

## **MAS Notice 652 (Amendment) 2017**

Issued on: 20 Dec 2017

### **NET STABLE FUNDING RATIO (“NSFR”)**

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#### **Introduction**

- 1 This document reflects amendments made to MAS Notice 652 to delay the implementation of the Required Stable Funding add-on for derivative liabilities until further notice by the Authority.
- 2 For presentational purposes, the amendments in this document are compared with the version of MAS Notice 652 issued on 10 July 2017 (the “Original Notice”).
- 3 This document can be interpreted as follows:
  - a) Text which is coloured and struck through represent deletions;
  - b) Text which is coloured and underlined represent insertions;
  - c) Text which is highlighted in yellow are annotations to describe changes, and will not be included in the non-marked up version of MAS Notice 652; and
  - d) Portions of the Original Notice which are not reflected in this document are unchanged.
- 4 The amendments reflected in this document shall take effect on 1 January 2018.
- 5 In the event of discrepancies between the amendments in this document and the published version of MAS Notice 652 revised on 20 December 2017 (with effect from 1 January 2018), the published version of MAS Notice 652 shall prevail. This document is to be used for reference only.

## **Amendments to Effective Date**

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### **Effective Date**

- 46 The Notice shall take effect on 1 January 2018. This Notice, with the exception of paragraph 40(d), shall take effect on 1 January 2018. Paragraph 40(d) shall take effect on a date to be specified by the Authority by notice in writing, which shall be given at least 21 days before such date.

## **Amendments to Annex – Table 2**

### **Summary of asset categories and associated RSF factors**

<b>RSF factor</b>	<b>Components of RSF category</b>
0%	<ul style="list-style-type: none"><li>• Coins and banknotes</li><li>• All central bank reserves</li><li>• All claims on central banks with residual maturities of less than six months</li><li>• “Trade date” receivables arising from sales of financial instruments, foreign currencies and commodities.</li></ul>
5%	<ul style="list-style-type: none"><li>• Unencumbered Level 1 HQLA, excluding coins, banknotes and central bank reserves</li></ul>
10%	<ul style="list-style-type: none"><li>• Unencumbered loans to financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 HQLA and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan</li></ul>
15%	<ul style="list-style-type: none"><li>• All other unencumbered loans to financial institutions with residual maturities of less than six months not included in the above categories</li><li>• Unencumbered Level 2A HQLA</li></ul>
50%	<ul style="list-style-type: none"><li>• Unencumbered Level 2B HQLA</li><li>• HQLA encumbered for a period of six months or more and less than one year</li><li>• Loans to financial institutions and central banks with residual maturities between six months and less than one year</li><li>• Deposits held at other financial institutions for operational purposes</li><li>• All other assets not included in the above categories with residual maturity of less than one year, including loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns and PSEs</li></ul>
65%	<ul style="list-style-type: none"><li>• Unencumbered residential mortgages with a residual maturity of one year or more and with a risk weight of less than or equal to 35% under MAS Notice 637’s standardised approach to credit risk as set out in paragraph 7.3.29 of MAS Notice 637</li><li>• Other unencumbered loans not included in the above categories, excluding loans to financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 35% under MAS Notice 637’s standardised approach to credit risk as set out in paragraphs 7.3.13 to 7.3.20 and paragraphs 7.3.24 to 7.3.26 of MAS Notice 637</li></ul>

85%	<ul style="list-style-type: none"> <li>• Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a CCP</li> <li>• Other unencumbered performing loans with risk weights greater than 35% under MAS Notice 637's standardised approach to credit risk as set out in paragraphs 7.3.13 to 7.3.20 and paragraphs 7.3.24 to 7.3.30 of MAS Notice 637 and residual maturities of one year or more, excluding loans to financial institutions</li> <li>• Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities</li> <li>• Physical traded commodities, including gold</li> </ul>
100%	<ul style="list-style-type: none"> <li>• All assets that are encumbered for a period of one year or more</li> <li>• NSFR derivative assets net of NSFR derivative liabilities if NSFR derivative assets are greater than NSFR derivative liabilities</li> <li>• 20% of derivative liabilities as calculated according to paragraph 16<sup>24</sup></li> <li>• All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities</li> </ul>

<sup>24</sup> [As set out in paragraph 46, this shall take effect on a date to be specified by the Authority by notice in writing.](#)

**Amendment to Annex – Table 4**

**THE MONETARY AUTHORITY OF SINGAPORE  
THE BANKING ACT, CAP. 19 (SECTIONS 36 AND 55)**

**Computation of Net Stable Funding Ratio ("NSFR")**

(Name of bank)

As at close of business on (day/month/year)

**B) Required Stable Funding ("RSF")**

**1) On balance-sheet items**

	Paragra ph Number in MAS Notice 652	Amount (S\$'000)			RSF factor			Calculated RSF (S\$'000)			
		< 6 mont hs	≥ 6 mont hs to < 1 year	≥1 ye ar	< 6 mont hs	≥ 6 mont hs to < 1 year	≥ 1 year	< 6 mont hs	≥ 6 mont hs to < 1 year	≥ 1 ye ar	Tot al RS F
Derivatives:											
Derivative assets, gross of variation margin received											
Of which are derivative assets where the counterparty is exempt from BCBS-IOSCO margin requirements, of which:											
Non-financial entities that are not systemically important											
Sovereigns/central banks/MDBs/BIS											
Variation margin received, of which:											
Cash variation margin received, meeting conditions as specified in paragraph 2.11 in Annex 4A of MAS Notice 637											

Of which is received from counterparties exempted from BCBS-IOSCO margin requirements, of which:								
Non-financial entities that are not systemically important								
Sovereigns/central banks/MDBs/BIS								
Other variation margin received								
Of which is received from counterparties exempted from BCBS-IOSCO margin requirements								
Non-financial entities that are not systemically important								
Sovereigns/central banks/MDBs/BIS								
NSFR derivative assets (derivative assets less cash collateral received as variation margin on derivative assets)	29, 30, 31, FN 19, 40(b)						1.00	
Required stable funding associated with derivative liabilities <a href="#">(See item 4 of Notes for completion)</a>	40(d)						<del>1.00</del> <u>00</u>	
Total initial margin posted, of which:								
Initial margin posted on bank's own positions, of which:	38(a)							
Initial margin posted in the form of cash								
Initial margin posted in the form of Level 1 securities								
Initial margin posted in the form of all other collateral								

Initial margin posted on behalf of a customer								
Initial margin posted on bank's own positions, in the form of any collateral type, according to residual maturity of associated derivative contract(s)								
Initial margin posted on bank's own positions, in the form of any collateral type, to counterparties exempt from BCBS-IOSCO margin requirements, of which:								
Non-financial entities that are not systemically important								
Sovereigns/central banks/MDBs/BIS								
Cash or other assets provided to contribute to the default fund of a CCP	38(a)							
Required stable funding associated with initial margin posted and cash or other assets provided to contribute to the default fund of a CCP	38(a)					0.85		
<b>On balance-sheet RSF (Section B)</b>								
<b>On balance-sheet RSF (Section B and Section D)</b>								
<b>Total RSF (Section D)</b>								

Notes for completion

1. The bank shall fill in the form in thousands of Singapore dollars (S\$'000). Where amounts are in foreign currency, the bank shall report the Singapore Dollar equivalent. Internal FX rates may be used.
2. For Sections A, B and D, the bank shall report the figures as of the last day of the reporting quarter. For Section C, the bank shall report the figures as of the last day of each month within the reporting quarter.
3. The bank shall fill in all blank cells in the form. If the bank does not have exposures in a particular category, please enter '0'.
4. [As set out in paragraph 46 of MAS Notice 652, the Required Stable Funding add-on for derivative liabilities shall take effect on a date to be specified by the Authority by notice in writing.](#)