



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

#### HSBC Bank (Singapore) Limited's Capital Adequacy Ratio Disclosure

(in S\$ million)	(a)	(b)	(c)	(d)	(e)
	31 Mar 19 <sup>^</sup>	31 Dec 18 <sup>*</sup>	30 Sep 18 <sup>^</sup>	30 Jun 18 <sup>^</sup>	31 Mar 18 <sup>^</sup>
<b>Available Capital (Amounts)</b>					
1 CET1 Capital	1,629	1,625	1,595	1,595	1,605
2 Tier 1 Capital	1,629	1,625	1,595	1,595	1,605
3 Total Capital	1,691	1,692	1,651	1,651	1,648
<b>Risk Weighted Assets (Amounts)</b>					
4 Total RWA	9,620	8,911	8,429	8,603	6,070
<b>Risk-based Capital Ratios as a Percentage of RWA</b>					
5 CET 1 Ratio (%)	16.93%	18.24%	18.92%	18.54%	26.44%
6 Tier 1 Ratio (%)	16.93%	18.24%	18.92%	18.54%	26.44%
7 Total Capital Ratio (%)	17.58%	18.99%	19.59%	19.19%	27.15%
<b>Additional CET 1 Buffer Requirements as a percentage of RWA</b>					
8 Capital Conservation Buffer Requirement (2.5% from 2019) (%)	2.500%	1.875%	1.875%	1.875%	1.875%
9 Countercyclical Buffer Requirement (%)	0.0231%	0.0194%	0.0006%	0.0217%	0.0010%
10 Bank G-SIB and/or D-SIB additional requirement (%)	-	-	-	-	-
11 Total of Bank CET1 Specific Buffer Requirement (%) (row 8 + row 9 + row 10)	2.523%	1.894%	1.876%	1.897%	1.876%
12 CET 1 Available after Meeting the Reporting Bank's Minimum Capital Requirements (%)	7.57%	8.99%	9.58%	9.19%	17.15%
<b>Leverage Ratio</b>					
13 Total Leverage Ratio Exposure Measure	24,013	24,319	22,788	23,541	24,336
14 Leverage Ratio (%) (row 2/row 13)	6.78%	6.68%	7.00%	6.78%	6.60%
<b>Liquidity Coverage Ratio <sup>#</sup></b>					
15 Total High Quality Liquid Assets	21,721	20,352	19,301	20,329	19,977
16 Total Net Cash Outflow	10,863	10,652	11,264	10,400	10,360
17 Liquidity Coverage Ratio (%)	202%	194%	173%	199%	194%
<b>Net Stable Funding Ratio <sup># +</sup></b>					
18 Total Available Stable Funding	43,287	41,974	40,407	40,795	41,128
19 Total Required Stable Funding	30,452	28,607	28,804	29,226	26,906
20 Net Stable Funding Ratio (%)	142%	147%	140%	140%	153%

The decrease in CET 1 and Total Capital Ratio is mainly due to higher RWA from increase in corporate and mortgage exposures during the quarter.

<sup>^</sup> Unaudited

<sup>\*</sup> Audited

<sup>#</sup> This refers to country level ratio for all currency

<sup>+</sup> 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 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 2.5% and the applicable weighting was 0.92%.

## 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 increase in RWA between Mar 2019 and Dec 2018 was due to a increase in corporate exposures due to new loans.

S\$ million		RWA		Minimum Capital Requirement <sup>1</sup>
		31-Mar 2018	31-Dec 2018	31-Mar 2018
<b>1</b>	<b>Credit Risk (excluding Counterparty Credit Risk)</b>	8,792	8,138	879
2	of which: Standardised Approach	8,792	8,138	879
3	of which: F-IRBA	-	-	
4	of which: supervisory slotting approach			
5	of which: A-IRBA			
<b>6</b>	<b>Counterparty Credit Risk</b>	20	15	2
7	of which: Current Exposure Method	13	12	1
8	of which: CCR Internal Models Method	-	-	-
9	of which: other CCR			
9a	of which: CCP			
10	CVA			
<b>11</b>	<b>Equity exposures under the simple risk weight method</b>	-	-	-
11a	Equity investments in funds – Look Through Approach	-	-	-
12	Equity investments in funds – Mandate-Based Approach	-	-	-
13	Equity investments in funds – Fall Back Approach	-	-	-
14	Equity investment in funds –Partial Use of an Approach	-	-	-
<b>15</b>	<b>Unsettled Transactions</b>	-	-	-
<b>16</b>	<b>Securitisation exposures in the Banking Book</b>	-	-	-
17	of which: SEC -IRBA	-	-	-
18	of which: SEC-ERBA, including IAA	-	-	-
19	of which: SEC-SA	-	-	-
<b>20</b>	<b>Market Risk</b>	10	4	1
21	of which: SA(MR)	10	4	1
22	of which: IMA	-	-	-
<b>23</b>	<b>Operational Risk</b>	798	754	80
<b>24</b>	<b>Amounts below the thresholds for deduction (subject to 250% Risk Weight)</b>	-	-	-
<b>25</b>	<b>Floor Adjustment</b>	-	-	-
<b>26</b>	<b>Total</b>	<b>9,620</b>	<b>8,911</b>	<b>962</b>

<sup>1</sup> Minimum capital requirements are calculated at 10% of RWA.

## 2. Leverage Ratio

Leverage Ratio Summary Comparison Table

	Item	31-Mar-19 S\$ million
1	Total consolidated assets as per financial statements	23,308
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	62
5	Adjustment for SFTs	-
6	Adjustment for off-balance sheet items	649
7	Other adjustments	(6)
8	<b>Exposure Measure</b>	<b>24,013</b>

Leverage Ratio Common Disclosure Template

	Item	31-Mar-19 S\$ million	31-Dec-18 S\$ million
<b>Exposure Measure of On-Balance Sheet Items</b>			
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	21,024	21,452
2	Asset amounts deducted in determining Tier 1 Capital	(3)	(5)
3	<b>Total exposure measures of on-balance sheet items</b> (excluding derivative transactions and SFTs)	<b>21,021</b>	<b>21,447</b>
<b>Derivative Exposure Measures</b>			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	5	4
5	Potential future exposure associated with all derivative transactions	62	58
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	<b>Total derivative exposure measures</b>	<b>67</b>	<b>62</b>
<b>SFT Exposure Measures</b>			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	2,276	2,147
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	<b>Total SFT exposure measures</b>	<b>2,276</b>	<b>2,147</b>
<b>Exposure Measures of Off-Balance Sheet Items</b>			
17	Off-balance sheet items at notional amount	5,654	5,703
18	Adjustments for calculation of exposure measures of off-balance sheet items	(5,005)	(5,040)
19	<b>Total exposure measures of off-balance sheet items</b>	<b>649</b>	<b>663</b>
<b>Capital and Total Exposures</b>			
20	<b>Tier 1 capital</b>	<b>1,629</b>	<b>1,625</b>
21	<b>Total exposures</b>	<b>24,013</b>	<b>24,319</b>
<b>Leverage Ratio</b>			
22	<b>Leverage ratio</b>	<b>6.78%</b>	<b>6.68%</b>