

ANEXT Bank Private Limited

Pillar 3 Disclosure Report

30 September 2022

Contents

1	Introduction	3
2	Key Metrics	4
3	Overview of Risk-Weighted Assets	5
4	Leverage Ratio	6
4.1	Leverage Ratio Summary Comparison Table	6
4.2	Leverage Ratio Common Disclosure Template.....	7
5	Credit Risk	8
5.1	Internal Ratings-Based Approach - Risk-Weighted Assets Flow Statements for Credit Risk Exposures	8
6	Counterparty Credit Risk	8
6.1	Risk-Weighted Assets Flow Statements under the Counterparty Credit Risk Internal Models Method	8
7	Market Risk	8
7.1	Risk-Weighted Assets Flow Statements of Market Risk Exposures under Internal Models Approach.....	8
8	Abbreviations	9

1 Introduction

ANEXT Bank's ("Bank") Pillar 3 Disclosure Report ("The Report") is prepared in accordance with the Monetary Authority of Singapore ("MAS") Notice to Banks No. 637 "Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore".

The Report is also governed by the Bank's Pillar 3 Disclosure Policy which specifies the Bank's Pillar 3 disclosure requirements, frequency of disclosure, medium of disclosure, and the roles and responsibilities of various parties involved in the disclosure reporting. The Policy is reviewed at least annually and approved by the Board.

The Report facilitates an assessment of the Bank's capital adequacy and provides an overview of the Bank's risk profile. For the purpose of calculating its Risk-Weighted Assets ("RWA"), the Bank applies a computation method agreed by MAS for Operational Risk and applies the respective Standardised Approaches for Credit and Market risks.

As of 30 September 2022, the Bank does not have any subsidiaries to consolidate in this regulatory disclosure.

The numbers in this document are presented in Singapore dollars, unless otherwise stated.

2 Key Metrics

The following table provides an overview of key prudential regulatory metrics for the Bank.

		a	b	c	d	e
		30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
		2022	2022	2022	2021	2021
S\$'000						
Available capital (amounts)						
1	CET1 capital	195,150	199,759	N/A	N/A	N/A
2	Tier 1 capital	195,150	199,759	N/A	N/A	N/A
3	Total capital	195,162	199,771	N/A	N/A	N/A
Risk weighted assets (amounts)						
4	Total RWA	14,965	12,364	N/A	N/A	N/A
Risk-based capital ratios as a percentage of RWA¹						
5	CET1 ratio (%)	1,304.0	1,615.7	N/A	N/A	N/A
6	Tier 1 ratio (%)	1,304.0	1,615.7	N/A	N/A	N/A
7	Total capital ratio (%)	1,304.1	1,615.8	N/A	N/A	N/A
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	N/A	N/A	N/A
9	Countercyclical buffer requirement (%)	-	-	N/A	N/A	N/A
10	G-SIB and/or D-SIB additional requirement (%)	-	-	N/A	N/A	N/A
11	Total of CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5	2.5	N/A	N/A	N/A
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	1,296.1	1,611.2	N/A	N/A	N/A
Leverage Ratio						
13	Total Leverage Ratio exposure measure	238,344	243,983	N/A	N/A	N/A
14	Leverage Ratio (%) (row 2 / row 13)	81.9	81.9	N/A	N/A	N/A
Liquidity Coverage Ratio						
15	Total High Quality Liquid Assets	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflow	N/A	N/A	N/A	N/A	N/A
17	Liquidity Coverage Ratio (%)	N/A	N/A	N/A	N/A	N/A
Net Stable Funding Ratio						
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	Net Stable Funding Ratio (%)	N/A	N/A	N/A	N/A	N/A

¹ The Bank's CET1, Tier 1 and Total Capital Adequacy Ratios (CAR) as at 30 September 2022 were well above the regulatory minimum requirements. Compared with the previous quarter, the decrease in CAR was mainly attributable to the increase in Operational RWA, which in turn was driven by increased gross income for the current quarter.

3 Overview of Risk-Weighted Assets

The following table sets out the Bank's RWA and capital requirements.

S\$'000	a		b	c	
	RWA			Minimum capital requirements ⁽¹⁾	
	30 Sep 2022	30 Jun 2022		30 Sep 2022	
1	Credit risk (excluding CCR)		7,750	7,002	620
2	<i>of which: Standardised Approach</i>		7,750	7,002	620
3	<i>of which: F-IRBA</i>		-	-	-
4	<i>of which: supervisory slotting approach</i>		-	-	-
5	<i>of which: A-IRBA</i>		-	-	-
6	CCR		-	-	-
7	<i>of which: Current Exposure Method</i>		-	-	-
8	<i>of which: CCR internal models method</i>		-	-	-
9	<i>of which: other CCR</i>		-	-	-
9a	<i>of which: CCP</i>		-	-	-
10	CVA		-	-	-
11	Equity exposures under the simple risk weight method		-	-	-
11a	Equity exposures under the IMM		-	-	-
12	Equity investments in funds - look through approach		-	-	-
13	Equity investments in funds - mandate-based approach		-	-	-
14	Equity investments in funds - fall back approach		-	-	-
14a	Equity investments in funds - partial use of an approach		-	-	-
15	Unsettled transactions		-	-	-
16	Securitisation exposures in the banking book		-	-	-
17	<i>of which: SEC-IRBA</i>		-	-	-
18	<i>of which: SEC-I=ERBA, including IAA</i>		-	-	-
19	<i>of which: SEC-SA</i>		-	-	-
20	Market risk		640	730	51
21	<i>of which: SA(MR)</i>		640	730	51
22	<i>of which: IMA</i>		-	-	-
23	Operational risk		6,575	4,632	526
24	Amounts below the thresholds for deduction (subject to 250% risk weight)		-	-	-
25	Floor adjustment		-	-	-
26	Total		14,965	12,364	1,197

¹ Minimum capital requirements are calculated at 8% of RWA.

The increase in risk-weighted assets during the quarter was mainly driven by higher gross income, leading to an increase in Operational RWA.

4 Leverage Ratio

The following tables provide the breakdown of the Bank's Leverage Ratio regulatory elements and a reconciliation of the Bank's balance sheet assets with the Leverage Ratio exposure measure.

4.1 Leverage Ratio Summary Comparison Table

		30-Sep-22
		Amount ⁽¹⁾ (S\$'000)
1	Total consolidated assets as per published financial statements	247,740
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 recognised 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	-
7	Other adjustments	(9,396)
8	Exposure measure	238,344

¹ The Bank only publishes financial statements annually. Amount indicated here is for Q3 2022.

4.2 Leverage Ratio Common Disclosure Template

		Amount ⁽¹⁾ (S\$'000)	
		30-Sep-22	30-Jun-22
Exposure measures 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)	247,740	253,807
2	Asset amounts deducted in determining Tier 1 capital	(9,396)	(9,824)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	238,344	243,983
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 the 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	-	-
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	-	-
Exposure measures of off-balance sheet items			
17	Off-balance sheet items at notional amount	-	-
18	Adjustments for calculation of exposure measures of off-balance sheet items	-	-
19	Total exposure measures of off-balance sheet items	-	-
Capital and Total exposures			
20	Tier 1 capital	195,150	199,759
21	Total exposures	238,344	243,983
Leverage Ratio			
22	Leverage Ratio	81.9%	81.9%

¹ The Bank only publishes financial statements annually. Amount indicated here is for Q3 2022.

5 Credit Risk

5.1 Internal Ratings-Based Approach - Risk-Weighted Assets Flow Statements for Credit Risk Exposures

This disclosure is not applicable as the Bank did not adopt the Internal Ratings-Based Approach for its credit risk exposures.

6 Counterparty Credit Risk

6.1 Risk-Weighted Assets Flow Statements under the Counterparty Credit Risk Internal Models Method

This disclosure is not applicable as the Bank did not adopt the Internal Models Method for its counterparty credit risk exposures.

7 Market Risk

7.1 Risk-Weighted Assets Flow Statements of Market Risk Exposures under Internal Models Approach

This disclosure is not applicable as the Bank did not adopt the Internal Models Approach for its market risk exposures.

8 Abbreviations

A-IRBA	Advanced Internal Ratings-Based Approach
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CET1	Common Equity Tier 1
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Bank
F-IRBA	Foundation Internal Ratings-Based Approach
G-SIB	Global Systemically Important Bank
IAA	Internal Assessment Approach
IMA	Internal Models Approach
IMM	Internal Models Method
RWA	Risk-Weighted Assets
SFT	Securities Financing Transactions