

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

Pillar 3 Disclosure
As at 31 March 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”). Prior to 30 June 2019 disclosure, all information in this document refers to that of the Company.

2. Key Metrics

\$m		(a)	(b)	(c)	(d)	(e)
		31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19
	Available capital (amounts)					
1	CET 1 capital	5,644	5,437	5,337	5,245	1,894
2	Tier 1 capital	7,374	7,165	7,065	6,227	2,194
3	Total capital ⁽¹⁾	8,730	8,193	8,117	8,036	3,055
	Risk weighted assets (amounts)					
4	Total RWA ⁽²⁾	45,690	42,131	42,782	41,808	16,973
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	12.35	12.90	12.47	12.55	11.16
6	Tier 1 ratio (%)	16.14	17.01	16.51	14.89	12.93
7	Total capital ratio (%)	19.11	19.45	18.97	19.22	18.00
	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 (%)	0.04	0.11	0.11	0.10	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)	2.54	2.61	2.61	2.60	2.52
12	CET1 available after meeting the Reporting Bank's minimum capital requirements* (%)	5.85	6.40	5.97	6.05	4.66
	Leverage Ratio					
13	Total Leverage Ratio exposure measure	146,282	130,383	125,813	124,820	37,150
14	Leverage Ratio (%) (row 2 / row 13)	5.04	5.50	5.62	4.99	5.91
	Liquidity Coverage Ratio ⁽³⁾					
15	Total High-Quality Liquid Assets	23,689	25,230	24,027	15,395	4,897
16	Total net cash outflow	16,136	17,242	14,771	8,367	1,097
17	Liquidity Coverage Ratio (%)	147	146	163	184	446
	Net Stable Funding Ratio ⁽⁴⁾					
18	Total available stable funding	71,713	64,142	64,809	63,327	30,961
19	Total required stable funding	52,477	49,219	48,721	47,710	19,457
20	Net Stable Funding Ratio (%)	137	130	133	133	159

⁽¹⁾ Movement between 31 March 2020 and 31 December 2019 was largely due to the foreign currency translation impact and reserves add back in Tier 2 Capital.

⁽²⁾ For significant RWA movements between 31 March 2020 and 31 December 2019, please refer to the "Overview of RWA" on page 3.

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

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

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

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

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

3. Overview of RWA

\$m		RWA		Minimum Capital Requirements ⁽¹⁾
		a 31-Mar-20	b 31-Dec-19	c 31-Mar-20
1	Credit risk (excluding CCR)	37,117	34,955	3,712
2	of which: Standardised Approach	13,349	12,825	1,335
3	of which: F-IRBA	-	-	-
4	of which: supervisory slotting approach	-	-	-
5	of which: A-IRBA	23,768	22,130	2,377
6	CCR	2,093	986	209
7	of which: Current Exposure Method	1,629	964	163
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	464	22	46
9a	of which: CCP	-	-	-
10	CVA	538	304	54
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	137	160	14
17	of which: SEC-IRBA	-	-	-
18	of which: SEC-ERBA, including IAA	137	160	14
19	of which: SEC-SA	-	-	-
20	Market risk	1,174	1,132	117
21	of which: SA(MR)	1,174	1,132	117
22	of which: IMA	-	-	-
23	Operational risk	4,631	4,594	463
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total RWA	45,690	42,131	4,569

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

The increase in total RWA between 31 March 2020 and 31 December 2019 was largely attributed to a translation impact from foreign currency assets and treasury assets on the back of a stronger liquidity position.

4. Leverage Ratio

4.1. Leverage Ratio Common Disclosure Template

	Item	Amount (\$m)	
		31-Mar-20	31-Dec-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)	113,862	107,243
2	Asset amounts deducted in determining Tier 1 capital	(500)	(424)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	113,362	106,819
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	4,208	1,848
5	Potential future exposure associated with all derivative transactions	3,508	2,833
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	2,574	1,551
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	(31)	(22)
11	Total derivative exposure measures	10,259	6,210
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	6,009	1,242
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	1,465	204
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	7,474	1,446
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	66,978	65,933
18	Adjustments for calculation of exposure measures of off-balance sheet items	(51,791)	(50,025)
19	Total exposure measures of off-balance sheet items	15,186	15,908
	Capital and Total exposures		
20	Tier 1 capital	7,374	7,165
21	Total exposures	146,282	130,383
	Leverage ratio		
22	Leverage ratio	5.04%	5.50%

The Group's leverage ratio as at 31 March 2020 has decreased by 0.46% from 5.50% to 5.04% mainly from the increase in total exposures. The total exposures increase was driven by increase in asset size and foreign currency translation.

4.2. Leverage Ratio Summary Comparison Table

	Item	Amount (\$m)
1	Total consolidated assets as per published financial statements	124,340
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	5,791
5	Adjustment for SFTs	1,465
6	Adjustment for off-balance sheet items	15,186
7	Other adjustments	(500)
8	Exposure measure	146,282

5. Credit Risk

5.1. IRBA – RWA Flow Statement for Credit Risk Exposures

\$m	Amounts	
1	RWA as at end of previous quarter	22,130
2	Asset size	2,314
3	Asset quality ⁽¹⁾	(1,200)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	524
8	Other	-
9	RWA as at end of quarter	23,768

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

The increase in credit risk-weighted assets was largely driven by exposure growth from higher treasury assets on the back of a stronger liquidity positions.

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.