



The table below discloses HSBC Bank (Singapore) Limited's regulatory capital, Capital Adequacy Ratios and Leverage Ratio. The CAR ratios are above the stipulated regulatory requirements set out in the MAS Notice 637.

HSBC Bank (Singapore) Limited Capital Adequacy Ratio Disclosure

(in S\$ million)		(a)	(b)	(c)	(d)	(e)
		31 Mar 18 [^]	31 Dec 17 [*]	30 Sep 17 [^]	30 Jun 17 [^]	31 Mar 17 [^]
Available Capital (Amounts)						
1	CET1 Capital	1,605	1,659	1,572	1,572	1,570
2	Tier 1 Capital	1,605	1,659	1,572	1,572	1,570
3	Total Capital	1,648	1,681	1,593	1,594	1,592
Risk Weighted Assets (Amounts)						
4	Total RWA	6,070	6,106	6,285	6,422	6,386
Risk-based Capital Ratios as a Percentage of RWA						
5	CET 1 Ratio (%)	26.44%	27.16%	25.01%	24.48%	24.58%
6	Tier 1 Ratio (%)	26.44%	27.16%	25.01%	24.48%	24.58%
7	Total Capital Ratio (%)	27.15%	27.53%	25.35%	24.82%	24.92%
Additional CET 1 Buffer Requirements as a percentage of RWA						
8	Capital Conservation Buffer Requirement (2.5% from 2019) (%)	1.875%	1.250%	1.250%	1.250%	1.250%
9	Countercyclical Buffer Requirement (%)	0.0010%	0.0009%	0.0009%	0.0009%	0.0014%
10	Bank G-SIB and/or D-SIB additional requirement (%)	-	-	-	-	-
11	Total of Bank CET1 Specific Buffer Requirement (%) (row 8 + row 9 + row 10)	1.876%	1.251%	1.251%	1.251%	1.251%
12	CET 1 Available after Meeting the Reporting Bank's Minimum Capital Requirements (%)	17.15%	17.53%	15.35%	14.82%	14.92%
Leverage Ratio						
13	Total Leverage Ratio Exposure Measure	24,336	24,294	23,396	23,978	24,772
14	Leverage Ratio (%) (row 2/row 13)	6.60%	6.83%	6.72%	6.56%	6.34%
Liquidity Coverage Ratio[#]						
15	Total High Quality Liquid Assets	21,280	20,745	21,635	21,083	21,630
16	Total Net Cash Outflow	9,291	9,246	9,613	10,390	11,067
17	Liquidity Coverage Ratio (%)	229%	224%	225%	203%	195%
Net Stable Funding Ratio^{#+}						
18	Total Available Stable Funding	41,128				
19	Total Required Stable Funding	26,781				
20	Net Stable Funding Ratio (%)	154%				

The decrease in Common Equity Tier 1 ("CET1") Capital is due to the adoption of FRS 109 on 1st Jan 2018.

[^] Unaudited

^{*} Audited

[#] This refer to country level ratio for all currency

⁺ Net Stable Funding Ratio disclosure is required from 1st Jan 2018

A capital conservation buffer ("CCB") of 2.5% and a countercyclical buffer ("CCyB") of up to 2.5% will be phased in from 2016 to 2019. The CCB was 0.625% on 1 January 2016 and increases by 0.625% each year to reach 2.5% on 1 January 2019. The CCyB is not an on-going requirement and the applicable magnitude will be the weighted average of the country-specific CCyB requirements that are being applied by national authorities in jurisdictions to which the bank has private sector credit exposures. The effective country-specific CCyB requirement for Hong Kong was 1.875% and the applicable weighting was 0.05%.

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1. Overview of RWA

The table provides an overview of HSBC Bank (Singapore) Limited's RWA, with breakdown as required under MAS Notice 637.

The variance in RWA between March 2018 and December 2017 was mainly attributed to lower Regulatory Retail Exposures

S\$ million		RWA		Minimum Capital Requirement ¹
		31 Mar 2018	30 Dec 2017	31 Mar 2018
1	Credit Risk (excluding Counterparty Credit Risk)	5,399	5,456	540
2	of which: SA(CR) and SA(EQ)	5,399	5,456	540
3	of which: IRBA and IRBA(EQ) for Equity exposures under the PD/LGD Method	-	-	
4	Counterparty Credit Risk	*	*	*
5	of which: Current Exposure Method	*	*	*
6	of which: CCR Internal Models Method	-	-	-
7	IRBA(EQ) for Equity exposures under the Simple Risk Weight Method or the IMM	-	-	-
8	Equity investments in funds – Look Through Approach	-	-	-
9	Equity investments in funds – Mandate-Based Approach	-	-	-
10	Equity investments in funds – Fall Back Approach	-	-	-
10a	Equity investment in funds – Partial Use of an Approach	-	-	-
11	Unsettled Transactions	-	-	-
12	Securitisation exposures in the Banking Book	-	-	-
13	of which: IRBA(SE) - RBM and IAM	-	-	-
14	of which: IRBA(SE) – SF	-	-	-
15	of which: SA(SE)	-	-	-
16	Market Risk	6	7	1
17	of which: SA(MR)	6	7	1
18	of which: IMA	-	-	-
19	Operational Risk	665	643	66
20	of which: BIA	-	-	-
21	of which: SA(OR)	665	643	66
22	of which: AMA	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% Risk Weight)	-	-	-
24	Floor Adjustment	-	-	-
25	Total	6,070	6,106	607

¹ Minimum capital requirements are calculated at 10% of RWA.

* Represents amounts less than S\$0.5 million.



Leverage Ratio

Leverage Ratio Summary Comparison Table

	Item	31 Mar 2018 S\$ million
1	Total consolidated assets as per financial statements	23,497
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3	Adjustment for fiduciary assets recognized on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4	Adjustment for derivative transactions	*
5	Adjustment for SFTs	-
6	Adjustment for off-balance sheet items	925
7	Other adjustments	(86)
8	Exposure Measure	24,336

Leverage Ratio Common Disclosure Template

	Item	31 Mar 18 S\$ million	31 Dec 17 S\$ million
Exposure Measure of On-Balance Sheet Items			
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	19,075	20,136
2	Asset amounts deducted in determining Tier 1 Capital	-	-
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	19,075	20,136
Derivative Exposure Measures			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	*	*
5	Potential future exposure associated with all derivative transactions	*	*
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with Accounting Standards	-	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8	CCP leg of trade exposures excluded	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	*	*
SFT Exposure Measures			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	4,336	3,327
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	-	-
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	4,336	3,327

* Represents amounts less than S\$0.5 million.



Leverage Ratio Common Disclosure Template (continued)

	Item	31 Mar 18 S\$ million	31 Dec 17 S\$ million
	Exposure Measures of Off-Balance Sheet Items		
17	Off-balance sheet items at notional amount	8,371	7,809
18	Adjustments for calculation of exposure measures of off-balance sheet items	(7,446)	(6,978)
19	Total exposure measures of off-balance sheet items	925	831
	Capital and Total Exposures		
20	Tier 1 capital	1,605	1,659
21	Total exposures	24,336	24,294
	Leverage Ratio		
22	Leverage ratio	6.60%	6.83%