CONSULTATION PAPER

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# Proposed Amendments to MAS Notice 637 to Implement Composition of Capital Disclosure Requirements

Monetary Authority of Singapore

# PREFACE

On 26 June 2012, the Basel Committee on Banking Supervision ("BCBS") issued the "Composition of capital disclosure requirements" with the aim to improve the quality of Pillar 3 disclosures in respect of the capital that banks use to meet their regulatory requirements. (Refer to press release: http://www.bis.org/press/p120626.htm).

This consultation paper sets out the proposed amendments to MAS Notice 637 ("the Notice"), incorporating the BCBS' composition of capital disclosure requirements. The draft amendments to the Notice are appended in Annex 1.

MAS invites comments from Singapore-incorporated banks and other interested parties. Please note that any comments received may be made public unless confidentiality is specifically requested. Electronic submission is encouraged.

The public consultation period will close on 3 December 2012.

Please direct comments to -

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# OVERVIEW

1. The proposed Pillar 3 composition of capital disclosure requirements in the Notice will improve market discipline by providing more detailed guidance on the disclosure requirements set out in the "Basel III: A global regulatory framework for more resilient banks and banking systems"[1].

2. The proposed amendments will require Singapore-incorporated banks to disclose their capital positions through the following:

(i) Breakdown of the full list of regulatory capital items and regulatory adjustments;

(ii) Reconciliation of all regulatory capital elements back to the audited financial statements;

(iii) Description of the main features of regulatory capital instruments issued; and

(iv) Provision of the full terms and conditions of regulatory capital instruments and the calculation of any ratios involving components of regulatory capital.

3. The proposed amendments will improve the consistency and comparability of disclosures relating to the composition of regulatory capital, and will mitigate the risk of inconsistent formats undermining the objective of enhanced disclosure.

4. The proposed amendments are set out in Part XI of the Notice, and require Singapore-incorporated banks to comply with the disclosure requirements from the date of publication of their first set of financial statements relating to a balance sheet on or after 30 June 2013.

[1] The Basel III rules text was last revised on 1 June 2011.

**ANNEX 1**

# DRAFT REVISED
# MAS NOTICE 637

**Disclaimer**: This version of the Notice is in draft form and is subject to change.

## PART XI: PUBLIC DISCLOSURE REQUIREMENTS

### Division 1: Introduction

11.1.1 The public disclosure requirements set out in this Part complement the minimum capital requirements under Pillar 1 and the supervisory review process set out in Part X of this Notice. The purpose of the requirements in this Part is to ensure that a minimum level of public disclosure~~s~~ is made available to market participants to assist them in forming an opinion on the scope of application, risk profile and capital adequacy of a Reporting Bank. Such disclosures provide a consistent framework that enhances comparability. Some disclosures also serve as a qualifying criterion for more advanced approaches under Pillar 1 (i.e. disclosures marked with an asterisk in this Part are conditions for use of a particular approach for the calculation of regulatory capital). Beyond the disclosure requirements set out in Division 3 of Part XI, the Authority expects a Reporting Bank to convey its actual risk profile to market participants. The information it discloses shall be adequate to fulfill this objective.

### Division 2: General Requirements

#### Sub-division 1: Scope of Application

11.2.1 This Part shall apply to a Reporting Bank at the Group level, in accordance with paragraph 3.1.1(b) of Part III unless otherwise stated.

11.2.2 A Reporting Bank need not comply with the requirements in this Part if it is a subsidiary of another Reporting Bank or of a Financial Holding Company, that is subject to the requirements of this Part.

#### Sub-division 2: Frequency of Disclosures

11.2.3 Any disclosure required under this Part shall be made at least once a year, other than items (f), (g) and (h) in Table 11-3 and the requirements set out in Sub-division 10 of this Part, which shall be made on a quarterly basis. Nevertheless, to enhance market discipline, a Reporting Bank is encouraged to make more frequent quantitative disclosures e.g. on a semi-annual basis. Where disclosures are made only on an annual basis, a Reporting Bank should state clearly why this is appropriate. Where information on risk disclosures or other items is prone to rapid change, a Reporting Bank should disclose such information on a quarterly basis.

#### Sub-division 3: Location and Form of Disclosures

11.2.4 Subject to paragraphs 11.2.5, 11.3.15 and 11.3.16, a Reporting Bank shall disclose the information required in Division 3 of this Part in its annual report and periodic financial statements.

11.2.5 A Reporting Bank may disclose the items marked as quantitative disclosures in Tables 11-4 to 11-15 in Division 3 of this Part in an appropriate medium or location, other than its annual report and periodic financial statements, with the prior approval of the Authority.

11.2.6 A Reporting Bank shall provide in its annual report and periodic financial statements, explicit references to the location of all disclosures required under this Part.

11.2.7 Subject to paragraphs 11.3.15 to 11.3.28, a~~A~~ Reporting Bank has the discretion to determine the form of the disclosures required in this Part, and may choose to use either graphical or such other forms or both, that the Reporting Bank deems appropriate to assist market participants in forming an opinion on the scope of application, risk profile and capital adequacy of the Reporting Bank.

**Sub-division 4: Omissions**

11.2.8 Subject to paragraph 11.2.9, a Reporting Bank may omit certain disclosures in this Part if -

(a) the omitted item is not material, in accordance with the concept of materiality under the applicable Accounting Standards; or

(b) the omitted item is proprietary or confidential in nature, where "*proprietary*" and "*confidential*" are defined, respectively, as follows:

(i) proprietary information refers to information that if shared with the public would undermine the competitive position of the Reporting Bank; and

(ii) confidential information refers to information that if shared with the public would breach the terms of a legal agreement, or counterparty relationship.

11.2.9 A Reporting Bank which omits disclosure of an item pursuant to paragraph 11.2.8(b) that is marked as a quantitative disclosure in Division 3 of this Part shall provide a reason for the omission and disclose general qualitative information about the subject matter of the requirement.

11.2.10 A Reporting Bank may omit disclosures required under paragraph 11.3.1 and any other items in this Part marked as qualitative disclosures, if -

(a) the ultimate holding company as defined under section 5A of the Companies Act (Cap. 50) of the Reporting Bank is incorporated, formed or established outside Singapore and disclosure requirements similar to those set out in this Part apply to the ultimate parent company on a consolidated basis that is inclusive of the operations of the Reporting Bank; and

(b) the Reporting Bank makes clear reference in an appropriate medium or location as may be approved by the Authority to the location of the relevant disclosures made by the ultimate parent company.

**Sub-division 5: Disclosure Policy**

11.2.11 A Reporting Bank's disclosures should be consistent with how the Board and senior management assess and manage risks. A Reporting Bank shall have in place a written disclosure policy which sets out the approach of the Reporting Bank for determining which disclosures it will make and the internal controls over the disclosure process, and the Reporting Bank shall ensure that this policy is approved by the Board of the Reporting Bank.

11.2.12 A Reporting Bank shall take all reasonable steps to ensure the accuracy and correctness of all disclosure items required under this Part, and should assess the appropriateness (e.g. validation and frequency) of its disclosures.

11.2.13 A Reporting Bank shall ensure that appropriate and independent verification, whether internal or external, is performed in relation to all disclosure items required under this Part.

11.2.14 The public disclosure requirements set out in this Part should not conflict with the broader accounting requirements. To the extent that any of the disclosures required in this Part are substantially similar to those required of the Reporting Bank in accordance with applicable Accounting Standards, the Reporting Bank may rely on its compliance with such accounting disclosures as meeting the requirements of this Part. A Reporting Bank should explain material differences between the accounting disclosures and the disclosures required in this Part.

**Division 3: Specific Disclosure Requirements**

**Sub-division 1: Introduction**

11.3.1 For the purposes of Sub-division 2 of this Division, a Reporting Bank shall describe its risk management objectives and policies for each area identified in Sub-divisions 3 to 9 of this Part. The description for each area shall include:

(a) its strategies and processes;

(b) the structure and organisation of the relevant risk management function;

(c) the scope and nature of risk reporting and measurement systems; and

(d) its policies for hedging and mitigating risk, and processes for monitoring the continuing effectiveness of such policies.

11.3.2 A Reporting Bank shall, when disclosing any item in Tables 11-1 to 11-15 that refers to the '*corporate asset sub-class*' under the IRBA, include each of the following asset sub-classes as set out in Sub-division 4 of Division 4 of Part VII:

(a) corporate asset sub-class;

(b) corporate small business asset sub-class;

(c) SL asset sub-class;

(d) HVCRE asset sub-class; and

(e) purchased corporate receivables asset sub-class and purchased corporate small business receivables asset sub-class.

11.3.3 A Reporting Bank shall, when disclosing any item in Tables 11-1 to 11-15 that refers to '*other retail exposures asset sub-class*' under the IRBA, include each of the following asset sub-classes as set out in Sub-division 4 of Division 4 of Part VII:

(a) other retail exposures asset sub-class; and

(b) purchased retail receivables asset sub-class.

11.3.4 For the purposes of Tables 11-4 to 11-8, the value of an '*exposure*' or a '*credit exposure'* refers to –

(a) E, or where applicable E*, for items that relate to the SA(CR);

(b) EAD, or where applicable EAD*, for items that relate to IRBA; and

(c) the gross accounting exposure for items (b)-(h) in Table 11-4.

11.3.5 For the purposes of Table 11-13, '*equity exposure*' shall have the meaning attributed to it in accordance with the Accounting Standards, with the exception of item (f) of Table 11-13 to which the definition in Division 5 of Part VII shall apply.

**Sub-division 2: Scope of Application**

11.3.6 A Reporting Bank shall disclose the items set out in Table 11-1 as applicable.

Table 11-1: Scope of Application

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | The name of the Reporting Bank to which this Part applies. |
| | (b) | A description of differences in the basis of consolidation for regulatory purposes compared to that required for compliance with Accounting Standards. The description shall include a brief description of the entities –<br>(i) that are fully consolidated;<br>(ii) that are consolidated on a pro-rata basis;<br>(iii) that are equity-accounted;<br>(iv) that are subject to a deduction treatment;<br>(v) from which surplus capital is recognised, if any; and<br>(vi) that are not consolidated and not deducted. |
| | (c) | Any restrictions or impediments on transfer of funds or regulatory capital within the banking group. |

**Sub-division 3: Capital**

11.3.7 A Reporting Bank shall disclose the items set out in Table 11-2 and Table 11-3.

Table 11-2: Capital Structure

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of the terms and conditions of the main features of all capital instruments included within Eligible Total Capital as set out in Sub-division 10 of this Part. |
| Quantitative Disclosures | (b) | Subject to paragraph 11.3.28, ~~T~~the components of its capital position as set out in paragraphs 11.3.17 to 11.3.19.~~CET1 Capital as follows:~~<br>~~paid-up ordinary shares;~~<br>~~share premium, if applicable;~~<br>~~retained earnings;~~<br>~~accumulated other comprehensive income and other disclosed reserves;~~<br>~~revaluation surpluses on land and building assets and accumulated revaluation gains from investment properties;~~<br>~~minority interests;~~<br>~~any other capital instruments; and~~<br>~~sum of regulatory adjustments applied in the calculation of CET1 Capital.~~ |
| | ~~(c)~~ | ~~AT1 Capital.~~ |
| | ~~(d)~~ | ~~Tier 2 Capital.~~ |
| | ~~(e)~~ | ~~Eligible Total Capital.~~ |

Table 11-3: Capital Adequacy

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of the approach to assessing the adequacy of its capital to support current and future activities. |
| Quantitative Disclosures | (b) | Credit RWA (excluding IRBA(EQ) RWA):<br>(i) for each asset class under SA(CR);<br>(ii) for equity exposures under SA(EQ);<br>(iii) for each of the following categories under IRBA:<br>(A) corporate asset sub-class, sovereign asset-sub-class and bank asset sub-class;<br>(B) residential mortgage asset sub-class;<br>(C) QRRE[801] asset sub-class; and<br>(D) other retail exposures asset sub-class; and<br>(iv) securitisation exposures under SA(SE) and IRBA(SE). |

801 A Reporting Bank may combine the QRRE asset sub-class and the other retail exposures asset sub-class if either is insignificant in size relative to total credit exposures, and the risk profile of each asset sub-class is sufficiently similar such that separate disclosure would not assist in understanding the risk profile of the retail business of the Reporting Bank.

| | | |
|---|---|---|
| | (c) | IRBA(EQ) RWA for equity exposures under one of the following methods:<br>(i) the simple risk weight method;<br>(ii) the internal models method; and<br>(iii) the PD/LGD method. |
| | (d) | Market RWA calculated under the following approaches, where applicable:<br>(i) SA(MR);<br>(ii) IMA; or<br>(iii) both (i) and (ii). |
| | (e) | Operational RWA calculated under the following approaches, where applicable:<br>(i) BIA;<br>(ii) SA(OR);<br>(iii) ASA;<br>(iv) AMA; or<br>(v) a combination of any of the above. |
| | (f) | Total RWA and minimum capital requirements at the Group level. |
| | (g) | CET1 Capital, Tier 1 Capital, Eligible Total Capital, CET1 CAR, Tier 1 CAR and Total CAR at the Group level.<br><br>The Countercyclical Buffer calculated in accordance with paragraphs 4.1.15, 4.1.16 and 4.1.20 in Part IV, including the geographical breakdown of its private sector credit exposures used in the calculation. |
| | (h) | Total RWA, CET1 CAR, Tier 1 CAR and Total CAR for each significant[802] banking subsidiary[803]. |

802 A significant banking subsidiary may be determined in several ways, for example, in terms of revenue contribution to the banking group.

803 A Reporting Bank shall provide disclosures in relation to a significant subsidiary on a Solo basis, but may choose to disclose such information on a sub-consolidated basis providing that capital adequacy requirements are imposed on this basis and that an explanatory note to this effect is provided by the Reporting Bank. In the case of a significant overseas subsidiary, the required disclosures may be made on the basis of the capital adequacy rules that are applied to the subsidiary in the overseas jurisdiction, provided that this is disclosed in an explanatory note that includes a description of the basis of the calculation and the approaches applied to each major risk type in the overseas jurisdiction. Such disclosures are appropriate in order to recognise the limitations of transfer of funds or capital within the Group.

**Sub-division 4: Credit Risk**

11.3.8 General disclosures of credit risk provide market participants with a range of information about overall credit exposure and need not necessarily be based on information prepared for regulatory purposes. Disclosures on the capital assessment techniques give information on the specific nature of the exposures, the means of capital assessment and data to assess the reliability of the information disclosed. A Reporting Bank shall disclose the items set out in Tables 11-4 to 11-9.

Table 11-4: Credit risk – general disclosures[804]

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of risk management objectives and policies as set out in paragraph 11.3.1 for credit risk, including:<br>(i) definitions of past due and impaired loans in accordance with the Accounting Standards;<br>(ii) approaches used for and assessment of the level of individual and collective impairment allowances in accordance with the Accounting Standards;<br>(iii) policies on credit risk management; and<br>(iv) for a Reporting Bank that has not fully adopted IRBA, the nature of the exposures within each asset class that is under the SA(CR), within each asset-sub-class that is under the F-IRBA and A-IRBA, and the intentions and timing for migrating SA(CR) exposures to the IRBA. |
| Quantitative Disclosures | (b) | Total gross credit exposures[804A], and average[805] gross credit exposures over the reporting period[805A], broken down by major types of credit exposure[806]. |
| | (c) | Geographic[806A] distribution of credit exposures, broken down in significant areas by major types of credit exposure. |
| | (d) | Industry or counterparty-type distribution of credit exposures, broken down by major types of credit exposure. |
| | (e) | Residual contractual maturity broken down by major types of credit exposure[806B]. |

804 For the avoidance of doubt, Table 11-4 does not apply to equity exposures or securitisation exposures.

804A That is, after accounting offsets in accordance with the applicable accounting regime and without taking into account the effects of CRM.

805 Where the period end position is representative of the risk positions of the Reporting Bank during the period, the Reporting Bank may choose not to disclose average values.

805A Where average amounts are disclosed in accordance with an accounting standard or other requirement which specifies the calculation method to be used, that method should be followed. Otherwise, the average exposures should be calculated using the most frequent interval that an entity's systems generate for management, regulatory or other reasons, provided that the resulting averages are representative of the Reporting Bank's operations. The basis used for calculating averages shall be stated only if it is not on a daily average basis.

806 For example, credit exposures may be broken down into the following types: loans, off-balance sheet items, debt securities and OTC derivative transactions.

806A Geographical areas may comprise individual countries, groups of countries or regions within countries. A Reporting Bank may choose to define the geographical areas based on the way its portfolio is geographically managed. The criteria used to allocate the loans to geographical areas should be specified.

806B This may already be covered by accounting standards, in which case a Reporting Bank may wish to use the same maturity groupings used in accounting.

| | | |
|---|---|---|
| | (f) | By major industry or counterparty-type:<br>(i) amount of classified loans under MAS 612;<br>(ii) amount of past due loans under MAS 612[806C];<br>(iii) individual and collective impairment allowances; and<br>(iv) charges for individual impairment allowances and charge-offs during the period. |
| | (g) | By significant geographic area:<br>(i) amount of classified loans under MAS 612;<br>(ii) amount of past due loans under MAS 612; and<br>(iii) individual and collective[806D] impairment allowances, where feasible. |
| | (h) | Reconciliation of changes in the allowances for loan impairment[806E]. |
| | (i) | For each asset class or asset sub-class, whichever is applicable, the amount of credit exposures under the SA(CR), F-IRBA and A-IRBA. |

Table 11-5: Credit risk - disclosures for asset classes under the SA(CR) and exposures subject to supervisory risk weights under the IRBA

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | For each asset class under SA(CR):<br>(i) the name of each recognised ECAI whose ratings are used by the Reporting Bank, and the reasons for any changes in the use of a recognised ECAI*;<br>(ii) the types of exposure for which ratings of each recognised ECAI are used;<br>(iii) a description of the process used to transfer public issue ratings onto comparable assets in the banking book; and<br>(iv) the alignment of the alphanumerical scale of each recognised ECAI used by the Reporting Bank with relevant risk weights[807]. |
| Quantitative Disclosures | (b) | An analysis by risk weights (including deducted exposures) for –<br>(i) the total rated and unrated credit exposures after taking into account the effects of CRM under the SA(CR), equity exposures after taking into account the |

806C Banks should provide an analysis of the ageing of past-due loans.

806D The portion of collective impairment allowance that is not allocated to a geographical area should be disclosed separately.

806E The reconciliation should separately show specific and collective impairment allowances. The information should comprise the following: a description of the type of allowance; the opening balance of the allowance; charge-offs taken against the allowance during the period; amounts set aside (or reversed) for estimated probable loan losses during the period, any other adjustments (e.g. exchange rate differences, business combinations, acquisitions and disposals of subsidiaries), including transfers between allowances; and the closing of the allowance. Charge-offs and recoveries that have been recorded directly into the income statement should be disclosed separately.

807 Reference to publicly disclosed supervisory mapping and its location may be made as an alternative to the reproduction of the alignment data.

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|---|---|---|
| | | effects of CRM under the SA(EQ); and<br>(ii) the total IRBA credit exposures subject to supervisory risk weights, including exposures within the SL asset sub-class and HVCRE asset sub-class under the supervisory slotting criteria, and equity exposures under the simple risk weight method; and<br>(iii) the total RWA based on the assessments of each recognized ECAI. |

11.3.8A The IRBA is used as the basis for a set of disclosures intended to provide market participants with information about asset quality. These disclosures are important to allow market participants to assess the resulting capital in light of the exposures. There are two categories of quantitative disclosures: those focusing on an analysis of risk exposure and assessment (i.e. the inputs) and those focusing on the actual outcomes. These are supplemented by qualitative disclosures which provide background information on the assumptions underlying the IRBA framework, the use of the IRBA systems as part of the risk management framework and the means of validating the results of the IRBA system.

Table 11-6: Credit risk - disclosures for asset sub-classes under the IRBA

| | | |
|---|---|---|
| Qualitative Disclosures* | (a) | The scope of approval by the Authority, and a description of -<br>(i) the structure of internal rating systems and the relationship between internal and external ratings;<br>(ii) the use of internal estimates other than for IRBA capital purposes;<br>(iii) the process for managing and recognising CRM; and<br>(iv) the control mechanisms for the rating system including independence, accountability, and rating system review. |
| | (b) | A separate description of the internal ratings process for each of the following categories:<br>(i) corporate asset sub-class, sovereign asset sub-class and bank asset sub-class;<br>(ii) equity exposures (under the PD/LGD method);<br>(iii) residential mortgages asset sub-class;<br>(iv) QRRE[808] asset sub-class; and<br>(v) other retail exposures asset sub-class.<br><br>The description shall include, for each category -<br>(A) the types of exposure included within the category;<br>(B) the definitions, methods and data for estimation and validation of PD, (and for exposures under IRBA) LGD |

[808] A Reporting Bank may combine the QRRE asset sub-class and the other retail exposures asset sub-class if either is insignificant in size relative to total credit exposures, and the risk profile of each asset sub-class is sufficiently similar such that separate disclosure would not assist in understanding the risk profile of the retail business of the Reporting Bank.

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| | | and EAD, including assumptions employed in the derivation of these parameters[809]; and<br>(C) a description of permitted material deviations from the reference definition of default in Annex 7X of Part VII, including the broad segments of the category affected by such deviations. |
| Quantitative disclosures: risk assessment* | (c) | For each category as defined in (b)(i) and (ii) above, the following items shall be disclosed across a sufficient number of PD grades (including default) to allow for a meaningful differentiation of credit risk[810]:<br>(i) total exposures (sum of outstanding loans and EAD for undrawn commitments, where applicable);<br>(ii) exposure-weighted average risk weight; and<br>(iii) exposure-weighted average LGD (expressed as a percentage) for asset sub-classes under the A-IRBA.<br><br>For each asset sub-class within the IRBA retail asset class[810A] (as defined in (b)(iii) to (v) above) the above items may be disclosed on a pool basis. Alternatively, total exposures (sum of outstanding loans and EAD for undrawn commitments, where applicable) may be disclosed on a pool basis across a sufficient number of EL grades to allow for a meaningful differentiation of credit risk.<br><br>For exposures under the A-IRBA, the amount of undrawn commitments for each category, together with an exposure-weighted average EAD for each category[810B]. |
| Quantitative disclosures: historical results* | (d) | Actual losses (e.g. charge-offs and specific impairment allowances) in the preceding period for each category (as defined above) and how these differ from past experience. A description of the factors that impacted on the loss experience in the preceding period — for example, higher than average default rates, or higher than average LGDs and EADs. |
| | (e) | For periods ending on or after 31 December 2009, loss estimates against actual outcomes over a longer period of time. At a minimum, these shall include information on estimates of losses against actual losses in each category (as defined above) over a period sufficient to allow for a |

809 A Reporting Bank shall provide a broad overview of the model approach, describing definitions of the parameters, and methods for estimating and validating those parameters set out in the quantitative disclosures below. This should be done for each of the above categories. Banks should draw out any significant differences in approach to estimating these parameters within each category.

810 The PD, LGD and EAD should reflect the effects of CRM where applicable. Where a Reporting Bank aggregates PD grades for the purposes of disclosure, it should be representative of the distribution of PD grades used in the IRBA.

810A Where a Reporting Bank aggregates internal grades (either PD/LGD or EL) for the purposes of disclosure, it should be representative of the distribution of those grades used in the IRBA.

810B A Reporting Bank need only provide one estimate of EAD for each category. A Reporting Bank may, however, also disclose EAD estimates across a number of EAD categories, against the undrawn exposures to which these relate, if it believes that this gives a more meaningful assessment of risk.

| | | |
|---|---|---|
| | | meaningful assessment of the performance of the internal rating processes for each portfolio. Where appropriate and particularly if material differences have arisen, a Reporting Bank shall also provide an analysis of PD and, in relation to exposures on A-IRBA, LGD and EAD outcomes against the estimates of the Reporting Bank. |

Table 11-7: CRM - disclosures for SA(CR) and IRBA[811]

| | | |
|---|---|---|
| Qualitative Disclosures* | (a) | A description of risk management objectives and policies as set out in paragraph 11.3.1 for CRM, including:<br>(i) policies and procedures for, and an indication of the extent to which the Reporting Bank makes use of, on and off-balance sheet netting;<br>(ii) policies and procedures for collateral valuation and management;<br>(iii) the main types of collateral taken by the Reporting Bank;<br>(iv) the main types of guarantor or credit derivative counterparty and their creditworthiness;<br>(v) information about market or credit risk concentrations within the mitigation taken; and<br>(vi) an indication of the IRBA parameters that are affected by the recognition of CRM, according to the approaches used by the Reporting Bank. |
| Quantitative Disclosures* | (b) | For each separately disclosed asset class under the SA(CR) or category under the F-IRBA, the extent to which credit exposures are covered by -<br>(i) eligible financial collateral; and<br>(ii) other eligible IRBA collateral,<br>after the application of haircuts[811A]. |
| | (c) | For each separately disclosed asset class under the SA(CR) or category under the IRBA, the amount by which credit exposures have been reduced by eligible credit protection. |

811 At a minimum, a Reporting Bank shall make disclosures in relation to CRM that has been recognised for the purposes of reducing capital requirements. For the avoidance of doubt, credit derivatives and other forms of credit risk mitigation that are treated as part of securitisation structures shall be excluded from the CRM disclosures and included within those relating to securitisation in Table 11-9.

811A If the FC(CA) is applied, where applicable, the total exposure covered by collateral after haircuts should be reduced further to remove any positive adjustments that were applied to the exposure, as set out in Annex 7J of Part VII.

Table 11-8: General disclosures for exposures related to CCR

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of risk management objectives and policies as set out in paragraph 11.3.1 for derivative transactions and CCR, including:<br>(i) methodologies used to assign economic capital and credit limits for counterparty credit exposures;<br>(ii) policies for securing collateral and establishing credit reserves;<br>(iii) policies with respect to exposures that give rise to general or specific wrong-way risk; and<br>(iv) impact of the amount of collateral the Reporting Bank would have to provide given a credit rating downgrade. |
| Quantitative Disclosures | (b) | Gross positive fair value of contracts, netting benefits, netted current credit exposure, amount and type of collateral held, and the net derivatives credit exposure[812].<br><br>EAD or exposure amounts calculated under the current exposure method, the CCR standardised method and CCR internal models method, whichever is applicable.<br><br>The notional value of credit derivative hedges, and the distribution of current credit exposure by types of credit exposure[813]. |
| | (c) | Credit derivative transactions that create exposures to CCR (notional value), segregated between use for the credit portfolio of the Reporting Bank and the intermediation activities of the Reporting Bank, including the distribution of credit derivatives used, analysed further in terms of protection bought and sold within each type of credit derivative. |
| | (d) | The estimate of α if the Reporting Bank has received supervisory approval to estimate α. |

Table 11-9: Securitisation exposures

| | | |
|---|---|---|
| Qualitative Disclosures*[813A] | (a) | A description of risk management objectives and policies as set out in paragraph 11.3.1 for securitisation (including synthetic securitisation), including:<br>(i) objectives of the Reporting Bank in relation to its securitisation, including the extent to which the securitisation transfers credit risk of the underlying securitised exposures away from the Reporting Bank to |

812 This refers to the credit exposure on derivative transactions after taking into account the effects of legally enforceable netting agreements and collateral arrangements. The notional amount of credit derivative hedges alerts market participants to an additional source of credit risk mitigation.

813 For example, credit exposures may be broken down into the following types: exchange rate contracts, interest rate contracts, equity contracts, precious metal contracts, other commodity contracts and credit derivatives.

813A Where relevant, the Reporting Bank shall provide separate qualitative disclosures for banking book and trading book exposures.

| | | |
|---|---|---|
| | | other entities and including the types of risks assumed and retained with resecuritisation activity[813B];<br>(ii) the nature of other risks (e.g. liquidity risk) inherent in securitised assets;<br>(iii) the various roles played by the Reporting Bank in the securitisation process[813C] and an indication of the extent of the involvement of the Reporting Bank in each of them;<br>(iv) the processes in place to monitor changes in the credit and market risk of securitisation exposures (e.g. how the behaviour of the underlying assets impacts securitisation exposures) including how those processes differ for resecuritisation exposures;<br>(v) the Reporting Bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation and resecuritisation exposures;<br>(vi) the regulatory capital approaches applied to the securitisation activities of the Reporting Bank, including the type of securitisation exposures to which each approach applies[814A]; and<br>(vii) where a Reporting Bank is found to have provided implicit support to a securitisation, a statement that it has provided non-contractual support and a description of the capital impact of doing so. |
| | (b) | A list of:<br>(i) the types of SPEs that the Reporting Bank, as sponsor[813D], uses to securitise third party exposures, indicating whether the Reporting Bank has exposure to these SPEs, either on or off-balance sheet; and<br>(ii) affiliated entities that the Reporting Bank manages or advises that invest either in the securitisation exposures that the Reporting Bank has securitised or in SPEs that the Reporting Bank sponsors.[813E] |
| | (c) | A summary of the accounting policies of the Reporting Bank for securitisation, including:<br>(i) whether the securitisation is treated as sales or financings; |

[813B] For example, if a Reporting Bank is particularly active in the market of senior tranches of resecuritisations of mezzanine tranches related to securitisations of residential mortgages, it should describe the structure of resecuritisations (e.g. senior tranche of mezzanine tranche of residential mortgage) and this description should be provided for the main categories of resecuritisation products in which the Reporting Bank is active.

[813C] For example: originator, investor, servicer, provider of credit enhancement, sponsor, liquidity provider, swap provider, protection provider.

[813D] A Reporting Bank would generally be considered a "sponsor" if it, in fact or in substance, manages or advises the programme, places securities into the market, or provides liquidity and/or credit enhancements. The programme may include, for example, ABCP conduit programmes and structured investment vehicles.

[813E] For example, money market mutual funds, to be listed individually, and personal and private trusts, to be noted collectively.

| | | |
|---|---|---|
| | | (ii) recognition of gain–on-sale;<br>(iii) methods and key assumptions (including inputs) for valuing positions retained or purchased[813F];<br>(iv) changes in methods and key assumptions from the previous period and the impact of such changes;<br>(v) treatment of synthetic securitisation if this is not covered by other accounting policies (e.g. on derivatives);<br>(vi) how exposures intended to be securitised (e.g. in the pipeline or warehouse) are valued and whether they are recorded in the banking book or the trading book; and<br>(vii) policies for recognising liabilities on the balance sheet for arrangements that could require the Reporting Bank to provide financial support for securitised assets. |
| | (d) | In the banking book, the names of recognised ECAIs used for securitisations and the types of securitisation exposure for which each agency is used. |
| | (e) | A description of the IAM process, including:<br>(i) structure of the internal assessment process and relation between internal assessment and external ratings, including information on ECAIs as referenced in Table 11-9 (d);<br>(ii) use of internal assessment other than for IAM capital purposes;<br>(iii) control mechanisms for the internal assessment process including discussion of independence, accountability and internal assessment process review;<br>(iv) the exposure type[813G] to which the internal assessment process is applied; and<br>(v) stress factors used for determining credit enhancement levels, by exposure type.[813G] |
| | (f) | An explanation of significant changes to any of the quantitative information (e.g. amounts of assets intended to be securitised, movement of assets between banking book and trading book) since the last reporting period. |

[813F] Where relevant, the Reporting Bank is encouraged to differentiate between valuation of securitisation exposures and resecuritisation exposures.

[813G] For example, credit cards, home equity, auto, and securitisation exposures detailed by underlying exposure type and security type (e.g. residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, collateralised debt obligations) etc.

| | | |
|---|---|---|
| Quantitative Disclosures: Banking Book* | (g) | The total amount of outstanding exposures securitised[813H] by the Reporting Bank and defined under the securitisation framework set out in Division 6 of Part VII, broken down in terms of traditional and synthetic, and by exposure type[813G, 813I], separately for securitisations of third-party exposures for which the Reporting Bank acts only as sponsor[813D]. |
| | (h) | For exposures securitised[813H] by the Reporting Bank and defined under the securitisation framework set out in Division 6 of Part VII[813I] -<br>(i) the amount of securitised assets that are classified or past due under MAS Notice 612, broken down by exposure type[813G]; and<br>(ii) losses recognised by the Reporting Bank during the current period broken down by exposure type [813G,814]. |
| | (i) | The total amount of outstanding exposures intended to be securitised broken down by exposure type[813G, 813I]. |
| | (j) | Summary of securitisation of the current period, including the total amount of exposures securitised[813H] by exposure type[813G], and the recognised gain or loss on sale by exposure type[813G, 813I]. |
| | (k) | Aggregate amount of<br>(i) on-balance sheet securitisation exposures retained or purchased broken down by exposure type[813G]; and<br>(ii) off-balance sheet securitisation exposures broken down by exposure type[813G]. |
| | (l) | Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between securitisation and resecuritisation exposures and further broken down into a meaningful number of risk weight bands for each regulatory capital approach. Exposures that are deducted in the calculation of CET1 Capital, credit-enhancing interest-only strips and other securitisation exposures that are risk-weighted at 1250% shall be disclosed separately by exposure type[813G]. |

813H “Exposures securitised” include underlying exposures originated by the Reporting Bank, whether generated by them or purchased into the balance sheet from third parties and third-party exposures included in sponsored schemes. Securitisation transactions (including underlying exposures originally on the Reporting Bank’s balance sheet and underlying exposures acquired by the Reporting Bank from third-party entities) in which the originating bank does not retain any securitisation exposure should be shown separately but need only be reported for the year of inception.

813I Reporting Banks are required to disclose exposures regardless of whether there is a capital charge under Pillar 1.

814 For example, charge-offs or allowances where the assets remain on the balance sheet of the Reporting Bank, or write-downs of interest-only strips and other residual interests, as well as recognition of liabilities for probable future financial support required of the Reporting Bank with respect to securitised assets.

| | | |
|---|---|---|
| | (m) | For securitisation subject to the early amortisation treatment, the following items by exposure type[813G] for securitised facilities:<br>(i) the aggregate drawn exposures attributed to the interests of the seller and the investor;<br>(ii) the aggregate capital charges incurred by the Reporting Bank against its retained (i.e. the seller's) shares of the drawn balances and undrawn lines; and<br>(iii) the aggregate capital charges incurred by the Reporting Bank against the shares of drawn balances and undrawn lines of the investor. |
| | (n) | Aggregate amount of resecuritisation exposures retained or purchased, broken down according to:<br>(i) exposures to which credit risk mitigation is applied and those not applied; and<br>(ii) exposures to guarantors broken down according to guarantor credit worthiness categories or guarantor name. |
| Quantitative disclosures: Trading book* | (o) | The total amount of outstanding exposures securitised[813H] by the Reporting Bank and defined under the securitisation framework set out in Division 6 of Part VII, broken down in terms of traditional and synthetic, and by exposure type[813G, 813I], separately for securitisations of third-party exposures for which the Reporting Bank acts only as sponsor[813D]. |
| | (p) | The total amount of outstanding exposures intended to be securitised, broken down by exposure type[813G, 813I]. |
| | (q) | Summary of securitisation of the current period, including the total amount of exposures securitised[813H] by exposure type[813G], and the recognised gain or loss on sale by exposure type[813G, 813I]. |
| | (r) | Aggregate amount of exposures securitised[813H] by the Reporting Bank for which the Reporting Bank has retained some exposures and which is subject to the market risk approach, broken down in terms of traditional and synthetic, by exposure type[813G]. |
| | (s) | Aggregate amount of<br>(i) on-balance sheet securitisation exposures retained or purchased broken down by exposure type[813G]; and<br>(ii) off-balance sheet securitisation exposures broken down by exposure type[813G]. |

| | | |
|---|---|---|
| | (t) | Aggregate amount of securitisation exposures retained or purchased separately for:<br>(i) securitisation exposures retained or purchased subject to the comprehensive risk measure for specific risk; and<br>(ii) securitisation exposures subject to the securitisation framework for specific risk broken down into a meaningful number of risk weight bands for each regulatory capital approach. |
| | (u) | Aggregate amount of:<br>(i) the capital requirements for the securitisation exposures subject to the comprehensive risk measure, broken down into appropriate risk classifications (e.g. default risk, migration risk and correlation risk)[814A];<br>(ii) the capital requirements for the securitisation exposures (resecuritisation or securitisation), subject to the securitisation framework broken down into a meaningful number of risk weight bands for each regulatory capital approach; and<br>(iii) securitisation exposures that are deducted in the calculation of CET1 Capital, credit enhancing interest-only strips and other securitisation exposures that are risk-weighted at 1250% disclosed separately by exposure type[813G]. |
| | (v) | For securitisations subject to the early amortisation treatment, the following items by exposure type[813G] for securitised facilities:<br>(i) the aggregate drawn exposures attributed to the interests of the seller and the investor;<br>(ii) the aggregate capital charges incurred by the Reporting Bank against its retained (i.e. the seller's) shares of the drawn balances and undrawn lines; and<br>(iii) the aggregate capital charges incurred by the Reporting Bank against the shares of drawn balances and undrawn lines of the investor. |
| | (w) | Aggregate amount of resecuritisation exposures retained or purchased[814] broken down according to:<br>(i) exposures to which credit risk mitigation is applied and those not applied; and<br>(ii) exposures to guarantors broken down according to guarantor creditworthiness categories or guarantor name. |

[814A] See Table 11-10 for market risk approach used.

**Sub-division 5: Market Risk**

11.3.9 A Reporting Bank shall disclose the items set out in Table 11-10 and Table 11-11.

Table 11-10: Market risk - disclosures for the SA(MR)

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of risk management objectives and policies as set out in paragraph 11.3.1 for market risk including the portfolios covered by the SA(MR) in Part VIII. |
| Quantitative Disclosures | (b) | The capital requirements for the following risks computed under the SA(MR) as set out in Division 2 of Part VIII:<br>(i) interest rate risk[814B];<br>(ii) equity position risk;<br>(iii) foreign exchange risk; and<br>(iv) commodity risk. |

Table 11-11: Market risk - disclosures for the IMA

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of the extent of compliance with Annex 8N of Part VIII, and the valuation methodologies employed by the Reporting Bank, in addition to the general disclosure requirements set out in paragraph 11.3.1 on market risk. |
| | (b) | A description of the soundness standards on which the internal capital adequacy assessment of the Reporting Bank is based, as well as the methodologies used to achieve a capital adequacy assessment that is consistent with those soundness standards. |
| | (c) | For each portfolio covered by the IMA -<br>(i) the characteristics of the models used;<br>(ii) a description of stress testing applied to the portfolio; and<br>(iii) a description of the approach used for backtesting and validating the accuracy and consistency of the internal models and modelling processes. |
| | (d) | The scope of approval by the Authority. |
| | (e) | A description of the methodologies used and the risks measured through the use of internal models for the incremental risk capital charge and the comprehensive risk capital charge. Included in the qualitative description should be:<br>(i) the approach used by the Reporting Bank to determine liquidity horizons;<br>(ii) the methodologies used to achieve a capital assessment that is consistent with the required |

[814B] Separate disclosures are required for the capital requirements on securitisation positions under Table 11-9.

| | | |
|---|---|---|
| | | soundness standard; and<br>(iii) the approaches used in the validation of the models. |
| Quantitative Disclosures | (f) | For trading portfolios under the IMA -<br>(i) the high, mean and low VaR values over the reporting period and period-end;<br>(ii) the high, mean and low stressed VaR values over the reporting period and period-end;<br>(iii) the high, mean and low incremental and comprehensive risk capital charges over the reporting period and period-end; and<br>(iv) a comparison of VaR estimates with actual gains or losses experienced by the Reporting Bank, with analysis of outliers in backtest results. |

**Sub-division 6: Operational Risk**

11.3.10 A Reporting Bank shall disclose the items set out in Table 11-12 where applicable in accordance with Part IX.

Table 11-12: Operational risk

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of risk management objectives and policies set out in paragraph 11.3.1 for operational risk, including the regulatory approach or approaches used for the calculation of operational risk capital requirements. |
| | (b) | A description of the AMA, if used by the Reporting Bank, including a discussion of relevant internal and external factors considered in the measurement approach of the Reporting Bank, and in the case of partial use, the scope and coverage of the different approaches used. |
| | (c)* | For a Reporting Bank that uses the AMA for calculating operational risk capital requirements, a description of any use of insurance for the purpose of mitigating operational risk. |

**Sub-division 7: Equity Exposures**

11.3.11 A Reporting Bank shall disclose the items set out in Table 11-13.

Table 11-13: Equity exposures - disclosures for banking book positions

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of risk management objectives and policies set out in paragraph 11.3.1 for credit risk arising from equity exposures, including:<br>(i) differentiation between holdings on which capital gains are expected and those taken for other objectives including for relationship and strategic reasons; and |

| | | |
|---|---|---|
| | | (ii) policies in relation to the valuation and accounting treatment of equity holdings in the banking book. This should cover the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. |
| Quantitative Disclosures* | (b) | The value of equity exposures held in the balance sheet of the Reporting Bank, and the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value. |
| | (c) | The types and nature of equity exposures, including the amount that can be classified as -<br>(i) publicly traded, and;<br>(ii) privately held. |
| | (d) | The cumulative realised gains or losses arising from sales and liquidations of equity exposures in the reporting period. |
| | (e) | Total unrealised gains or losses that have not been reflected in the income statement of the Reporting Bank, and the extent to which these have been included in CET1 Capital, Tier 1 Capital or Tier 2 Capital. |
| | (f) | An analysis of equity exposures analysed in terms of appropriate equity groupings and exposure-weighted average risk weights, consistent with the methodology employed by the Reporting Bank. Equity exposures that are deducted shall also be disclosed in an accompanying note.<br><br>An explanation of any material difference between the value of equity exposures calculated in accordance with the Accounting Standards and the regulatory definition of equity exposures as defined in Part VII. |

**Sub-division 8: Interest Rate Risk in the Banking Book**

11.3.12 A Reporting Bank shall disclose the items set out in Table 11-14.

Table 11-14: Interest rate risk in the banking book

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of the nature of interest rate risk in the banking book and key assumptions made by the Reporting Bank, including assumptions regarding loan prepayments and behaviour of non-maturity deposits, and frequency with which interest rate risk in the banking book is measured, in addition to the general disclosure requirements set out in paragraph 11.3.1 on interest rate risk in the banking book. |

| | | |
|---|---|---|
| Quantitative Disclosures | (b) | The changes in earnings or economic value (or relevant measure used by the Reporting Bank) for upward and downward rate shocks according to the internal method of the Reporting Bank for measuring interest rate risk in the banking book, broken down by currency, where applicable. |

**Sub-division 9: Remuneration**

11.3.13 A Reporting Bank shall disclose the items set out in Table 11-15. A Reporting Bank should, as far as possible, articulate how the following items complement and support their overall risk management framework.

11.3.14 A Reporting Bank shall, for the purposes of Table 11-15, include quantitative disclosures that only cover senior management and material risk takers and which are broken down between these two categories.

Table 11-15: Remuneration

| | | |
|---|---|---|
| Qualitative Disclosures | (a) | A description of the following:<br>(i) name, composition and mandate of the main body overseeing remuneration;<br>(ii) external consultants whose advice has been sought, the body by which they have been commissioned, and the areas of the remuneration process they have been providing advice on;<br>(iii) a description of the scope of the Reporting Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches; and<br>(iv) a description of the types of employees considered as senior management and material risk takers including the number of employees in each group. |
| | (b) | A description of the design and structure of remuneration processes, including:<br>(i) an overview of the key features and objectives of remuneration policy;<br>(ii) where the remuneration committee reviewed the Reporting Bank's remuneration policy during the past year, an overview of any changes that were made; and<br>(iii) a discussion of how the Reporting Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee. |

| | | |
|---|---|---|
| | (c) | A description of the ways in which current and future risks are taken into account in the remuneration processes, including:<br>(i) an overview of the key risks that the Reporting Bank takes into account when implementing remuneration measures;<br>(ii) an overview of the nature and type of the key measures used to take account of these risks, including risks that are difficult to measure (values need not be disclosed);<br>(iii) a discussion of the ways in which these measures affect remuneration; and<br>(iv) a discussion of how the nature and type of these measures has changed over the past year, reasons for the change, as well as the impact of changes on remuneration. |
| | (d) | A description of the ways in which the Reporting Bank seeks to link performance during a performance measurement period with levels of remuneration, including:<br>(i) an overview of main performance metrics for the Reporting Bank, top-level business lines and individuals;<br>(ii) a discussion of how amounts of individual remuneration are linked to bank-wide and individual performance; and<br>(iii) a discussion of the measures the Reporting Bank will implement to adjust remuneration in the event that performance metrics are weak[815]. |
| | (e) | A description of the ways in which the Reporting Bank seeks to adjust remuneration to take account of longer-term performance, including:<br>(i) a discussion of the Reporting Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance; and<br>(ii) a discussion of the Reporting Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements. |

[815] This should include the Reporting Bank's criteria for determining "weak" performance metrics.

| | | |
|---|---|---|
| | (f) | A description of the different forms of variable remuneration that the Reporting Bank utilises and the rationale for using these different forms, including:<br>(i) an overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms of remuneration[816]); and<br>(ii) a discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description of the factors that determine the mix and their relative importance. |
| Quantitative Disclosures | (g) | The number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its members. |
| | (h) | For each financial year,<br>(i) the number of employees that have received a variable remuneration award;<br>(ii) the number and total amount of guaranteed bonuses awarded;<br>(iii) the number and total amount of sign-on awards made; and<br>(iv) the number and total amount of severance payments made. |
| | (i) | The total amount of:<br>(i) outstanding deferred remuneration, broken down into cash, shares and share-linked instruments and other forms of remuneration; and<br>(ii) deferred remuneration paid out in the financial year. |
| | (j) | A breakdown of the amount of remuneration awards for the financial year to include:<br>(i) fixed and variable remuneration;<br>(ii) deferred and non-deferred remuneration; and<br>(iii) the different forms of remuneration used (i.e. cash, shares and share-linked instruments and other forms of remuneration).<br><br>Table 11A-1 of Annex 11A of this Part illustrates how the breakdown of remuneration awards should be presented for each financial year. |

[816] A description of the elements corresponding to other forms of variable remuneration (if any) should be provided.

| | | |
|---|---|---|
| | (k) | A description of employees' exposure to implicit adjustments (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration. This should include the total amount of:<br>(i) outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments;<br>(ii) reductions during the financial year due to ex-post explicit adjustments; and<br>(iii) reductions during the financial year due to ex-post implicit adjustments. |

**Sub-division 10: Composition of Capital**

11.3.15 To enable market participants to compare the capital adequacy of banks across jurisdictions, a Reporting Bank shall disclose the information set out in this Sub-division in either its published financial statements, or at a minimum, provide a direct link in its published financial statements to the complete disclosures on its website or on publicly available regulatory reports. Regardless of the location of the disclosure, all disclosures must be in the format set out in this Sub-division. A Reporting Bank shall comply with the requirements set out in this Sub-division (with the exception of the requirements set out in paragraphs 11.3.17 to 11.3.19) from the date of publication of its first set of financial statements relating to a balance sheet date on or after 30 June 2013.

11.3.16 A Reporting Bank shall also make available on its website, or through publicly available regulatory reports, an archive of a minimum of five years, of all templates relating to prior reporting periods.

Post 1 January 2018 disclosure template

11.3.17 To improve consistency and ease of use of disclosures relating to the composition of regulatory capital, and to mitigate the risk of inconsistent formats undermining the objective of enhanced disclosure, a Reporting Bank shall provide a breakdown of its regulatory capital and regulatory adjustments in the format as set out in the template in Annex 11B of this Part with effect from 1 January 2018. This template shall be used to capture the capital position of the Reporting Bank from 1 January 2018 onwards, after the end of the transition period for the phasing-in of regulatory adjustments set out in paragraphs 6.1.3, 6.2.3 and 6.3.3.

11.3.18 To prevent a divergence of templates that could undermine the objectives of consistency and comparability, a Reporting Bank shall not add, delete or change the definitions of any rows from the template set out in Annex 11B of this Part.

11.3.19 In cases where a more conservative approach is required under this Notice relative to those set out under the Basel III capital standards, a Reporting Bank shall separately disclose the impact of each of these differences in the notes to the template.

Reconciliation requirements[817]

11.3.20 To show a full reconciliation between the balance sheet in its published financial statements and the regulatory capital elements reported using the template in Annex 11B, a Reporting Bank shall perform the three following steps:

(a) Step 1: Disclose the reported balance sheet under the regulatory scope of consolidation

(i) The difference in scope of consolidation for accounting purposes and for regulatory purposes often explains much of the difference between the numbers used in the calculation of regulatory capital and the numbers used in a Reporting Bank's published financial statements. As such, a key element of the reconciliation requirements involves disclosing how the balance sheet in its published financial statements changes when the regulatory scope of consolidation is applied. An illustration of Step 1 is set out in Annex 11C, Table 11C-1.

(ii) In addition to sub-paragraph (i) above, the Reporting Bank shall disclose the list of legal entities that are included within its accounting scope of consolidation but excluded from its regulatory scope of consolidation, and vice versa[818]. For entities that are included in both the regulatory and accounting scopes of consolidation, but the method of consolidation differs between these two scopes, the Reporting Bank shall list these legal entities separately and explain the differences in the consolidation methods. For each legal entity that is required to be disclosed by this sub-paragraph, the Reporting Bank shall disclose the entity's total balance sheet assets, total balance sheet equity (as stated on the accounting balance sheet of the legal entity) and a description of the principal activities of the entity.

(iii) Where its regulatory scope of consolidation is identical to its accounting scope of consolidation, the Reporting Bank shall state that there is no difference between the regulatory and accounting scopes of consolidation and move to Step 2 below.

(b) Step 2: Expand the lines of the balance sheet under the regulatory scope of consolidation to identify all components of regulatory capital reported using the template set out in Annex 11B[819].

(i) As many elements used in the calculation of regulatory capital cannot be readily identified from the face of the balance sheet, a Reporting Bank should expand the rows of the regulatory-scope

[817] Prior to 1 January 2018 (i.e. during the transitional period), the reconciliation requirements shall apply to the modified template used set out in Annex 11E (instead of the post-1 January 2018 template) of this Part.

[818] This refers to legal entities that are included in the regulatory scope of consolidation, but excluded from the accounting scope of consolidation.

[819] A Reporting Bank would only need to expand the lines of the balance sheet to the extent necessary to reach the components of capital disclosed in the capital disclosure template set out in Annex 11B.

balance sheet such that all components of regulatory capital reported using the template set out in Annex 11B are disclosed separately.

(ii) In addition, each element of the expanded balance sheet shall be given a reference number or letter for the purposes of Step 3 below. An illustration of Step 2 is set out in Annex 11C, Table 11C-2.

(c) Step 3: Map each element disclosed under Step 2 to the composition of capital disclosure template set out in Annex 11B.

(i) The Reporting Bank shall use the reference numbers or letters from Step 2 to show the source of every input to each component of regulatory capital reported using the template set out in Annex 11B. An illustration of Step 3 is set out in Annex 11C, Table 11C-3.

11.3.21 The three-step approach described above offers the following benefits:

(a) the level of disclosure is proportionate, varying with the complexity of the balance sheet of the Reporting Bank. Where no further information is added by a step, the Reporting Bank can skip the step;

(b) market participants can trace the origin of the elements of the regulatory capital back to their exact location on a Reporting Bank's balance sheet under the regulatory scope of consolidation; and

(c) the approach is flexible enough to be used under any accounting standard. A Reporting Bank is required to map all regulatory capital components reported in the disclosure template back to its balance sheet under the regulatory scope of consolidation regardless of whether the accounting standards require the source to be reported on the balance sheet.

Main features template

11.3.22 To ensure that Reporting Banks disclose the main features of regulatory capital instruments in a consistent and comparable way, a Reporting Bank shall complete, for each regulatory capital instrument issued, the main features template set out in Annex 11D of this Part.

11.3.23 This template represents the minimum level of summary disclosure that a Reporting Bank is required to report in respect of each regulatory capital instrument issued. In addition, the Reporting Bank shall -

(a) disclose within the template, information relating to its capital instruments that are subject to the transitional arrangements;

(b) report each regulatory capital instrument issued, including ordinary shares, in a separate column of the template, such that the completed template provides a 'main features report' that summarises all of the regulatory capital instruments of the Reporting Bank;

(c) disclose, at a minimum, the list of features set out in Annex 11D and any other features of its regulatory capital instruments that it deems to be important; and

(d) keep the main features report up to date, such that the disclosure is updated and made publicly available whenever the Reporting Bank issues or repays a capital instrument and whenever there is a redemption, conversion/write-down or other material change in the nature of an existing capital instrument.

(e) ensure that the main features report is included in the Reporting Bank's published financial statements or, at a minimum, these financial statements shall provide a direct link to where the main features report can be found on the Reporting Bank's website or publicly available regulatory reports.

Other disclosure requirements

11.3.24 A Reporting Bank which discloses non-regulatory ratios [820] involving components of regulatory capital, shall accompany such disclosures with a comprehensive explanation of how these ratios are calculated.

11.3.25 A Reporting Bank shall make available on its website, the full terms and conditions of all capital instruments included in its regulatory capital. This will allow market participants to investigate the specific features of individual capital instruments. Such disclosures shall be updated whenever the Reporting Bank issues or repays a capital instrument and whenever there is a redemption, conversion/write-down or other material change in the nature of an existing capital instrument.

11.3.26 A Reporting Bank shall also maintain a Regulatory Disclosures section on its website, where all the information relating to disclosure of regulatory capital is made available to market participants. In cases where the disclosure requirements set out in this Sub-division are met via publication through publicly available regulatory reports, the Regulatory Disclosures section of the Reporting Bank's website should provide specific links to the relevant regulatory reports that relate to the Reporting Bank.

11.3.27 A Reporting Bank is encouraged to include the information disclosed in the Regulatory Disclosures section of the website in its published financial statements. At a minimum, the Reporting Bank shall ensure that the published financial statements direct users to the relevant section of its website, where the full set of required regulatory disclosure is provided.

Template during the transitional period

11.3.28 During the transitional period, a Reporting Bank is required to disclose the specific components of capital, including capital instruments and regulatory adjustments that are benefitting from the transitional provisions. To ensure that disclosure during the transitional period is consistent and comparable across banks in different jurisdictions, the Reporting Bank shall use a modified version of the template set out in

[820] For example, "Equity Tier 1", "Core Tier 1" or "Tangible Common Equity" ratios.

Annex 11B. This modified template, as well as an illustration of how the template will work in practice, is set out in Annex 11E of this Part.

## BREAKDOWN IN REMUNERATION DISCLOSURES FOR SENIOR MANAGEMENT AND MATERIAL RISK TAKERS

### Table 11A-1 – Amount of Remuneration Awards for Current Financial Year[821]

| Category | | Unrestricted | Deferred |
|---|---|---|---|
| **Fixed remuneration** | Cash-based | x | x |
| | Shares and share-linked instruments | x | x |
| | Other forms of remuneration | x | x |
| **Variable remuneration** | Cash-based | x | x |
| | Shares and share-linked instruments | x | x |
| | Other forms of remuneration | x | x |

[821] Separate tables should be completed for (a) senior management and (b) material risk takers.

**Annex 11B**

## POST 1 JANUARY 2018 DISCLOSURE TEMPLATE

A Reporting Bank shall disclose its capital position using the template set out in Table 11B-1 after the transition period for the phasing-in of regulatory adjustments set out in paragraphs 6.1.3, 6.2.3 and 6.3.3 ends on 1 January 2018.[822] A Reporting Bank shall exclude the rows in italics from the disclosure template after all ineligible capital instruments have been fully phased out in accordance with paragraph 6.5.3 of the Notice. Table 11B-2 sets out the explanation of each row of Table 11B-1.

Table 11B-1: Disclosure Template to be used from 1 January 2018

| | | Amount |
|---|---|---|
| **Common Equity Tier 1 capital: instruments and reserves** | | |
| 1 | Paid-up ordinary shares and share premium (if applicable) | |
| 2 | Retained earnings | |
| 3 | Accumulated other comprehensive income and other disclosed reserves | |
| 4 | *Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)* | |
| 5 | Minority interest that meets criteria for inclusion | |
| 6 | **Common Equity Tier 1 capital before regulatory adjustments** | |
| **Common Equity Tier 1 capital: regulatory adjustments** | | |
| 7 | Valuation adjustment pursuant to Part VIII of MAS Notice 637 | |
| 8 | Goodwill, net of associated deferred tax liability | |
| 9 | Intangible assets, net of associated deferred tax liability | |
| 10 | Deferred tax assets that rely on future profitability | |
| 11 | Cash flow hedge reserve | |
| 12 | Shortfall of TEP relative to EL under IRBA | |
| 13 | Increase in equity capital resulting from securitisation transactions | |
| 14 | Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk | |
| 15 | Defined benefit pension fund assets, net of associated deferred tax liability | |
| 16 | Investments in own shares | |
| 17 | Reciprocal cross-holdings in ordinary shares of financial institutions | |
| 18 | Capital investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake | |
| 19 | Investments in ordinary shares of unconsolidated major stake companies approved under s32 of the Banking Act (including insurance subsidiaries) (amount above 10% threshold) | |
| 20 | Mortgage servicing rights (amount above 10% threshold) | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of associated deferred tax liability) | |
| 22 | Amount exceeding the 15% threshold | |
| 23 | of which: investments in ordinary shares of unconsolidated major stake companies approved under s32 of the Banking Act (including insurance subsidiaries) | |

[822] A Reporting Bank shall report deductions from capital as positive numbers, and additions to capital as negative numbers.

| | | |
|---|---|---|
| 24 | of which: mortgage servicing rights | |
| 25 | of which: deferred tax assets arising from temporary differences | |
| 26 | National specific regulatory adjustments | |
| 26A | PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments | |
| 26B | PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 | |
| 26C | Capital deficits in subsidiaries and associates that are regulated financial institutions | |
| 26D | Any other items which the Authority may specify | |
| 27 | Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions | |
| 28 | **Total regulatory adjustments to CET1 ~~C~~capital** | |
| 29 | **Common Equity Tier 1 capital (CET1)** | |
| **Additional Tier 1 capital: instruments** | | |
| 30 | AT1 capital instruments and share premium (if applicable) | |
| 31 | of which: classified as equity under the Accounting Standards | |
| 32 | of which: classified as liabilities under the Accounting Standards | |
| 33 | *Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)* | |
| 34 | AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion | |
| 35 | *of which: instruments issued by subsidiaries subject to phase out* | |
| 36 | **Additional Tier 1 capital before regulatory adjustments** | |
| **Additional Tier 1 capital: regulatory adjustments** | | |
| 37 | Investments in own AT1 capital instruments | |
| 38 | Reciprocal cross-holdings in AT1 capital instruments of financial institutions | |
| 39 | Capital investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake | |
| 40 | Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of the Banking Act (including insurance subsidiaries) | |
| 41 | National specific regulatory adjustments | |
| 41A | PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments | |
| 41B | Any other items which the Authority may specify | |
| 42 | Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions | |
| 43 | **Total regulatory adjustments to Additional Tier 1 capital** | |
| 44 | **Additional Tier 1 capital (AT1)** | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1)** | |
| **Tier 2 capital: instruments and provisions** | | |
| 46 | Tier 2 capital instruments and share premium (if applicable) | |
| 47 | *Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)* | |
| 48 | Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion | |
| 49 | *of which: instruments issued by subsidiaries subject to phase out* | |

| | | |
|---|---|---|
| 50 | Provisions | |
| 51 | **Tier 2 capital before regulatory adjustments** | |
| **Tier 2 capital: regulatory adjustments** | | |
| 52 | Investments in own Tier 2 instruments | |
| 53 | Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions | |
| 54 | Capital investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake | |
| 55 | Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of the Banking Act (including insurance subsidiaries) | |
| 56 | National specific regulatory adjustments | |
| 56A | PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments | |
| 56B | Any other items which the Authority may specify | |
| 57 | **Total regulatory adjustments to Tier 2 capital** | |
| 58 | **Tier 2 capital (T2)** | |
| 59 | **Total capital (TC = T1 + T2)** | |
| 60 | **Total risk weighted assets** | |
| **Capital ratios (as a percentage of risk weighted assets)** | | |
| 61 | **Common Equity Tier 1 CAR** | |
| 62 | **Tier 1 CAR** | |
| 63 | **Total CAR** | |
| 64 | Bank-specific buffer requirement | |
| 65 | of which: capital conservation buffer requirement | |
| 66 | of which: bank specific countercyclical buffer requirement | |
| 67 | of which: G-SIB buffer requirement (if applicable) | |
| 68 | Common Equity Tier 1 available to meet buffers | |
| **National minima** | | |
| 69 | Minimum CET1 CAR | |
| 70 | Minimum Tier 1 CAR | |
| 71 | Minimum Total CAR | |
| **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the Reporting B~~b~~ank does not hold a major stake | |
| 73 | Investments in ordinary shares of unconsolidated major stake companies approved under s32 of the Banking Act (including insurance subsidiaries) | |
| 74 | Mortgage servicing rights (net of associated deferred tax liability) | |
| 75 | Deferred tax assets arising from temporary differences (net of associated deferred tax liability) | |
| **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | |

| | | |
|---|---|---|
| ***Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)*** | | |
| 80 | *Current cap on CET1 instruments subject to phase out arrangements* | |
| 81 | *Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)* | |
| 82 | *Current cap on AT1 instruments subject to phase out arrangements* | |
| 83 | *Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)* | |
| 84 | *Current cap on T2 instruments subject to phase out arrangements* | |
| 85 | *Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)* | |

Table 11B-2: Explanatory Notes to Disclosure Template to be used from 1 January 2018

| | |
|---|---|
| **Explanatory Notes** | |
| 1 | This is the sum of components calculated in accordance with paragraph 6.1.1(a) and 6.1.1(b) of the Notice. |
| 2 | This is as defined under paragraph 6.1.1(c) of the Notice. |
| 3 | This is the sum of components calculated in accordance with paragraph 6.1.1(d) and 6.1.1(e) of the Notice. |
| 4 | This is only applicable to non-joint stock companies. |
| 5 | This is as defined under paragraph 6.1.1(f) of the Notice. |
| 6 | This is the sum of panels 1 to 5. |
| 7 | This is as defined under paragraph 6.1.3(n) of the Notice. |
| 8 | This is as defined under paragraph 6.1.3(a) of the Notice. |
| 9 | This is as defined under paragraph 6.1.3(b) of the Notice. |
| 10 | This is as defined under paragraph 6.1.3(c) of the Notice. |
| 11 | This is as defined under paragraph 6.1.3(d) of the Notice. |
| 12 | This is as defined under paragraph 6.1.3(e) of the Notice. |
| 13 | This is as defined under paragraph 6.1.3(f) of the Notice. |
| 14 | This is as defined under paragraph 6.1.3(g) of the Notice. |
| 15 | This is as defined under paragraph 6.1.3(h) of the Notice. |
| 16 | This is as defined under paragraph 6.1.3(i) of the Notice. |
| 17 | This is as defined under paragraph 6.1.3(j) of the Notice. |
| 18 | This is as defined under paragraph 6.1.3(o) of the Notice. |
| 19 | This is as defined under paragraph 6.1.3(p) of the Notice. |
| 20 | Not applicable. This is the amount of mortgage servicing rights which is subject to threshold deduction in accordance with paragraphs 87 to 88 of Basel III. Mortgage servicing rights are required to be fully deducted. |
| 21 | Not applicable. This is the amount of deferred tax assets arising from temporary differences which is subject to threshold deduction in accordance with paragraphs 87 to 88 of Basel III. Deferred tax assets arising from temporary differences are required to be fully deducted. |
| 22 | This is the total amount by which the three threshold items exceed the 15% threshold, excluding amounts reported in panels 19 to 21, calculated in accordance with paragraph 6.1.3(p)(i)(B) of the Notice. |
| 23 | The amount reported in panel 22 that relates to investments in the ordinary shares of unconsolidated major stake companies (including insurance subsidiaries at the Solo and Group levels). |
| 24 | Not applicable. This is the amount reported in panel 22 that relates to mortgage servicing rights. Mortgage servicing rights are required to be fully deducted. |

| **Explanatory Notes** | |
|---|---|
| 25 | Not applicable. This is the amount reported in panel 22 that relates to deferred tax assets arising from temporary differences. Deferred tax assets arising from temporary differences are required to be fully deducted. |
| 26 | This is the sum of panels 26A to 26D. |
| 26A | This is as defined under paragraph 6.1.3(k) of the Notice. |
| 26B | This is as defined under paragraph 6.1.3(l) of the Notice. |
| 26C | This is as defined under paragraph 6.1.3(m) of the Notice. |
| 26D | This is as defined under paragraph 6.1.3(q) of the Notice. |
| 27 | This is as defined under paragraph 6.1.3(r) of the Notice. |
| 28 | This is the total regulatory adjustments to CET1 Capital, to be calculated as the sum of panels 7 to 22 plus panels 26 and 27. |
| 29 | This is CET1 Capital, to be calculated as panel 6 minus panel 28. |
| 30 | This is the sum of components calculated in accordance with paragraphs 6.2.1(a) and 6.2.1(b) of the Notice. |
| 31 | The amount in panel 30 classified as equity under the Accounting Standards. |
| 32 | The amount in panel 30 classified as liabilities under the Accounting Standards. |
| 33 | This is the sum of capital instruments directly issued by the Reporting Bank that no longer qualify as AT1 Capital calculated in accordance with paragraphs 6.5.3 and 6.5.4 of the Notice. |
| 34 | This is as defined under paragraph 6.2.1(c) of the Notice. |
| 35 | The amount reported in panel 34 that relates to instruments subject to phase out from AT1 Capital in accordance with the requirements of paragraphs 6.5.3 and 6.5.4 of the Notice. |
| 36 | This is the sum of panels 30, 33 and 34. |
| 37 | This is as defined under paragraph 6.2.3(a) of the Notice. |
| 38 | This is as defined under paragraph 6.2.3(b) of the Notice. |
| 39 | This is as defined under paragraph 6.2.3(d) of the Notice. |
| 40 | This is as defined under paragraph 6.2.3(e) of the Notice. |
| 41 | This is the sum of panels 41A and 41B. |
| 41A | This is as defined under paragraph 6.2.3(c) of the Notice. |
| 41B | This is as defined under paragraph 6.2.3(f) of the Notice. |
| 42 | This is as defined under paragraph 6.2.3(g) of the Notice. |
| 43 | This is the sum of panels 37 to 42. |
| 44 | This is Additional Tier 1 Capital, to be calculated as panel 36 minus panel 43. |
| 45 | This is Tier 1 Capital, to be calculated as panel 29 plus panel 44. |
| 46 | This is the sum of components calculated in accordance with paragraph 6.3.1(a) and 6.3.1(b) of the Notice. |
| 47 | This is the sum of capital instruments directly issued by the Reporting Bank that no longer qualify as Tier 2 Capital calculated under paragraph 6.5.3 and 6.5.4 of the Notice. |
| 48 | This is as defined under paragraph 6.3.1(c) of the Notice. |
| 49 | The amount reported in panel 48 that relates to instruments subject to phase out from Tier 2 Capital in accordance with the requirements of paragraphs 6.5.3 and 6.5.4 of the Notice. |
| 50 | This is the sum of components calculated in accordance with paragraphs 6.3.1(d) and 6.3.1(e) of the Notice. |
| 51 | This is the sum of panels 46 to 48 and panel 50. |
| 52 | This is as defined under paragraph 6.3.3(a) of the Notice. |
| 53 | This is as defined under paragraph 6.3.3(b) of the Notice. |
| 54 | This is as defined under paragraph 6.3.3(d) of the Notice. |

| Explanatory Notes | |
|---|---|
| 55 | This is as defined under paragraph 6.3.3(e) of the Notice. |
| 56 | This is the sum of panels 56A and 56B. |
| 56A | This is as defined under paragraph 6.3.3(c) of the Notice. |
| 56B | This is as defined under paragraph 6.3.3(f) of the Notice. |
| 57 | This is the sum of panels 52 to 56. |
| 58 | This is Tier 2 Capital, to be calculated as panel 51 minus panel 57. |
| 59 | This is Total capital, to be calculated as panel 45 plus panel 58. |
| 60 | This is the total risk weighted assets of the Reporting Bank. |
| 61 | This is CET1 CAR, to be calculated as panel 29 divided by panel 60 (expressed as a percentage). |
| 62 | This is Tier 1 CAR, to be calculated as panel 45 divided by panel 60 (expressed as a percentage). |
| 63 | This is Total CAR, to be calculated as panel 59 divided by panel 60 (expressed as a percentage). |
| 64 | This is the bank-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets). This is to be calculated as 4.5% plus 2.5% plus the bank-specific countercyclical buffer requirement calculated in accordance with paragraphs 4.1.14 to 4.1.24 of the Notice plus the Reporting Bank's G-SIB requirement (where applicable) as set out in *Global systemically important banks: assessment methodology and the additional loss absorbency requirement: Rules text (November 2011)*. This panel will show the CET1 CAR below which the Reporting Bank will become subject to constraints on distributions. |
| 65 | The amount in panel 64 (expressed as a percentage of risk weighed assets) that relates to the capital conservation buffer), i.e. a Reporting Bank shall report 2.5% here. |
| 66 | The amount in panel 64 (expressed as a percentage of risk weighed assets) that relates to the bank-specific countercyclical buffer requirement. |
| 67 | The amount in panel 64 (expressed as a percentage of risk weighed assets) that relates to the Reporting Bank’s G-SIB requirement, where relevant. |
| 68 | This is the CET1 CAR available to meet buffers (as a percentage of risk weighted assets), to be calculated as the CET1 CAR of the Reporting Bank, less any CET1 CAR used to meet the Reporting Bank’s Tier 1 and Total capital requirements. |
| 69 | A Reporting Bank shall report the minimum CET1 CAR requirement applicable at that reporting date [pursuant to paragraph 4.1.4 of the Notice.] |
| 70 | A Reporting Bank shall report the minimum Tier 1 CAR requirement applicable at that reporting date [pursuant to paragraph 4.1.4 of the Notice.] |
| 71 | A Reporting Bank shall report the minimum Total CAR requirement applicable at that reporting date [pursuant to paragraph 4.1.4 of the Notice.] |
| 72 | This is the Reporting Bank's investments in the ordinary shares, AT1 Capital and Tier 2 Capital of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake, the total amount of such holdings that are not reported in panel 18, panel 39 and panel 54. |
| 73 | This is the Reporting Bank's investments in the ordinary shares of unconsolidated major stake companies (including insurance subsidiaries at the Solo and Group levels), the total amount of such holdings that are not reported in panel 19 and panel 23. |
| 74 | Not applicable. This is the amount of mortgage servicing rights not reported in panel 20 and panel 24. |
| 75 | Not applicable. This is the amount of deferred tax assets arising from temporary differences not reported in panel 21 and panel 25. |

| Explanatory Notes | |
|---|---|
| 76 | This is the provisions eligible for inclusion in Tier 2 Capital in respect of exposures subject to SA(CR), calculated in accordance paragraph 6.3.1(d) of the Notice, prior to the application of the cap. |
| 77 | This is the cap on inclusion of provisions in Tier 2 Capital in respect of exposures subject to SA(CR), calculated in accordance paragraph 6.3.1(d) of the Notice. |
| 78 | This is the provisions eligible for inclusion in Tier 2 Capital in respect of exposures subject to IRBA, calculated in accordance paragraph 6.3.1(e) of the Notice, prior to the application of the cap. |
| 79 | This is the cap for inclusion of provisions in Tier 2 Capital in respect of exposures subject to IRBA, calculated in accordance paragraph 6.3.1(e) of the Notice. |
| 80 | This is only applicable to non-joint stock companies. This is the current cap on CET1 capital instruments subject to transitional arrangements. |
| 81 | This is only applicable to non-joint stock companies. This is the amount excluded from CET1 Capital due to cap (excess over cap after redemptions and maturities). |
| 82 | This is the cap on ineligible AT1 capital instruments subject to transitional arrangements, see paragraph 6.5.3 of the Notice. |
| 83 | This is the amount excluded from AT1 Capital due to cap (excess over cap after redemptions and maturities), see paragraph 6.5.3 of the Notice. |
| 84 | This is the current cap on ineligible Tier 2 capital instruments subject to transitional arrangements, see paragraph 6.5.3 of the Notice. |
| 85 | This is the amount excluded from Tier 2 Capital due to cap (excess over cap after redemptions and maturities), see paragraph 6.5.3 of the Notice. |

**Annex 11C**

**ILLUSTRATION OF THE 3-STEP APPROACH TO RECONCILIATION**

**Step 1**

Under Step 1, a Reporting Bank shall use its published balance sheet as a starting point and report the numbers when the regulatory scope of consolidation is applied. For the avoidance of doubt, where there are items in the balance sheet under the regulatory scope of consolidation that are not present in the published balance sheet, the Reporting Bank shall include such items in the reconciliation and report zero in the middle column.

Table 11C-1: Step 1 of the 3-step approach to reconciliation (based on an illustrative balance sheet)

| | **Balance sheet as per published financial statements** | **Under regulatory scope of consolidation** |
|---|---|---|
| | **As at period end** | **As at period end** |
| **Assets** | | |
| Cash and balances at central banks | | |
| Items in the course of collection from other banks | | |
| Trading portfolio assets | | |
| Financial assets designated at fair value | | |
| Derivative financial instruments | | |
| Loans and advances to banks | | |
| Loans and advances to customers | | |
| Reverse repurchase agreements and other similar secured lending | | |
| Available for sale financial investments | | |
| Current and deferred tax assets | | |
| Prepayments, accrued income and other assets | | |
| Investments in associates and joint ventures | | |
| Goodwill and intangible assets | | |
| Property, plant and equipment | | |
| **Total assets** | | |
| **Liabilities** | | |
| Deposits from banks | | |
| Items in the course of collection due to other banks | | |
| Customer accounts | | |
| Repurchase agreements and other similar secured borrowing | | |
| Trading portfolio liabilities | | |
| Financial liabilities designated at fair value | | |
| Derivative financial instruments | | |
| Debt securities in issue | | |
| Accruals, deferred income and other liabilities | | |
| Current and deferred tax liabilities | | |

| | | |
|---|---|---|
| Subordinated liabilities | | |
| Provisions | | |
| Retirement benefit liabilities | | |
| **Total liabilities** | | |
| **Shareholders' Equity** | | |
| Paid-in share capital | | |
| Retained earnings | | |
| Accumulated other comprehensive income | | |
| **Total shareholders' equity** | | |

**Step 2**

Under Step 2, a Reporting Bank shall expand the balance sheet under the regulatory scope of consolidation to identify all regulatory capital elements that are reported in the disclosure template set out in Annex 11B. Each element shall be given a reference number or letter that can be used in Step 3. The Reporting Bank is only required to expand elements of the balance sheet to the extent necessary to reach the components that are used in the composition of capital disclosure template as set out in Table 11B-1.

For example, paid-in share capital may be reported as one line on the balance sheet. However, some elements of this may meet the requirements for inclusion in CET1 and other elements may only meet the requirements for AT1 or Tier 2, or may not meet the requirements for inclusion in regulatory capital at all. Therefore, if the Reporting Bank has some paid-in capital that feeds into the calculation of CET1 and some that feeds into the calculation of AT1, it should expand the "paid-in capital" line of the balance sheet in the manner illustrated below. As another example, one of the regulatory adjustments is the deduction of goodwill net of any associated deferred tax liability that would be extinguished if the goodwill becomes impaired or derecognised under the Accounting Standards. The Reporting Bank is required to expand elements of the balance sheet in the manner illustrated below to separately identify the components of goodwill and the associated deferred tax liability.

Table 11C-2: Step 2 of the 3-step approach to reconciliation

| | **Balance sheet as per published financial statements** | **Under regulatory scope of consolidation** | **Reference** |
|---|---|---|---|
| | **As at period end** | **As at period end** | |
| **Assets** | | | |
| Cash and balances at central banks | | | |
| Items in the course of collection from other banks | | | |
| Trading portfolio assets | | | |
| Financial assets designated at fair value | | | |
| Derivative financial instruments | | | |
| Loans and advances to banks | | | |
| Loans and advances to customers | | | |
| Reverse repurchase agreements and other similar secured lending | | | |

| | | | |
|---|---|---|---|
| Available for sale financial investments | | | |
| Current and deferred tax assets | | | |
| Prepayments, accrued income and other assets | | | |
| Investments in associates and joint ventures | | | |
| Goodwill and intangible assets | | | |
| of which: goodwill | | | a |
| Property, plant and equipment | | | |
| **Total assets** | | | |
| **Liabilities** | | | |
| Deposits from banks | | | |
| Items in the course of collection due to other banks | | | |
| Customer accounts | | | |
| Repurchase agreements and other similar secured borrowing | | | |
| Trading portfolio liabilities | | | |
| Financial liabilities designated at fair value | | | |
| Derivative financial instruments | | | |
| Debt securities in issue | | | |
| Accruals, deferred income and other liabilities | | | |
| Current and deferred tax liabilities | | | |
| of which: DTLs related to goodwill | | | b |
| Subordinated liabilities | | | |
| Provisions | | | |
| Retirement benefit liabilities | | | |
| **Total liabilities** | | | |
| **Shareholders' Equity** | | | |
| Paid-in share capital | | | |
| of which: amount eligible for CET1 | | | c |
| of which: amount eligible for AT1 | | | d |
| Retained earnings | | | |
| Accumulated other comprehensive income | | | |
| **Total shareholders' equity** | | | |

**Step 3**

Under Step 3, a Reporting Bank shall complete the column added to the disclosure template set out in Table 11B-1 to show the source of every input. For example, the Reporting Bank shall put "a-d" to show that row 8 of the disclosure template has been calculated as the difference between component "a" of the balance sheet under the regulatory scope of consolidation, illustrated in Step 2, and component "d".

Table 11C-3: Step 3 of the 3-step approach to reconciliation

| | | Amount | Source (based on reference |
|---|---|---|---|

| | | | |
|---|---|---|---|
| | | | under Step 2) |
| **Common Equity Tier 1 capital: instruments and reserves** | | | |
| 1 | Paid-up ordinary shares and share premium (if applicable) | | c |
| 2 | Retained earnings | | |
| 3 | Accumulated other comprehensive income and other disclosed reserves | | |
| 4 | *Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)* | | |
| 5 | Minority interest that meets criteria for inclusion | | |
| 6 | **Common Equity Tier 1 capital before regulatory adjustments** | | |
| **Common Equity Tier 1 capital: regulatory adjustments** | | | |
| 7 | Valuation adjustment pursuant to Part VIII of MAS Notice 637 | | |
| 8 | Goodwill, net of associated deferred tax liability | | a-d |

**Annex 11D**

## MAIN FEATURES TEMPLATE

A Reporting Bank shall ensure that the key features of all of its regulatory capital instruments are disclosed using the template set out in Table 11D-1. The Reporting Bank shall complete all cells for each outstanding regulatory capital instrument, and insert "NA" if the cell is not applicable. Table 11D-2 sets out the explanation of each row of Table 11D-1.

Table 11D-1: Disclosure Template for Main Features of Regulatory Capital Instruments

| | | |
|---|---|---|
| 1 | Issuer | |
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | |
| 3 | Governing law(s) of the instrument | |
| | *Regulatory treatment* | |
| 4 | Transitional Basel III rules | |
| 5 | Post-transitional Basel III rules | |
| 6 | Eligible at solo/group/group&solo | |
| 7 | Instrument type (types to be specified by each jurisdiction) | |
| 8 | Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date) | |
| 9 | Par value of instrument | |
| 10 | Accounting classification | |
| 11 | Original date of issuance | |
| 12 | Perpetual or dated | |
| 13 | Original maturity date | |
| 14 | Issuer call subject to prior supervisory approval | |
| 15 | Optional call date, contingent call dates and redemption amount | |
| 16 | Subsequent call dates, if applicable | |
| | Coupons / dividends | |
| 17 | Fixed or floating dividend/coupon | |
| 18 | Coupon rate and any related index | |
| 19 | Existence of a dividend stopper | |
| 20 | Fully discretionary, partially discretionary or mandatory | |
| 21 | Existence of step up or other incentive to redeem | |
| 22 | Noncumulative or cumulative | |
| 23 | Convertible or non-convertible | |
| 24 | If convertible, conversion trigger (s) | |
| 25 | If convertible, fully or partially | |
| 26 | If convertible, conversion rate | |
| 27 | If convertible, mandatory or optional conversion | |
| 28 | If convertible, specify instrument type convertible into | |
| 29 | If convertible, specify issuer of instrument it converts into | |
| 30 | Write-down feature | |
| 31 | If write-down, write-down trigger(s) | |
| 32 | If write-down, full or partial | |
| 33 | If write-down, permanent or temporary | |
| 34 | If temporary write-down, description of write-up mechanism | |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | |
| 36 | Non-compliant transitioned features | |

| | | |
|---|---|---|
| 37 | If yes, specify non-compliant features | |

Table 11D-2: Explanatory Notes to Main Features Template

| **Explanatory Notes** | |
|---|---|
| 1 | Identifies issuer legal entity.<br>*Free text* |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)<br>*Free text* |
| 3 | Specifies the governing law(s) of the instrument<br>*Free text* |
| 4 | Specifies the regulatory capital treatment during the Basel III transitional Basel III phase (i.e. the component of capital that the instrument is being phased-out from).<br>*Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2]* |
| 5 | Specifies regulatory capital treatment under Basel III rules not taking into account transitional treatment.<br>*Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible]* |
| 6 | Specifies the level(s) within the group at which the instrument is included in capital.<br>*Select from menu: [Solo] [Group] [Solo and Group]* |
| 7 | Specifies instrument type, varying by jurisdiction. Helps provide more granular understanding of features, particularly during transition.<br>*Select from menu: menu options to be provided to banks by each jurisdiction* |
| 8 | Specifies amount recognised in regulatory capital.<br>*Free text* |
| 9 | Par value of instrument<br>*Free text* |
| 10 | Specifies accounting classification. Helps to assess loss absorbency.<br>*Select from menu: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary]* |
| 11 | Specifies date of issuance.<br>*Free text* |
| 12 | Specifies whether dated or perpetual.<br>*Select from menu: [Perpetual] [Dated]* |
| 13 | For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument put "no maturity".<br>*Free text* |
| 14 | Specifies whether there is an issuer call option. Helps to assess permanence.<br>*Select from menu: [Yes] [No]* |
| 15 | For instrument with issuer call option, specifies first date of call if the instrument has a call option on a specific date (day, month and year) and, in addition, specifies if the instrument has a tax and/or regulatory event call. Also specifies the redemption price. Helps to assess permanence.<br>*Free text* |
| 16 | Specifies the existence and frequency of subsequent call dates, if applicable. Helps to assess permanence.<br>*Free text* |
| 17 | Specifies whether the coupon/dividend is fixed over the life of the instrument, floating over the life of the instrument, currently fixed but will move to a floating rate in the future, currently floating but will move to a fixed rate in the future.<br>*Select from menu: [Fixed], [Floating] [Fixed to floating], [Floating to fixed]* |
| 18 | Specifies the coupon rate of the instrument and any related index that the |

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| | coupon/dividend rate references.<br>*Free text* |
| 19 | Specifies whether the non payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (ie whether there is a dividend stopper).<br>*Select from menu: [yes], [no]* |
| 20 | Specifies whether the issuer has full discretion, partial discretion or no discretion over whether a coupon/dividend is paid. If the bank has full discretion to cancel coupon/dividend payments under all circumstances it must select "fully discretionary" (including when there is a dividend stopper that does not have the effect of preventing the bank from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (e.g. capital below a certain threshold), the bank must select "partially discretionary". If the bank is unable to cancel the payment outside of insolvency the bank must select "mandatory".<br>*Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory]* |
| 21 | Specifies whether there is a step-up or other incentive to redeem.<br>*Select from menu: [Yes] [No]* |
| 22 | Specifies whether dividends / coupons are cumulative or noncumulative.<br>*Select from menu: [Noncumulative] [Cumulative]* |
| 23 | Specifies whether instrument is convertible or not. Helps to assess loss absorbency.<br>*Select from menu: [Convertible] [Nonconvertible]* |
| 24 | Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach).<br>*Free text* |
| 25 | For  conversion trigger separately, specifies whether the instrument will: (i) always convert fully; (ii) may convert fully or partially; or (iii) will always convert partially<br>*Free text referencing one of the options above* |
| 26 | Specifies rate of conversion into the more loss absorbent instrument. Helps to assess the degree of loss absorbency.<br>*Free text* |
| 27 | For convertible instruments, specifies whether conversion is mandatory or optional. Helps to assess loss absorbency.<br>*Select from menu: [Mandatory] [Optional] [NA]* |
| 28 | For convertible instruments, specifies instrument type convertible into. Helps to assess loss absorbency.<br>*Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other]* |
| 29 | If convertible, specify issuer of instrument into which it converts.<br>*Free text* |
| 30 | Specifies whether there is a write down feature. Helps to assess loss absorbency.<br>*Select from menu: [Yes] [No]* |
| 31 | Specifies the trigger at which write-down occurs, including point of non-viability. Where one or more authorities have the ability to trigger write-down, the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach).<br>*Free text* |
| 32 | For each write-down trigger separately, specifies whether the instrument will: (i) always be written down fully: (ii) may be written down partially; or (iii) will |

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| | always be written down partially. Helps assess the level of loss absorbency at write-down.<br>*Free text referencing one of the options above* |
| 33 | For write down instrument, specifies whether write down is permanent or temporary. Helps to assess loss absorbency.<br>*Select from menu: [Permanent] [Temporary] [NA]* |
| 34 | For instrument that has a temporary write-down, description of write-up mechanism.<br>*Free text* |
| 35 | Specifies instrument to which it is most immediately subordinate. Helps to assess loss absorbency on gone-concern basis. Where applicable, banks should specify the column numbers of the instruments in the completed main features template to which the instrument is most immediately subordinate.<br>*Free text* |
| 36 | Specifies whether there are non-compliant features.<br>*Select from menu: [Yes] [No]* |
| 37 | If there are non-compliant features, asks bank/institution to specify which ones. Helps to assess instrument loss absorbency.<br>*Free text* |

**Annex 11E**

## DISCLOSURE TEMPLATE DURING THE TRANSITION PERIOD

A Reporting Bank shall disclose its capital position using the template set out in Table 11E during the transition period for the phasing-in of regulatory adjustments set out in paragraphs 6.1.3, 6.2.3 and 6.3.3. The Reporting Bank shall report the amount of each regulatory adjustment that is subject to the treatment provided for in the cancelled MAS Notice 637 dated 14 December 2007 under the column "Amount subject to Pre-Basel III Treatment". The Reporting Bank shall also report such amounts as regulatory adjustments in rows 41C and 56C, as the case may be. For example, Reporting Banks are required to make 20% of the regulatory adjustments set out in paragraphs 6.1.3, 6.2.3 and 6.3.3 in 2014. Consider a Reporting Bank with "Goodwill, net of associated deferred tax liability" of $100 million, the Reporting Bank shall report $20 million under the column "Amount" and report $80 million under the column "Amount subject to Pre-Basel III Treatment" in row 8. The Reporting Bank shall also report $80 million in row 41C.

Table 11E: Disclosure Template to be used during the transition period

| | | Amount | Amount subject to Pre-Basel III Treatment |
|---|---|---|---|
| | **Common Equity Tier 1 capital: instruments and reserves** | | |
| 1 | Paid-up ordinary shares and share premium (if applicable) | | |
| 2 | Retained earnings | | |
| 3 | Accumulated other comprehensive income and other disclosed reserves | | |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | | |
| 5 | Minority interest that meets criteria for inclusion | | |
| 6 | **Common Equity Tier 1 capital before regulatory adjustments** | | |
| | **Common Equity Tier 1 capital: regulatory adjustments** | | |
| 7 | Valuation adjustment pursuant to Part VIII of MAS Notice 637 | | |
| 8 | Goodwill, net of associated deferred tax liability | $20 million | $80 million |
| 9 | Intangible assets, net of associated deferred tax liability | | |
| 10 | Deferred tax assets that rely on future profitability | | |
| 11 | Cash flow hedge reserve | | |
| 12 | Shortfall of TEP relative to EL under IRBA | | |
| 13 | Increase in equity capital resulting from securitisation transactions | | |
| 14 | Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk | | |

| | | | |
|---|---|---|---|
| 15 | Defined benefit pension fund assets, net of associated deferred tax liability | | |
| 16 | Investments in own shares | | |
| 17 | Reciprocal cross-holdings in ordinary shares of financial institutions | | |
| 18 | Capital investments in ordinary shares of unconsolidated financial institutions in which Reporting Bank does not hold a major stake | | |
| 19 | Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries) (amount above 10% threshold) | | |
| 20 | Mortgage servicing rights (amount above 10% threshold) | | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | | |
| 22 | Amount exceeding the 15% threshold | | |
| 23 | of which: investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries) | | |
| 24 | of which: mortgage servicing rights | | |
| 25 | of which: deferred tax assets arising from temporary differences | | |
| 26 | National specific regulatory adjustments | | |
| 26A | PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments | | |
| 26B | PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 | | |
| 26C | Capital deficits in subsidiaries and associates that are regulated financial institutions | | |
| 26D | Any other items which the Authority may specify | | |
| 27 | Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions | | |
| 28 | **Total regulatory adjustments to CET1 Capital** | | |
| 29 | **Common Equity Tier 1 capital (CET1)** | | |
| | **Additional Tier 1 capital: instruments** | | |
| 30 | AT1 capital instruments and share premium (if applicable) | | |
| 31 | of which: classified as equity under the Accounting Standards | | |
| 32 | of which: classified as liabilities under the Accounting Standards | | |
| 33 | Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4) | | |
| 34 | AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion | | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | | |
| 36 | **Additional Tier 1 capital before regulatory** | | |

| | | | |
|---|---|---|---|
| | **adjustments** | | |
| | **Additional Tier 1 capital: regulatory adjustments** | | |
| 37 | Investments in own AT1 capital instruments | | |
| 38 | Reciprocal cross-holdings in AT1 capital instruments of financial institutions | | |
| 39 | Capital investments in AT1 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake | | |
| 40 | Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries) | | |
| 41 | National specific regulatory adjustments | | |
| 41A | PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments | | |
| 41B | Any other items which the Authority may specify | | |
| 41C | Regulatory adjustments applied to AT1 Capital in respect of amounts subject to pre-Basel III treatment | | |
| | of which: Goodwill, net of associated deferred tax liability | $80 million | |
| | of which: Intangible assets, net of associated deferred tax liability | | |
| | of which: Deferred tax assets that rely on future profitability | | |
| | of which: Cash flow hedge reserve | | |
| | of which: Increase in equity capital resulting from securitisation transactions | | |
| | of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk | | |
| | of which: Shortfall of TEP relative to EL under IRBA | | |
| | of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments | | |
| | of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 | | |
| | of which: Capital deficits in subsidiaries and associates that are regulated financial institutions | | |
| | of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) | | |
| | of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments | | |
| | of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) | | |
| 42 | Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions | | |
| 43 | **Total regulatory adjustments to Additional Tier 1 capital** | | |

| | | | |
|---|---|---|---|
| 44 | **Additional Tier 1 capital (AT1)** | | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1)** | | |
| | **Tier 2 capital: instruments and provisions** | | |
| 46 | Tier 2 capital instruments and share premium (if applicable) | | |
| 47 | Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4) | | |
| 48 | Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion | | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | | |
| 50 | Provisions | | |
| 51 | **Tier 2 capital before regulatory adjustments** | | |
| | **Tier 2 capital: regulatory adjustments** | | |
| 52 | Investments in own Tier 2 instruments | | |
| 53 | Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions | | |
| 54 | Capital investments in Tier 2 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake | | |
| 55 | Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries) | | |
| 56 | National specific regulatory adjustments | | |
| 56A | PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments | | |
| 56B | Any other items which the Authority may specify | | |
| 56C | Regulatory adjustments applied to Tier 2 Capital in respect of amounts subject to pre-Basel III treatment | | |
| | of which: Shortfall of TEP relative to EL under IRBA | | |
| | of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments | | |
| | of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 | | |
| | of which: Capital deficits in subsidiaries and associates that are regulated financial institutions | | |
| | of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) | | |
| | of which: PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments | | |
| | of which: Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) | | |
| 57 | **Total regulatory adjustments to Tier 2 capital** | | |
| 58 | **Tier 2 capital (T2)** | | |
| 59 | **Total capital (TC = T1 + T2)** | | |
| 60 | **Total risk weighted assets** | | |
| | **Capital ratios (as a percentage of risk weighted** | | |

| | | | |
|---|---|---|---|
| | **assets)** | | |
| 61 | **Common Equity Tier 1 CAR** | | |
| 62 | **Tier 1 CAR** | | |
| 63 | **Total CAR** | | |
| 64 | Bank-specific buffer requirement | | |
| 65 | of which: capital conservation buffer requirement | | |
| 66 | of which: bank specific countercyclical buffer requirement | | |
| 67 | of which: G-SIB buffer requirement (if applicable) | | |
| 68 | Common Equity Tier 1 available to meet buffers | | |
| | **National minima** | | |
| 69 | Minimum CET1 CAR | | |
| 70 | Minimum Tier 1 CAR | | |
| 71 | Minimum Total CAR | | |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the bank does not hold a major stake | | |
| 73 | Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries) | | |
| 74 | Mortgage servicing rights (net of related tax liability) | | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | | |
| | **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | | |
| | **Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)** | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | | |

Monetary Authority of Singapore