

**EXPLANATORY NOTES FOR COMPLETION OF STATEMENT OF
EXPOSURES AND CREDIT FACILITIES TO BE REPORTED UNDER
SECTION 27(1) OF THE BANKING ACT (CAP 19)**

1 A bank shall report all its exposures and credit facilities in Singapore dollars. Where the transaction does not involve Singapore dollars, the bank shall convert the foreign currency amount to Singapore dollars using the currency conversion rates at the Authority's Internet website at <http://mas.gov.sg> (under Statistics Room – Financial Databases).

2 A bank shall segregate all exposures and credit facilities booked in respect of its DBU operations from those booked in respect of the Asian Currency Unit approved under section 77 of the Act and prepare separate statements for its DBU operations and its ACU operations.

3 Unless otherwise stated in this Notice, a bank shall report exposures and credit facilities for each relationship under column 1 of Appendix I ("relationship") in the manner such exposures and credit facilities are computed for the purposes of complying with the limits set out in MAS Notice 639, i.e., taking into account any credit risk mitigation techniques or exclusions.

4 Where an exposure or credit facility to a counterparty falls into more than one relationship, a bank shall report such exposures and credit facilities under each relationship accordingly. The bank shall provide details of such exposures and credit facilities under the "Additional Information" section.

5 For an entity that is grouped into one or more director groups or substantial shareholder groups, a bank shall only report its exposure to that entity once for each relationship.

6 If there are no exposures and credit facilities to be reported under section 27 of the Banking Act, a "Nil" return shall be submitted.

7 "Total gross exposure amounts" and "total net exposure amounts" under columns 3 and 4 of Appendix I refer to the exposure amounts before and after the application of any credit risk mitigation techniques in the manner set out in MAS Notice 639, respectively.

8 "Gross exposure amounts of which are credit facilities" and "credit facilities which are unsecured" under columns 5 and 6 of Appendix I refer to the amounts before and after offsetting the portion of the credit facilities secured against acceptable collateral in the manner set out in MAS Notice 639, respectively.

9 Under the "policies and procedures" column, a bank shall indicate "Yes" or "No" accordingly, depending on whether it has any approved policies or procedures governing each relationship listed under column 1 of Appendix I. If yes, the bank shall also indicate "Yes" or "No" under the "remarks" column as to whether the reported exposures and credit facilities are in compliance with the approved policies or procedures. Reasons for any exceptions to approved policies or procedures shall be disclosed under the "Additional Information" section.