



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)
		30 Sep 19 <sup>^</sup>	30 Jun 19 <sup>^</sup>	31 Mar 19 <sup>^</sup>	31 Dec 18 <sup>*</sup>	30 Sep 18 <sup>^</sup>
<b>Available Capital (Amounts)</b>						
1	CET1 Capital	1,635	1,633	1,629	1,625	1,595
2	Tier 1 Capital	1,635	1,633	1,629	1,625	1,595
3	Total Capital	1,697	1,693	1,691	1,692	1,651
<b>Risk Weighted Assets (Amounts)</b>						
4	Total RWA	10,342	10,170	9,620	8,911	8,429
<b>Risk-based Capital Ratios as a Percentage of RWA</b>						
5	CET 1 Ratio (%)	15.81%	16.06%	16.93%	18.24%	18.92%
6	Tier 1 Ratio (%)	15.81%	16.06%	16.93%	18.24%	18.92%
7	Total Capital Ratio (%)	16.41%	16.65%	17.58%	18.99%	19.59%
<b>Additional CET 1 Buffer Requirements as a percentage of RWA</b>						
8	Capital Conservation Buffer Requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	1.875%	1.875%
9	Countercyclical Buffer Requirement (%)	0.0294%	0.0291%	0.0231%	0.0194%	0.0006%
10	Bank G-SIB and/or D-SIB additional requirement (%)	-	-	-	-	-
11	Total of Bank CET1 Specific Buffer Requirement (%) (row 8 + row 9 + row 10)	2.529%	2.529%	2.523%	1.894%	1.876%
12	CET 1 Available after Meeting the Reporting Bank's Minimum Capital Requirements (%)	6.41%	6.64%	7.57%	8.99%	9.58%
<b>Leverage Ratio</b>						
13	Total Leverage Ratio Exposure Measure	26,210	25,708	24,013	24,319	22,788
14	Leverage Ratio (%) (row 2/row 13)	6.24%	6.35%	6.78%	6.68%	7.00%
<b>Liquidity Coverage Ratio <sup>#</sup></b>						
15	Total High Quality Liquid Assets	22,472	21,430	21,721	20,352	19,301
16	Total Net Cash Outflow	10,650	9,292	10,863	10,652	11,264
17	Liquidity Coverage Ratio (%)	215%	233%	202%	194%	173%
<b>Net Stable Funding Ratio <sup>#+</sup></b>						
18	Total Available Stable Funding	47,158	44,906	43,287	41,974	40,407
19	Total Required Stable Funding	32,598	31,304	30,452	28,607	28,804
20	Net Stable Funding Ratio (%)	145%	143%	142%	147%	140%

The decrease in CET 1 and Total Capital Ratio is mainly due to increase in credit risk RWA due to an increase in corporate, inter-bank and mortgage exposures.

<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% is phased in from 2016 to 2019. The CCB was 0.625% on 1 January 2016 and increased 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 and United Kingdom was 2.5% and 1% respectively, and the applicable weighting for HK and UK was 0.90% and 0.68% respectively.

## 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 Jun 2019 and Mar 2019 was due to a increase in corporate, intragroup lending and mortgage exposures.

S\$ million		RWA		Minimum Capital Requirement <sup>1</sup>
		30-Sep 2019	30-Jun 2019	30-Sep 2019
<b>1</b>	<b>Credit Risk (excluding Counterparty Credit Risk)</b>	9,420	9,270	942
2	of which: Standardised Approach	9,420	9,270	942
3	of which: F-IRBA	-	-	
4	of which: supervisory slotting approach			
5	of which: A-IRBA			
<b>6</b>	<b>Counterparty Credit Risk</b>	15	12	2
7	of which: Current Exposure Method	7	3	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>	18	38	2
21	of which: SA(MR)	18	38	2
22	of which: IMA	-	-	-
<b>23</b>	<b>Operational Risk</b>	889	850	89
<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>10,342</b>	<b>10,170</b>	<b>1,034</b>

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

## 2. Leverage Ratio

Leverage Ratio Summary Comparison Table

	Item	30-Sep-19 S\$ million
1	Total consolidated assets as per financial statements	25,281
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	28
5	Adjustment for SFTs	
6	Adjustment for off-balance sheet items	929
7	Other adjustments	(28)
8	<b>Exposure Measure</b>	<b>26,210</b>

Leverage Ratio Common Disclosure Template

	Item	30-Sep-19 S\$ million	30-Jun-19 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)	22,732	21,895
2	Asset amounts deducted in determining Tier 1 Capital	(3)	(3)
3	<b>Total exposure measures of on-balance sheet items</b> (excluding derivative transactions and SFTs)	<b>22,729</b>	<b>21,892</b>
<b>Derivative Exposure Measures</b>			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	3	4
5	Potential future exposure associated with all derivative transactions	28	10
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>31</b>	<b>14</b>
<b>SFT Exposure Measures</b>			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	2,521	2,824
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>2,521</b>	<b>2,824</b>
<b>Exposure Measures of Off-Balance Sheet Items</b>			
17	Off-balance sheet items at notional amount	6,313	6,239
18	Adjustments for calculation of exposure measures of off-balance sheet items	(5,384)	(5,262)
19	<b>Total exposure measures of off-balance sheet items</b>	<b>929</b>	<b>977</b>
<b>Capital and Total Exposures</b>			
20	<b>Tier 1 capital</b>	<b>1,635</b>	<b>1,633</b>
21	<b>Total exposures</b>	<b>26,210</b>	<b>25,707</b>
<b>Leverage Ratio</b>			
22	<b>Leverage ratio</b>	<b>6.24%</b>	<b>6.35%</b>