

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

Pillar 3 Disclosure
As at 30 Sep 2020

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1. Introduction

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

2. Key Metrics

\$m		(a)	(b)	(c)	(d)	(e)
		30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19
	Available capital (amounts)					
1	CET 1 capital	5,602	5,607	5,644	5,437	5,337
2	Tier 1 capital	7,330	7,337	7,374	7,165	7,065
3	Total capital ⁽¹⁾	8,952	8,404	8,730	8,193	8,117
	Risk weighted assets (amounts)					
4	Total RWA ⁽²⁾	41,927	43,979	45,690	42,131	42,782
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	13.36	12.75	12.35	12.90	12.47
6	Tier 1 ratio (%)	17.48	16.68	16.14	17.01	16.51
7	Total capital ratio (%)	21.35	19.11	19.11	19.45	18.97
	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	2.50
9	Countercyclical buffer requirement (%)	0.02	0.03	0.04	0.11	0.11
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of Bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.52	2.53	2.54	2.61	2.61
12	CET1 available after meeting the Reporting Bank's minimum capital requirements* (%)	6.86	6.25	5.85	6.40	5.97
	Leverage Ratio					
13	Total Leverage Ratio exposure measure	133,051	135,704	146,282	130,383	125,813
14	Leverage Ratio (%) (row 2 / row 13)	5.51	5.41	5.04	5.50	5.62
	Liquidity Coverage Ratio ⁽³⁾					
15	Total High-Quality Liquid Assets	27,335	27,157	23,689	25,230	24,027
16	Total net cash outflow	14,376	14,635	16,136	17,242	14,771
17	Liquidity Coverage Ratio (%)	190	186	147	146	163
	Net Stable Funding Ratio ⁽⁴⁾					
18	Total available stable funding	68,601	67,885	71,713	64,142	64,809
19	Total required stable funding	42,634	44,429	52,477	49,219	48,721
20	Net Stable Funding Ratio (%)	160	153	137	130	133

(1) Movement due to capital injection of US\$400m of T2 Capital.

(2) For significant RWA movements between 30 September 2020 and 30 June 2020, please refer to the "Overview of RWA" on page 3.

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

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

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

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

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

3. Overview of RWA

\$m	RWA		Minimum Capital Requirements ⁽¹⁾
	A 30-Sep-20	b 30-Jun-20	c 30-Sep-20
1	Credit risk (excluding CCR)		
	33,995	35,599	3,400
2	of which: Standardised Approach		
	11,553	11,408	1,155
3	of which: F-IRBA		
	-	-	-
4	of which: supervisory slotting approach		
	-	-	-
5	of which: A-IRBA		
	22,443	24,192	2,244
6	CCR		
	1,402	1,574	140
7	of which: Current Exposure Method		
	1,348	1,495	135
8	of which: CCR internal models method		
	-	-	-
9	of which: other CCR		
	53	80	5
9a	of which: CCP		
	-	-	-
10	CVA		
	305	351	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		
	123	134	12
17	of which: SEC-IRBA		
	-	-	-
18	of which: SEC-ERBA, including IAA		
	123	134	12
19	of which: SEC-SA		
	-	-	-
20	Market risk		
	1,351	1,648	135
21	of which: SA(MR)		
	1,351	1,648	135
22	of which: IMA		
	-	-	-
23	Operational risk		
	4,751	4,672	475
24	Amounts below the thresholds for deduction (subject to 250% risk weight)		
	-	-	-
25	Floor adjustment		
	-	-	-
26	Total RWA		
	41,927	43,979	4,193

⁽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 total RWA between 30 September 2020 and 30 June 2020 was largely attributed to lower Credit Risk RWA partially offset by an increase in Operational Risk RWA.

4. Leverage Ratio

4.1. Leverage Ratio Common Disclosure Template

	Item	Amount (\$m)	
		30-Sep-20	30-Jun-20
	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)	109,570	111,144
2	Asset amounts deducted in determining Tier 1 capital	(501)	(513)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	109,069	110,631
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	1,011	1,130
5	Potential future exposure associated with all derivative transactions	1,618	1,670
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	1,840	2,098
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	(17)	(23)
11	Total derivative exposure measures	4,452	4,875
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	1,578	2,167
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	906	1,502
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	2,483	3,669
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	68,037	66,835
18	Adjustments for calculation of exposure measures of off-balance sheet items	(50,991)	(50,306)
19	Total exposure measures of off-balance sheet items	17,046	16,529
	Capital and Total exposures		
20	Tier 1 capital	7,330	7,337
21	Total exposures	133,051	135,704
	Leverage ratio		
22	Leverage ratio	5.51%	5.41%

The Group's leverage ratio as at 30 September 2020 increased by 0.10% from 5.41% to 5.51%, mainly from the decrease in the total exposures.

4.2. Leverage Ratio Summary Comparison Table

	Item	Amount (\$m)
1	Total consolidated assets as per published financial statements*	113,839
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	1,760
5	Adjustment for SFTs	906
6	Adjustment for off-balance sheet items	17,046
7	Other adjustments	(501)
8	Exposure measure	133,051

* The Group only publishes financial statements annually. Amount indicated here for Q3 2020.

5. Credit Risk

5.1. IRBA – RWA Flow Statement for Credit Risk Exposures

\$m	Amounts	
1	RWA as at end of previous quarter	24,192
2	Asset size	(1,866)
3	Asset quality ⁽¹⁾	249
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	(132)
8	Other	-
9	RWA as at end of quarter	22,443

⁽¹⁾ This represents movements resulting from factors (other than asset size and foreign currency movements) such as rating grade migration or similar effects.

RWA decreased in the third quarter of 2020 mainly due to asset size and foreign exchange movement, offset by a slight increase from asset quality.

6. Counterparty Credit Risk

6.1. RWA Flow Statements under the CCR Internal Models Method

The Group has not adopted the CCR Internal Models Method.

7. Market Risk

7.1. RWA Flow Statements of Market Risk Exposures under IMA

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