

MAS NOTICE 653

24 June 2022

Last revised on 16 May 2024*

NOTICE TO BANKS

BANKING ACT 1970

NET STABLE FUNDING RATIO (“NSFR”) DISCLOSURE

Introduction

1 This Notice is issued pursuant to section 10B(1) of the Banking Act 1970 (“the Act”) and applies to –

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

(referred to in this Notice as “Reporting Banks”, or each, a “Reporting Bank”).

2 This Notice sets out requirements for a Reporting Bank to disclose quantitative and qualitative information about its Net Stable Funding Ratio (“NSFR”) –

- (a) in the case of a Reporting Bank that is an internationally active bank, or a D-SIB that is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore, on a consolidated 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

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>.

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;

- (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, 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 649 to comply with the requirements set out in that Notice on a country-level group basis, at the country-level group level.

3 A Reporting Bank need not comply with the requirements in this Notice if it is a subsidiary of –

- (a) another Reporting Bank that is subject to the requirements in this Notice; or
- (b) a financial holding company that is subject to the requirements in MAS Notice FHC-N653.

Definitions

4 In this Notice –

"bank" has the same meaning as in paragraph 4 of MAS Notice 652;

"banking group entity", in relation to a Reporting Bank or to a bank in Singapore (as defined in section 2(1) of the Act), means its subsidiary or any other entity that is treated as part of its group of entities according to Accounting Standards;

"internationally active bank" means a bank in Singapore (as defined in section 2(1) of the Act) that –

- (a) is incorporated in Singapore; and
- (b) has been notified by the Authority that the Authority considers it to be internationally active, taking into consideration whether it has one or more banking group entity established or incorporated in a foreign country or jurisdiction 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 whether the

banking group entity's operations are significant in that foreign country or jurisdiction;

"NSFR Disclosure Template" refers to the template set out in Table 1 of Annex 1;

"parent bank" has the same definition as in paragraph 1 of the Fifth Schedule of the Act;

"Reporting Bank" has the same meaning as in paragraph 1.

- 5 The expressions used in this Notice, except where defined in this Notice or where the context otherwise requires, have the same meanings as in the Act and in paragraphs 2 and 22 of MAS Notice 649 and paragraph 4 of MAS Notice 652.

Public Disclosure of Quantitative and Qualitative Information

- 6 A Reporting Bank must publish semi-annually –

- (a) quantitative information relating to its NSFR in the format of the NSFR Disclosure Template² in accordance with the instructions provided in Annex 2; and
- (b) qualitative information³ relating to its NSFR for the purposes of facilitating users' understanding of its results and the accompanying data.

- 7 For reporting periods ending otherwise than at the close of an annual reporting period –

- (a) a Reporting Bank that issues quarterly financial statements must publish the quantitative and qualitative information referred to in paragraph 6 concurrently with the publication of its quarterly financial statements, and in any case, not later than 45 days after the end of the reporting period; and
- (b) a Reporting Bank that does not issue quarterly financial statements must publish the quantitative and qualitative information referred to in paragraph 6 not later than 45 days after the end of the reporting period.

² Explanations for the respective items in the NSFR Disclosure Template are set out in Table 2 of Annex 1.

³ Examples of the qualitative information are –

- (a) the drivers of the Reporting Bank's NSFR results and the reasons for intra-period changes as well as the changes over time (e.g. changes in strategies, funding structure, circumstances, etc); and
- (b) the composition of the Reporting Bank's interdependent assets and liabilities (as defined in paragraph 53 of MAS Notice 652) and the extent to which these transactions are interrelated.

8 For reporting periods ending at the close of an annual reporting period –

- (a) a Reporting Bank that issues an annual report must publish the quantitative and qualitative information referred to in paragraph 6 concurrently with the publication of its annual report or financial statements, and in any case, not later than 4 months after the end of the reporting period; and
- (b) a Reporting Bank that does not issue an annual report must publish the quantitative and qualitative information referred to in paragraph 6 not later than 4 months after the end of the reporting period.

9 Despite paragraph 6, a Reporting Bank that has not been notified by the Authority that it is a D-SIB and whose head office or parent bank is incorporated outside Singapore may publish the quantitative and qualitative information referred to in paragraph 6 on an annual basis.

10 A Reporting Bank must publish the quantitative and qualitative information referred to in paragraph 6 in the standalone Pillar 3 report required under paragraph 11.2.8 of MAS Notice 637.

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11 A Reporting Bank must make available on its website an archive of all quantitative and qualitative information referred to in paragraph 6 that it has published for a period of not less than 5 years.

12 A Reporting Bank must present the quantitative information referred to in paragraph 6 in the same currency as its published financial statements.

13 A Reporting Bank must present the quantitative information referred to in paragraph 6 as at the last day of each of the 2 preceding quarters.

14 A Reporting Bank must disclose both unweighted and weighted values of the NSFR components unless otherwise indicated. Weighted values are calculated as the values after ASF or RSF factors are applied. See Annex 2 for more details.

15 A Reporting Bank must present narrative commentaries to supplement the disclosure of quantitative information referred to in paragraph 6 in a format at the Reporting Bank's discretion to explain any significant changes between reporting periods and any other issues of interest to users.

16 Despite paragraph 6, a Reporting Bank may omit the disclosure of any information required in this Notice if the omitted information is –

- (a) proprietary or confidential in nature as defined in paragraph 11.2.14 of MAS Notice 637; or

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- (b) assessed not to be meaningful to users.

17 Where a Reporting Bank omits a disclosure under paragraph 16(a), the Reporting Bank must identify the information that it has omitted to disclose in a narrative commentary and provide a reason for the omission. The Reporting Bank must also disclose general qualitative information about the subject matter of the disclosure requirement.

18 Where a Reporting Bank omits a disclosure under paragraph 16(b), the Reporting Bank must state clearly in a narrative commentary why the information that it has omitted to disclose is assessed not to be meaningful to users.

19 A Reporting Bank must ensure that the disclosure of quantitative and qualitative information referred in paragraph 6 is subject, at a minimum, to the same level of internal review and internal control processes as the information provided by the Reporting Bank for its financial reporting, if applicable, and the level of assurance must be the same as for information provided within the management discussion and analysis part of its annual report.

20 A Reporting Bank must take into consideration the disclosures required under this Notice in formulating its disclosure policy in accordance with paragraphs 11.2.19 and 11.2.20 of MAS Notice 637.

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21 To avoid doubt, a Reporting Bank may disclose⁴ information in addition to those required in paragraph 6 to provide users with a broader picture of the Reporting Bank's risk position and promote market discipline.

22 A Reporting Bank must apply the principles in paragraph 11.1.2 of MAS Notice 637 in making its disclosures.

⁴ If a Reporting Bank discloses additional quantitative information, the Reporting Bank should also disclose sufficient meaningful information to enable users to understand and analyse the quantitative information disclosed, accompanied by a qualitative discussion.

Effective Date and Transitional Provisions

23 This Notice takes effect on 1 July 2022 (“effective date”). MAS Notice 653 dated 28 December 2017 and last revised on 7 April 2020 is cancelled with effect from the effective date (the “Repealed Notice”).

24 Despite the Repealed Notice, in respect of the quantitative and qualitative information referred to in paragraph 5 of the Repealed Notice for the reporting period ending before the effective date, which the Reporting Bank has not published in accordance with paragraph 5 of the Repealed Notice by the effective date, paragraphs 6 to 10, 12 to 22 of this Notice does not apply, and the Reporting Bank must comply with paragraphs 5, 6, 6A, 6B, 7, 9, 10, 11 to 11H of the Repealed Notice.

25 Despite the Repealed Notice, where the Reporting Bank is or was required to comply with paragraph 5 of the Repealed Notice, the Reporting Bank must also continue to comply with paragraph 8 of the Repealed Notice.

Table 1

NSFR Disclosure Template

		Unweighted value by residual maturity				Weighted value
		No maturity ⁵	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital:					
2	<i>Regulatory capital</i>					
3	<i>Other capital instruments</i>					
4	Retail deposits and deposits from small business customers:					
5	<i>Stable deposits</i>					
6	<i>Less stable deposits</i>					
7	Wholesale funding:					
8	<i>Operational deposits</i>					
9	<i>Other wholesale funding</i>					
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	<i>NSFR derivative liabilities</i>					
13	<i>All other liabilities and equity not included in the above categories</i>					
14	Total ASF					
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:					
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>					
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured</i>					

⁵ Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

	<i>performing loans to financial institutions</i>					
20	<i>Performing loans to non-financial corporates, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:</i>					
21	<i>With a risk weight of less than or equal to 35% under paragraphs 7.3.42 to 7.3.51, 7.3.67 to 7.3.79, 7.3.93, 7.3.94 and 7.3.98 of MAS Notice 637</i>					
22	<i>Performing residential mortgages, of which:</i>					
23	<i>With a risk weight of less than or equal to 35% under paragraphs 7.3.91 and 7.3.92 of MAS Notice 637</i>					
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>					
25	Assets with matching interdependent liabilities					
26	Other assets:					
27	<i>Physical traded commodities, including gold</i>					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					
29	<i>NSFR derivative assets</i>					
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>					
31	<i>All other assets not included in the above categories</i>					
32	Off-balance sheet items					
33	Total RSF					
34	Net Stable Funding Ratio (%)					

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Table 2

Explanation of each row of the NSFR disclosure template		
Row number	Explanation	Relevant paragraph(s) of MAS Notice 652
1	Capital is the sum of rows 2 and 3.	
2	Regulatory capital before the application of capital deductions, as defined in paragraph 4 of MAS Notice 652.	7(a), 10(d) and 12(a)
3	Total amount of any capital instruments not included in row 2.	7(b), 10(d) and 12(a)
4	Retail deposits and deposits from small business customers are the sum of rows 5 and 6.	
5	Stable deposits that are demand deposits and/or term deposits provided by retail and small business customers.	7(c), 7(d), 8(a), 8(b), 8(c) and 16
6	Less stable deposits that are demand deposits and/or term deposits provided by retail and small business customers.	7(c), 7(d), 9(a), 9(b), 9(c) and 16
7	Wholesale funding is the sum of rows 8 and 9.	
8	Operational deposits: As set out in paragraph 11 of MAS Notice 652, including deposits from members of an institutional network of cooperative banks.	7(c), 10(b), 12(a) and 16
9	Other wholesale funding include funding (secured and unsecured) provided by non-financial corporates, sovereigns, PSEs, multilateral and national development banks, central banks and financial institutions.	7(c), 10(a), 10(c), 10(d), 12(a) and 16
10	Liabilities with matching interdependent assets.	53
11	Other liabilities are the sum of rows 12 and 13.	
12	In the unweighted cells, report NSFR derivative liabilities as calculated according to paragraphs 18 and 19 of MAS Notice 652. There is no need to differentiate by maturities. [The weighted value under NSFR derivative liabilities is cross-hatched given that it will be zero after the 0% ASF is applied.]	12(c), 18 and 19
13	All other liabilities and equity not included in above categories.	12(a), 12(b) and 12(d)
14	Total ASF is the sum of all weighted values in rows 1, 4, 7, 10 and 11.	
15	Total HQLA as set out in paragraphs 48 to 50 of MAS Notice 652 (encumbered and unencumbered): a) Encumbered assets including assets backing securities or covered bonds. b) Unencumbered means free of legal, regulatory, contractual or other restrictions on the ability of the Reporting Bank to liquidate, sell, transfer or assign the asset.	41(a), 41(b), 42, 44(a), 45(a), 45(b), 47(a) and 51(a)
16	Deposits held at other financial institutions for operational purposes as set out in paragraph 11 of MAS Notice 652.	45(d)

17	Performing loans and securities are the sum of rows 18, 19, 20, 22 and 24.	
18	Performing loans to financial institutions secured by Level 1 HQLA.	27, 29, 43, 45(c) and 51(d)
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions.	27, 29, 44(b), 45(c) and 51(d)
20	Performing loans to non-financial corporates, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs.	27, 29, 41(c), 45(e), 46(b), 47(b) and 51(a)
21	Performing loans to non-financial corporates, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs with risk weight of less than or equal to 35% under paragraphs 7.3.42 to 7.3.51, 7.3.67 to 7.3.79, 7.3.93, 7.3.94 and 7.3.98 of MAS Notice 637.	27, 29, 41(c), 45(e), 46(b) and 51(a)
22	Performing residential mortgages.	45(e), 46(a), 47(b) and 51(a)
23	Performing residential mortgages with risk weight of less than or equal to 35% under paragraphs 7.3.91 and 7.3.92 of MAS Notice 637.	45(e), 46(a) and 51(a)
24	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	45(e), 47(c) and 51(a)
25	Assets with matching interdependent liabilities.	53
26	Other assets are the sum of rows 27 to 31.	
27	Physical traded commodities, including gold.	28(b) and 47(d)
28	Cash, securities or other assets posted as initial margin for derivative contracts and contributions to default funds of CCPs.	47(a)
29	In the unweighted cell, report NSFR derivative assets, as calculated according to paragraphs 38 to 40 of MAS Notice 652. There is no need to differentiate by maturities. In the weighted cell, if NSFR derivative assets are greater than NSFR derivative liabilities, as calculated according to paragraphs 18 and 19 of MAS Notice 652, report the positive difference between NSFR derivative assets and NSFR derivative liabilities.	38, 39, 40 and 51(b)
30	In the unweighted cell, report derivative liabilities as calculated according to paragraph 18 of MAS Notice 652, i.e. before deducting variation margin posted. There is no need to differentiate by maturities. In the weighted cell, report 5% of derivative liabilities unweighted value (subject to 100% RSF).	18 and 51(e)
31	All other assets not included in the above categories.	28(a), 41(d) and 51(d)
32	Off-balance sheet items.	54 and 55
33	Total RSF is the sum of all weighted value in rows 15, 16, 17, 25, 26 and 32.	

34	Net stable funding ratio (%) is total ASF in row 14 divided by total RSF in row 33.	4
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Instructions for Completing the NSFR Disclosure Template

- Rows in the template are set and compulsory for all Reporting Banks. Table 2 of Annex 1 provides a table that sets out an explanation of each line of the common template, with references to the relevant paragraph(s) of the MAS Notice 652. Key points to note about the common template are:
 - Each dark grey row introduces a section of the NSFR template.
 - Each light grey row represents a broad subcomponent category of the NSFR in the relevant section.
 - Each unshaded row represents a subcomponent within the major categories under ASF and RSF items.⁶ The relevant subcomponents to be included in the calculation of each row are specified in Table 2 of Annex 1.
 - No data should be entered for the cross-hatched cells.
- Figures entered in the template should be the quarter-end observations of individual line items.
- Figures entered for each RSF line item should include both unencumbered and encumbered amounts.
- Figures entered in unweighted columns are to be assigned on the basis of residual maturity and in accordance with paragraphs 13 – 15 and 23 – 25 of MAS Notice 652.

⁶ As an exception, rows 21 and 23 are subcomponents of rows 20 and 22, respectively. As indicated in Table 2 of Annex 1, row 17 is the sum of rows 18, 19, 20, 22 and 24.

*** Notes on History of Amendments**

1. MAS Notice 653 (Amendment) 2024 dated 16 May 2024 with effect from 1 July 2024.