	Cash-based	47.8	0	51.8	0
	Shares and share-linked instruments	0	0	0	0
	Other forms of remuneration	0	0	0	0
Variable remuneration[1]	Cash-based	12.9	13.3	36.8	5.7
	Shares and share-linked instruments[2]	12.1	13.9	0	5.7
	Other forms of remuneration	0	0	0	0
	Total	**100**		**100**	

Table 4: Breakdown of Long-term Remuneration Awards

Category	MRT %	SM %
Change in deferred remuneration awarded in current financial year[3]	1182.7	124.4
Change in amount of outstanding deferred remuneration from the previous financial year[4]	710.5	41.2
Outstanding deferred remuneration (breakdown):		
Cash-based	39	50
Shares and share-linked instruments	61	50
Other forms of remuneration	0	0
Total	100	100
Outstanding deferred remuneration (performance adjustments):		
Of which exposed to ex-post adjustments	100	100
Reductions in current year due to ex-post adjustments (explicit[5])	0	0
Reductions in current year due to ex-post adjustments (implicit[6])	(16.9)	(16.9)
Outstanding retained remuneration (performance adjustments):		
Of which exposed to ex-post adjustments	0	0
Reductions in current year due to ex-post adjustments (explicit)	0	0
Reductions in current year due to ex-post adjustments (implicit)	0	0

[1] 2019 Variable Remuneration Figures could change in exceptional cases due to regulatory guidance.

[2] Shares and share-linked instruments comprise restricted share awards granted in respect of 2018 performance. Restricted share awards include upfront share awards which have a holding period of 12 months.

[3] Value of deferred remuneration (restricted share awards and deferred cash) awarded in 2019 compared against the value of deferred remuneration awarded in 2018 based on headcount in respective years. Value of restricted share awards are based on share price at the time of grant.

[4] Value of outstanding deferred remuneration (eg. Unvested share awards and/or deferred cash) as at 31 December 2019 compared to value of outstanding deferred remuneration as at 31 December 2018 based on headcount in respective years. Value of outstanding deferred remuneration in 2019 and 2018 is based on the grant price.

[5] Examples of explicit ex-post adjustments include malus, clawbacks or value of deferred remuneration which has lapsed as a result of performance conditions not being satisfied.

[6] Examples of implicit ex-post adjustments include fluctuations in the value of restricted shares or performance shares.