

MAS NOTICE 652 (AMENDMENT) 2026

Issued on: 8 October 2026

NET STABLE FUNDING RATIO (“NSFR”)

Introduction

1 This document reflects consequential amendments made to MAS Notice 652 (the “Notice”) to update the scope of eligible High Quality Liquid Assets (HQLA) and other revisions to align with amendments made to MAS Notice 649 on 28 May 2026, which took effect on 1 September 2026.

2 For presentational purposes, the amendments in this document are compared with the version of MAS Notice 652 issued on 16 May 2024 (the “Original Notice”).

3 This document shall be interpreted as follows:

- (a) Text which is coloured and struck through represent deletions, and will not appear in the untracked version of MAS Notice 652 revised on 8 October 2026 (“Published Version”);
- (b) Text which is coloured and underlined represent insertions;
- (c) Portions of the Original Notice which are not reflected in this document are unchanged.

4 The amendments reflected in this document shall take effect from 1 November 2026.

5 In the event of discrepancies between the amendments in this document and the Published Version, the Published Version shall prevail. This document is to be used for reference only.

MAS NOTICE 652

24 June 2022

Last revised on 8 October 2026*

NOTICE TO BANKS

BANKING ACT 1970

NET STABLE FUNDING RATIO (“NSFR”)

Introduction

1 This Notice is issued pursuant to sections 10C(1) and 65(2) of the Banking Act 1970 (“the Act”) and applies to –

- (a) all internationally active banks; and
- (b) all banks in Singapore (as defined in section 2(1) of the Act) that have been notified by the Authority that they are domestic systemically important banks¹ (“D-SIBs”),

(referred to in this Notice as “Reporting Banks”).

2 The minimum all currency Net Stable Funding Ratio (“NSFR”) requirements that a Reporting Bank must maintain at all times is –

- (a) in the case of a Reporting Bank that is –
 - (i) an internationally active bank; or
 - (ii) a D-SIB that is incorporated in Singapore and **is not a subsidiary of –**
 - (A) a bank that is established or incorporated outside Singapore; or
 - (B) a holding company incorporated outside Singapore, which is subject to minimum prudential standards, including risk-based capital standards and liquidity standards, and supervision on a

¹ More information on the D-SIB framework can be found at <https://www.mas.gov.sg/-/media/MAS/News-and-Publications/Monographs-and-Information-Papers/Monograph--MAS-Framework-for-Impact-and-Risk-Assessment.pdf>.

consolidated basis by a bank regulatory agency whose head office or parent bank is incorporated in Singapore,

an all currency NSFR of at least 100% on a consolidated (“Group”) level, which consolidates the assets and liabilities of all its banking group entities, other than those of the following banking group entities, if any:

- (i) an insurance subsidiary;
- (ii) any other entity, where such non-consolidation of assets and liabilities of the entity is expressly permitted under the Accounting Standards. To avoid doubt, the exemption for an entity that is a parent from presenting consolidated financial statements in paragraph 4(a) of Singapore Financial Reporting Standards 110 (“SFRS 110”) Consolidated Financial Statements does not apply to the Reporting Bank for the purposes of complying with this paragraph;

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- (b) in the case of a Reporting Bank that does not fall under sub-paragraph (a), and the Reporting Bank has not obtained the approval of the Authority pursuant to paragraph 6 of MAS Notice 649 to comply with the requirements set out in that Notice on a country-level group basis, an all currency NSFR of at least 50%, at the entity level; and
- (c) in the case of a Reporting Bank that does not fall under sub-paragraph (a), and the Reporting Bank has obtained the approval of the Authority pursuant to paragraph 6 of MAS Notice 649 to comply with the requirements set out in that Notice on a country-level group basis, an all currency NSFR of at least 50%, at the country-level group basis.

Calculation Methodology

(A) ASF Calculation Methodology

11 For the purposes of paragraph 10(b), a Reporting Bank must determine operational deposits as follows:

- (a) the Reporting Bank must ensure that operational deposits only include deposits from customers receiving qualifying clearing, custody and cash management services from the Reporting Bank (“qualifying operational deposits”);

- (b) the Reporting Bank must ensure that qualifying clearing, custody or cash management services meet the following criteria:
- (i) the customer is reliant on the Reporting Bank to perform these services as an independent third party intermediary in order to fulfil its normal banking activities over the next 30 days²;
 - (ii) the Reporting Bank is providing these services under a legally binding agreement to customers;
 - (iii) the customer may only terminate the agreement referred to in subparagraph (b)(ii) by giving prior notice of at least 30 days or paying significant switching costs³ if the operational deposits are withdrawn before 30 days;
- (c) the Reporting Bank must ensure that qualifying operational deposits generated from the qualifying clearing, custody and cash management services meet the following criteria:
- (i) the deposits are by-products of the underlying services provided by the Reporting Bank and not sought out in the wholesale market in the sole interest of offering interest income;
 - (ii) the deposits are held in specifically designated accounts and priced without giving an economic incentive to the customer⁴ to leave any excess balances in these accounts. In the case that interest rates in a country or jurisdiction are close to zero, such accounts are likely to be non-interest bearing.⁵ The Reporting Bank must not treat any excess balances that may be withdrawn while still leaving sufficient funds to fulfil the qualifying clearing, custody and cash management services as qualifying operational deposits. If the Reporting Bank is unable to determine the amount of excess balances, the Reporting Bank must not treat the entire balance as a qualifying operational deposit;

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² For example, this condition would not be met if the Reporting Bank is aware that the customer has adequate back-up arrangements.

³ For example, those related to transaction, information technology, early termination or legal costs.

⁴ To avoid doubt, paying market interest rates for the deposits is not sufficient for the Reporting Bank to determine that the deposits are priced without giving an economic incentive to the customer.

⁵ The Reporting Bank should be particularly aware that during prolonged periods of low interest rates, excess balances could be significant.

(B) RSF Calculation Methodology

48 For the purposes of the definition of “HQLA” in paragraph 4, the following are listed as liquid assets:

- (a) currency notes and coins of Singapore which are legal tender in Singapore, or foreign currency;
- (b) reserves held with the Authority and other central banks, which include –
 - (i) cash balances in the Reporting Bank’s Current Account and Custody Cash Account maintained with the Authority;
 - (ii) the Reporting Bank’s overnight deposits with a central bank; and
 - (iii) the Reporting Bank’s term deposits with a central bank where –
 - (A) the Reporting Bank has a contractual agreement with the central bank to repay such deposits on notice from the Reporting Bank; or
 - (B) the deposits constitute a loan against which the Reporting Bank may borrow on a term basis or on an overnight but automatically renewable basis⁶,

to the extent that the Authority’s and the central banks’ policies allow them to be drawn down in times of stress;
- (c) any sukuk issued by Singapore Sukuk Pte Ltd;
- (d) any marketable security representing a claim on, or that is guaranteed by, a sovereign, a central bank, a PSE, the Bank for International Settlements, the International Monetary Fund, the European Central Bank, the European Union, the European Stability Mechanism, the European Financial Stability Facility or a multilateral development bank, which satisfies the following conditions:
 - (i) it is assigned a 0% risk-weight under Table 7-1 or paragraphs 7.3.46 to 7.3.51 of MAS Notice 637;

⁶ To avoid doubt, other term deposits with central banks are not liquid assets.

- (ii) it is traded in large, deep and active repurchase agreement (“repo”) or cash markets characterised by a low level of concentration;
- (iii) it has a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions;
- (iv) it is not an obligation of a financial institution or any of its related corporations except where the financial institution is also a PSE;

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(e) any marketable security representing a claim on, or that is guaranteed by, a sovereign, a central bank, a PSE or a multilateral development bank, which satisfies the following conditions:

- (i) it is assigned a 20% risk weight under paragraphs 7.3.42 to 7.3.51 of MAS Notice 637;
- (ii) it is traded in large, deep and active repo or cash markets characterised by a low level of concentration;
- (iii) it has a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, with a maximum price decline or increase in haircut not exceeding 10 percentage points over a 30-day period of significant liquidity stress;
- (iv) it is not an obligation of a financial institution or any of its related corporations except where the financial institution is also a PSE;

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(f) any marketable security representing a claim on, or that is guaranteed by, a sovereign, a central bank or a PSE, which satisfies the following conditions:

- (i) it –
 - (A) has a long-term credit rating from a recognised ECAI of at least BBB- or, in the absence of a long-term rating, a short-term rating equivalent in quality to the long-term rating; or
 - (B) does not have a credit assessment by a recognised ECAI and is internally rated as having a probability of default (“PD”) corresponding to a credit rating of at least BBB-;

- (ii) it is traded in large, deep and active repo or cash markets characterised by a low level of concentration;
 - (iii) it has a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, with a maximum price decline or increase in haircut not exceeding 20 percentage points over a 30-day period of significant liquidity stress;
 - (iv) it is not an obligation of a financial institution or any of its related corporations;
- (g) where a sovereign has a non-0% risk weight as determined in accordance with Table 7-1 of MAS Notice 637, any sovereign or central bank debt security issued in domestic currencies by the sovereign or its central bank –
- (i) if the sovereign is the Singapore Government or the central bank is the Authority; or
 - (ii) if the sovereign or central bank is from a foreign country or jurisdiction where the Reporting Bank has a branch or subsidiary⁷ which is approved, licensed, registered or otherwise regulated by a bank regulatory agency in the foreign country or jurisdiction to carry on banking business under the laws of the foreign country or jurisdiction and the Reporting Bank or its branch or subsidiary takes liquidity risk in that country or jurisdiction;
- (h) where the sovereign has a non-0% risk weight as determined in accordance with Table 7-1 of MAS Notice 637, any sovereign or central bank debt security issued in foreign currencies by the sovereign or its central bank –
- (i) if the sovereign is the Singapore Government or the central bank is the Authority; or
 - (ii) if the sovereign or central bank is from a foreign country or jurisdiction where the Reporting Bank has a branch or subsidiary⁸ which is approved, licensed, registered or otherwise regulated by a bank regulatory agency in the foreign country or jurisdiction to carry on banking business under the laws of the foreign country or jurisdiction

⁷ To avoid doubt, this includes a branch of the subsidiary.

⁸ To avoid doubt, this includes a branch of the subsidiary.

and the Reporting Bank or its branch or subsidiary takes liquidity risk in that country or jurisdiction;

- (i) any corporate debt security, covered bond or sukuk, which satisfies the following conditions:
 - (i) in the case of a corporate debt security or sukuk, it is not a complex structured product or a subordinated debt security, and it is not issued by a financial institution or any of its related corporations;
 - (ii) in the case of a covered bond, it is not issued by the Reporting Bank or any of its related corporations;
 - (iii) it –
 - (A) has a long-term credit rating from a recognised ECAI of at least AA- or, in the absence of a long-term rating, a short-term rating equivalent in quality to the long-term rating; or
 - (B) does not have a credit assessment by a recognised ECAI but is internally rated as having a PD corresponding to a credit rating of at least AA-;
 - (iv) it is traded in large, deep and active repo or cash markets characterised by a low level of concentration;
 - (v) it has a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, with a maximum price decline or increase in haircut not exceeding 10 percentage points over a 30-day period of significant liquidity stress;
- (j) any corporate debt security or sukuk, which satisfies the following conditions:
 - (i) it is not a complex structured product or a subordinated debt security;
 - (ii) it is not issued by a financial institution or any of its related corporations;
 - (iii) it –
 - (A) has a long-term credit rating from a recognised ECAI of at least A- or, in the absence of a long-term rating, a short-term rating equivalent in quality to the long-term rating; or

- (B) does not have a credit assessment by a recognised ECAI and is internally rated as having a PD corresponding to a credit rating of at least A-;
- (iv) it is traded in large, deep and active repo or cash markets characterised by a low level of concentration;
- (v) it has a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, with a maximum price decline or increase in haircut not exceeding 20 percentage points over a 30-day period of significant liquidity stress;
- (k) any corporate debt security or sukuk, which satisfies the following conditions:
 - (i) it is not a complex structured product or a subordinated debt security;
 - (ii) it is not issued by a financial institution or any of its related corporations;
 - (iii) it –
 - (A) has a long-term credit rating from a recognised ECAI between BBB+ and BBB- or, in the absence of a long-term rating, a short-term rating equivalent in quality to the long-term rating; or
 - (B) does not have a credit assessment by a recognised ECAI and is internally rated as having a PD corresponding to a credit rating of between BBB+ and BBB-;
 - (iv) it is traded in large, deep and active repo or cash markets characterised by a low level of concentration;
 - (v) it has a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, with a maximum price decline or increase in haircut not exceeding 20 percentage points over a 30-day period of significant liquidity stress;
- (l) any residential mortgage-backed security (“RMBS”), which satisfies the following requirements:
 - (i) it is not issued by, and the underlying assets have not been originated by, the Reporting Bank or any of its related corporations;

- (ii) it has a long-term credit rating from a recognised ECAI of AA or higher or, in the absence of a long-term rating, a short-term rating equivalent in quality to the long-term rating;
 - (iii) it is traded in large, deep and active repo or cash markets characterised by a low level of concentration;
 - (iv) it has a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, with a maximum price decline or increase in haircut not exceeding 20 percentage points over a 30-day period of significant liquidity stress;
 - (v) the underlying asset pool is restricted to residential mortgages and does not contain structured products;
 - (vi) the underlying residential mortgages are “full recourse” loans (i.e. in the case of foreclosure the mortgage owner remains liable for any shortfall in sales proceeds from the property) and have a maximum weighted average⁹ loan-to-value ratio (“LTV”) of 80% at the time of issuance of the RMBS;
 - (vii) the securitisations are subject to risk retention laws and regulations which require issuers to retain an interest in the assets they securitise;
- (m) any ordinary shares, excluding preference shares and treasury shares, which satisfy the following requirements:
- (i) the shares are not issued by a financial institution or any of its related corporations;
 - (ii) the shares are exchange traded and centrally cleared;
 - (iii) the shares are a constituent of –
 - (A) the FTSE Straits Times Index (“STI”) or the MSCI Singapore Free Index;

⁹ Weighted average LTV is computed as follows:

$$\text{weighted average LTV} = \frac{\text{mortgage amount}_1 \times \text{LTV}_1 + \text{mortgage amount}_2 \times \text{LTV}_2 + \dots + \text{mortgage amount}_n \times \text{LTV}_n}{\text{mortgage amount}_1 + \text{mortgage amount}_2 + \dots + \text{mortgage amount}_n},$$

where n is the number of residential mortgages in the RMBS.

(AA) an index in a foreign country or jurisdiction where –

(I) the domestic currency of that foreign country or jurisdiction is –

(1) a global reserve currency, where global reserve currency means a currency in which reserve assets held by sovereigns and central banks are denominated, and which is widely used for the purposes of meeting balance of payments financing needs, intervention in foreign exchange markets and settlement of international transactions; and

(2) a significant currency of the Reporting Bank; and

(II) the bank regulatory agency of that country or jurisdiction recognises the index in accordance with its applicable regulatory framework for the purposes of permitting the equities comprised in that index to qualify as Level 2B HQLA;

(B) where the Reporting Bank has a branch or subsidiary¹⁰ that is approved, licensed, registered or otherwise regulated by a bank regulatory agency in a foreign country or jurisdiction to carry on banking business under the laws of the foreign country or jurisdiction and the Reporting Bank or its branch or subsidiary takes liquidity risk in that country or jurisdiction, an index in the foreign country or jurisdiction that the bank regulatory agency of that country or jurisdiction recognises in accordance with its applicable regulatory framework for the purposes of permitting~~including~~ the equities comprised in that index to qualify as Level 2B HQLA ~~under the applicable regulatory policy;~~ or

(C) any other index in Singapore for which the Reporting Bank can demonstrate to the satisfaction of the Authority that the stock is as liquid and readily marketable as equities traded on the indices in sub-paragraph (m)(iii)(A);

¹⁰ To avoid doubt, this includes a branch of the subsidiary.

- (iv) denominated in Singapore dollars or in the domestic currency of the foreign country or jurisdiction referred to in sub-paragraph (m)(iii)(B);
- (v) traded in large, deep and active repo or cash markets characterised by a low level of concentration;
- (vi) have a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, with a maximum price decline or increase in haircut not exceeding 40 percentage points over a 30-day period of significant liquidity stress;

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- (n) where the Reporting Bank has a branch or subsidiary¹¹ that is approved, licensed, registered or otherwise regulated by a bank regulatory agency in a foreign country or jurisdiction to carry on banking business under the laws of the foreign country or jurisdiction and the foreign country or jurisdiction adopts the Alternative Liquidity Approaches, any liquid assets recognised as alternative liquid assets in the foreign country or jurisdiction and which the bank regulatory agency of that country or jurisdiction recognises for the purposes of including the liquid assets as Level 1 HQLA;
- (o) where the Reporting Bank has a branch or subsidiary¹² that is approved, licensed, registered or otherwise regulated by a bank regulatory agency in a foreign country or jurisdiction to carry on banking business under the laws of the foreign country or jurisdiction and the foreign country or jurisdiction adopts the Alternative Liquidity Approaches, any liquid assets recognised as alternative liquid assets in the foreign country or jurisdiction and which the bank regulatory agency of that country or jurisdiction recognises for the purposes of including the liquid assets as Level 2 HQLA.

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¹¹ To avoid doubt, this includes a branch of the subsidiary.

¹² To avoid doubt, this includes a branch of the subsidiary.

*** Notes on History of Amendments**

1. MAS Notice 652 (Amendment) 2024 dated 16 May 2024 with effect from 1 July 2024.
2. MAS Notice 652 (Amendment) 2026 dated 8 October 2026 with effect from 1 November 2026.