

The table below discloses HBSC 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

		(a)	(b)	(c)	(d)	(e)
	(in S\$ million)	30 Sep 18 [^]	30 Jun 18 [^]	31 Mar 18 [^]	31 Dec 17 [*]	30 Sep 17 [^]
	Available Capital (Amounts)					
1	CET1 Capital	1,595	1,595	1,605	1,659	1,572
2	Tier 1 Capital	1,595	1,595	1,605	1,659	1,572
3	Total Capital	1,651	1,651	1,648	1,681	1,593
	Risk Weighted Assets (Amounts)					
4	Total RWA	8,429	8,603	6,070	6,106	6,285
	Risk-based Capital Ratios as a Percentage of RWA					
5	CET 1 Ratio (%)	18.92%	18.54%	26.44%	27.16%	25.01%
6	Tier 1 Ratio (%)	18.92%	18.54%	26.44%	27.16%	25.01%
	Total Capital Ratio (%)	19.59%	19.19%	27.15%	27.53%	25.35%
	Additional CET 1 Buffer Requirements as a percentage of RWA					
×	Capital Conservation Buffer Requirement (2.5% from 2019) (%)	1.875%	1.875%	1.875%	1.250%	1.250%
9	Countercyclical Buffer Requirement (%)	0.0006%	0.0217%	0.0010%	0.0009%	0.0009%
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%	1.897%	1.876%	1.251%	1.251%
12	CET 1 Available after Meeting the Reporting Bank's Minimum Capital Requirements (%)	9.58%	9.19%	17.15%	17.53%	15.35%
	Leverage Ratio					
13	Total Leverage Ratio Exposure Measure	22,788	23,541	24,336	24,294	23,396
	Leverage Ratio (%) (row 2/row 13)	7.00%	6.78%	6.60%	6.83%	6.72%
	Liquidity Coverage Ratio [#]					
15	Total High Quality Liquid Assets	19,301	18,975	21,280	20,745	21,635
16	Total Net Cash Outflow	8,555	10,015	9,291	9,246	9,613
	Liquidity Coverage Ratio (%)	230%	189%	229%	224%	225%
	Net Stable Funding Ratio #+					
18	Total Available Stable Funding	40,407	40,795	41,128		
19	Total Required Stable Funding	28,804	29,226	26,906		
20	Net Stable Funding Ratio (%)	140%	140%	153%		

^ Unaudited

* Audited

This refers 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 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 0.03%.



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 decrease in RWA between September and June 2018 was due to a reduction in corporate exposures due to repayments.

		RWA		Minimum Capital Requirement ¹	
		30-Sep	30-Jun	30-Sep	
	S\$ million	2018	2018	2018	
1	Credit Risk (excluding Counterparty Credit Risk)	7,702	7,905	770	
2	of which: SA(CR) and SA(EQ)	7,702	7,905	770	
3	of which: IRBA and IRBA(EQ) for Equity exposures under the				
3	PD/LGD Method	-	-		
4	Counterparty Credit Risk	2	3	*	
5	of which: Current Exposure Method	2	3	*	
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	7	3	*	
17	of which: SA(MR)	7	3	*	
18	of which: IMA	-	-	-	
19	Operational Risk	718	692	72	
	of which: BIA	-	-	-	
21	of which: SA(OR)	718	692	72	
	of which: AMA		-	-	
	Amounts below the thresholds for deduction (subject to 250%				
23	Risk Weight)	-	-	-	
24	Floor Adjustment	-	-	-	
25	Total	8,429	8,603	843	

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

* Represents amounts less than S\$0.5 million.



2. Leverage Ratio

Leverage Ratio Summary Comparison Table

	Item	30-Sep-18 S\$ million
1	Total consolidated assets as per financial statements	22,242
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	12
5	Adjustment for SFTs	-
6	Adjustment for off-balance sheet items	624
7	Other adjustments	(90)
8	Exposure Measure	22,788

Leverage Ratio Common Disclosure Template

Exposure Measure of On-Balance Sheet Items 1 On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet items (excluding derivative transactions on SFTs) 19,888 19,8 2 Asset amounts deducted in determining Tier 1 Capital - - 3 Total exposure Measures 19,888 19,8 4 Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins) 2 5 Potential future exposure associated with all derivative transactions 12 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 - - 12 Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting 2,264 2,7 13 Eligible netting of Cash payables and cash receivables - - -			30-Sep-18	30-Jun-18
On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance 19,888 19,6 1 Sheet collateral for derivative transactions or SFTs) 19,888 19,6 2 Asset amounts deducted in determining Tie 1 Capital - - 3 Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs) 19,888 19,8 0 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 12 - - 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 exposure excluded -		Item	S\$ million	S\$ million
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Image: 10Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives-11Total derivative exposure measures12SFT Exposure Measures1212Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting 2,2642,713Eligible netting of cash payables and cash receivables-14SFT counterparty exposures-15SFT exposure measures where a Reporting Bank acts as an agent in the SFTs-16Total SFT exposure measures2,26417Off-balance sheet items at notional amount5,50618Adjustments for calculation of exposure measures of off-balance sheet items(4,882)19Total exposure measures62420Tier 1 capital1,59521Total exposures22,78822Leverage Ratio22,788	8	CCP leg of trade exposures excluded	-	-
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13Eligible netting of cash payables and cash receivables-14SFT counterparty exposures-15SFT exposure measures where a Reporting Bank acts as an agent in the SFTs-16Total SFT exposure measures2,2642,2642,7Exposure Measures of Off-Balance Sheet Items17Off-balance sheet items at notional amount5,50618Adjustments for calculation of exposure measures of off-balance sheet items(4,882)19Total exposure measures of off-balance sheet items62420Tier 1 capital1,5951,521Total exposures22,78823,5Leverage Ratio1,595	SFT E	Exposure Measures		
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15 SFT exposure measures where a Reporting Bank acts as an agent in the SFTs - 16 Total SFT exposure measures 2,264 2,7 Exposure Measures of Off-Balance Sheet Items - - - 17 Off-balance sheet items at notional amount 5,506 8,2 18 Adjustments for calculation of exposure measures of off-balance sheet items (4,882) (7,3) 19 Total exposure measures of off-balance sheet items 624 26 20 Tier 1 capital 1,595 1,5 21 Total exposures 22,788 23,5 Leverage Ratio	13	Eligible netting of cash payables and cash receivables	-	-
16 Total SFT exposure measures 2,264 2,7 Exposure Measures of Off-Balance Sheet Items 2 2 2 17 Off-balance sheet items at notional amount 5,506 8,2 18 Adjustments for calculation of exposure measures of off-balance sheet items (4,882) (7,3) 19 Total exposure measures of off-balance sheet items 624 26 Capital and Total Exposures 20 Tier 1 capital 1,595 1,5 20 Tier 1 capital 1,595 1,5 1,5 21 Total exposures 22,788 23,5 Leverage Ratio 4 4 4	14	SFT counterparty exposures	-	-
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18 Adjustments for calculation of exposure measures of off-balance sheet items (4,882) (7,3) 19 Total exposure measures of off-balance sheet items 624 8 Capital and Total Exposures 20 Tier 1 capital 1,595 1,5 21 Total exposures 22,788 22,788 23,5 Leverage Ratio 4 4 4	Ехро	sure Measures of Off-Balance Sheet Items		
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Capital and Total Exposures 1,595 20 Tier 1 capital 1,595 21 Total exposures 22,788 22,788 22,788 23,5	18	Adjustments for calculation of exposure measures of off-balance sheet items	(4,882)	(7,384)
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21 Total exposures 22,788 23,5 Leverage Ratio 22,788 23,5	Capi	tal and Total Exposures		
Leverage Ratio	20	Tier 1 capital	1,595	1,595
	21	Total exposures	22,788	23,541
22 Leverage ratio 7.00% 6.7	Leve	rage Ratio		
	22	Leverage ratio	7.00%	6.78%

* Represents amounts less than S\$0.5 million.