

ANEXT Bank Private Limited

Pillar 3 Disclosure Report

31 December 2022

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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 internal control processes established to ensure that the disclosures meet key stakeholders' expectation. This policy is reviewed at least annually and approved by the Board of Directors (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 31 December 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 Attestation Statement Pursuant to MAS Notice 637 - Disclosure Requirements (Pillar 3)

The Pillar 3 Disclosures as of 31 December 2022 have been prepared in accordance with the internal controls processes approved by the Bank's Board of Directors.



Toh Su Mei
Chief Executive Officer
30 March 2023

3 Key Metrics

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

		a	b	c	d	e
		31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
		2022	2022	2022	2022	2021
S\$'000						
Available capital (amounts)						
1	CET1 capital	185,686	195,150	199,759	N/A	N/A
2	Tier 1 capital	185,686	195,150	199,759	N/A	N/A
3	Total capital	186,096	195,162	199,771	N/A	N/A
Risk weighted assets (amounts)						
4	Total RWA	55,475	14,965	12,364	N/A	N/A
Risk-based capital ratios as a percentage of RWA¹						
5	CET1 ratio (%)	334.7	1,304.0	1,615.7	N/A	N/A
6	Tier 1 ratio (%)	334.7	1,304.0	1,615.7	N/A	N/A
7	Total capital ratio (%)	335.5	1,304.1	1,615.8	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	2.5	N/A	N/A
9	Countercyclical buffer requirement (%)	0.0	-	-	N/A	N/A
10	G-SIB and/or D-SIB additional requirement (%)	-	-	-	N/A	N/A
11	Total of CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5	2.5	2.5	N/A	N/A
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	327.5	1,296.1	1,611.2	N/A	N/A
Leverage Ratio						
13	Total Leverage Ratio exposure measure	268,514	238,344	243,983	N/A	N/A
14	Leverage Ratio (%) (row 2 / row 13)	69.2	81.9	81.9	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

¹The Bank's CET1, Tier 1 and Total Capital Adequacy Ratios (CAR) as of 31 December 2022 were well above the regulatory minimum requirements. Compared with the previous quarter, the decrease in CAR was mainly attributable to the increase in Credit RWA as a result of loan growth.

Other commentaries for the quarter explaining changes in the above metrics, if any, have been included in subsequent sections of this document.

4 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	
	31 Dec 2022	30 Sep 2022			31 Dec 2022	
1	Credit risk (excluding CCR)		44,320	7,750	3,546	
2	<i>of which: Standardised Approach</i>		44,320	7,750	3,546	
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		3,064	640	245	
21	<i>of which: SA(MR)</i>		3,064	640	245	
22	<i>of which: IMA</i>		-	-	-	
23	Operational risk		8,091	6,575	647	
24	Amounts below the thresholds for deduction (subject to 250% risk weight)		-	-	-	
25	Floor adjustment		-	-	-	
26	Total		55,475	14,965	4,438	

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

The increase in risk-weighted assets was primarily driven by Credit RWA arising from loan growth.

5 Composition of Capital

5.1 Reconciliation of Regulatory Capital to Balance Sheet

S\$'000	31-Dec-22	
	Balance sheet as per published financial statements	Reference to Section 5.2
Assets		
Cash and balances with central bank	17,729	
Due from banks	58,379	
<i>of which: Impairment allowances admitted as eligible Tier 2 Capital</i>	(24)	(a)
Loans and advances to customers	41,593	
<i>of which: Impairment allowances admitted as eligible Tier 2 Capital</i>	(386)	(b)
Debt instruments	149,632	
Other assets	133	
Property, plant and equipment	1,022	
Goodwill and intangible assets	9,199	
<i>of which: goodwill</i>	-	(c)
<i>of which: intangibles</i>	9,199	(d)
Total assets	277,687	
Liabilities		
Due to customers	63,077	
Amounts due to related companies	14,628	
Other liabilities	5,097	
Total liabilities	82,802	
Equity		
Paid-in share capital	225,000	
<i>of which: amount eligible for CET1</i>	225,000	(e)
Share based payment reserve	3,130	(f)
Accumulated profits / (losses)	(33,245)	(g)
Total equity	194,885	

5.2 Composition of Regulatory Capital

S\$'000		31-Dec-22	
		Amount	Reference to Section 5.1
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	225,000	(e)
2	Retained earnings	(33,245)	(g)
3	Accumulated other comprehensive income and other disclosed reserves	3,130	(f)
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Minority interest that meets criteria for inclusion	-	
6	Common Equity Tier 1 capital before regulatory adjustments	194,885	
Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	-	
8	Goodwill, net of associated deferred tax liability	-	(c)
9	Intangible assets, net of associated deferred tax liability	9,199	(d)
10	Deferred tax assets that rely on future profitability	-	
11	Cash flow hedge reserve	-	
12	Shortfall of TEP relative to EL under IRBA	-	
13	Increase in equity capital resulting from securitisation transactions	-	
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	-	
15	Defined benefit pension fund assets, net of associated deferred tax liability	-	
16	Investments in own shares	-	
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-	
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of associated deferred tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments	-	
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-	
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	
26C	Any other items which the Authority may specify	-	

31-Dec-22

S\$'000		31-Dec-22	
		Amount	Reference to Section 5.1
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-	
28	Total regulatory adjustments to CET1 Capital	9,199	
29	Common Equity Tier 1 capital (CET1)	185,686	
Additional Tier 1 capital: instruments			
30	AT1 capital instruments and share premium (if applicable)	-	
31	of which: classified as equity under the Accounting Standards	-	
32	of which: classified as liabilities under the Accounting Standards	-	
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
41	National specific regulatory adjustments which the Authority may specify	-	
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1)	185,686	
Tier 2 capital: instruments and provisions			
46	Tier 2 capital instruments and share premium (if applicable)	-	
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	410	(a) + (b)
51	Tier 2 capital before regulatory adjustments	410	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-	
54	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	

31-Dec-22

S\$'000		31-Dec-22	
		Amount	Reference to Section 5.1
54a	Investments in other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake: amount previously designated for the 5% threshold but that no longer meets the conditions	-	
55	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
56	National specific regulatory adjustments which the Authority may specify	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	410	
59	Total capital (TC = T1 + T2)	186,096	
60	Floor-adjusted total risk weighted assets	55,475	
Capital ratios (as a percentage of floor-adjusted risk weighted assets)			
61	Common Equity Tier 1 CAR	334.7%	
62	Tier 1 CAR	334.7%	
63	Total CAR	335.5%	
64	Bank-specific buffer requirement	2.50%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	0.00%	
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	-	
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	327.5%	
National minima			
69	Minimum CET1 CAR	4.50%	
70	Minimum Tier 1 CAR	6.00%	
71	Minimum Total CAR	8.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Investments in ordinary shares, AT1 capital, Tier 2 capital and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
74	Mortgage servicing rights (net of associated deferred tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	410	(a) + (b)
77	Cap on inclusion of provisions in Tier 2 under standardised approach	554	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	

31-Dec-22

S\$'000

Amount

Reference to
Section 5.1

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

For regulatory adjustments, deductions from capital are reported as positive numbers and additions to capital are reported as negative numbers.

5.3 Main Features of Regulatory Capital Instruments

The following disclosures are made solely pursuant to the requirements of MAS Notice 637 Annex 11D.

		Ordinary Shares
1	Issuer	ANEXT Bank Pte. Ltd.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Singapore
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/group/group&solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)	S\$225 million
9	Par value of instrument	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	S\$1 issued on 02 Jun 2021 S\$124,999,999 issued on 31 Aug 2021 S\$100,000,000 issued on 30 May 2022
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A

Coupons / dividends

17	Fixed or floating dividend/coupon	Discretionary dividend amount
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	All shares rank equally with regards to the Bank's residual assets
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

6 Linkages between Financial Statements and Regulatory Exposures

6.1 Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories

The following table shows the breakdown of the amount reported in the financial statements by regulatory risk categories.

31-Dec-22						
	a	b	c	d	e	f
	Carrying amounts of items					
S\$'000	Carrying amounts as reported in balance sheet of published financial statements	subject to credit risk requirements	subject to CCR requirements	subject to securitisation framework	subject to market risk requirements	not subject to capital requirements or subject to deduction from regulatory capital
Assets						
Cash and balances with central bank	17,729	17,729	-	-	-	-
Due from banks	58,379	58,379	-	-	44,131	-
Loans and advances to customers	41,593	41,593	-	-	-	-
Debt instruments	149,632	149,632	-	-	-	-
Other assets	133	133	-	-	72	-
Property and equipment	1,022	1,022	-	-	67	-
Intangible assets	9,199	-	-	-	-	9,199
Total assets	277,687	268,488	-	-	44,270	9,199
Liabilities						
Due to customers	63,077	-	-	-	42,854	20,223
Amounts due to related companies	14,628	-	-	-	4,316	10,313
Other liabilities	5,097	-	-	-	248	4,849
Total liabilities	82,802	-	-	-	47,418	35,385

The sum of amounts disclosed under columns (b) to (f) above can be more than amounts disclosed in column (a) as some of the assets and liabilities, such as amounts due from banks, can be subject to regulatory capital charges for credit risk and market risk.

6.2 Main Sources of Differences between Regulatory Exposure Amounts and Carrying Amounts in Financial Statements

The following table provides information on the main sources of differences between regulatory exposure amounts and carrying amounts in the financial statements. Amounts subject to Market Risk Requirements are omitted from this table since they are not meaningful for this disclosure.

S\$'000	31-Dec-22			
	a	b	c	d
	Items subject to			
	Total	Credit risk requirements	CCR requirements	Securitisation framework
Asset carrying amount under regulatory scope ¹	268,488	268,488	-	-
Liabilities carrying amount under regulatory scope	47,417	-	-	-
Total net amount under regulatory scope	221,071	268,488	-	-
Differences due to off-balance sheet amounts ²		-	-	-
Differences due to allowances ³		410	-	-
Exposure amounts considered for regulatory purposes	268,898	268,898	-	-

¹ The total column excludes amounts subject to deduction from capital or not subject to regulatory capital.

² There are no differences due to off-balance sheet amounts as the Bank's undrawn commitments pertain to uncommitted credit facilities for which a credit conversion factor of 0% is applied.

³ Allowances refers to general allowances (Expected Credit Loss Stage 1 and 2).

6.3 Qualitative Disclosure of Differences between Carrying Amounts in Financial Statements and Regulatory Exposure Amounts

The key difference between accounting amounts and regulatory exposure amounts is due to allowances. The carrying values of assets in the financial statements are net of allowances. However, regulatory exposures are gross of all allowances.

6.4 Prudent Valuation Adjustments

As of 31 December 2022, the Bank does not have assets measured at fair value, hence there are no prudent valuation adjustments.

7 Geographical Distribution of Credit Exposures used in the Countercyclical Capital Buffer

The following table provides an overview of the Bank's geographical distribution of private sector credit exposures for the calculation of countercyclical buffer.

S\$'000	31-Dec-22			
	a	b	c	d
Geographical breakdown	Country-specific countercyclical buffer requirement	RWA for private sector credit exposures used in the computation of the countercyclical buffer	Bank-specific countercyclical buffer requirement	Countercyclical buffer amount
United Kingdom	1.00%	11		
Others		32,629		
Total		32,640	0.0003%	0.11

The Basel III countercyclical capital buffer is calculated as the weighted average of the buffers in effect in the jurisdictions to which banks have private sector credit exposures. The Bank attributes private sector credit exposures to jurisdictions primarily based on the jurisdiction of risk of each obligor, or if applicable, its guarantor.

8 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.

8.1 Leverage Ratio Summary Comparison Table

S\$'000		31-Dec-22
		Amount ¹
1	Total consolidated assets as per published financial statements	277,687
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	26
7	Other adjustments	(9,199)
8	Exposure measure	268,514

¹ Leverage ratio is computed using quarter-end balances.

8.2 Leverage Ratio Common Disclosure Template

		Amount ¹ (S\$'000)	
		31-Dec-22	30-Sep-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)	277,687	247,740
2	Asset amounts deducted in determining Tier 1 capital	(9,199)	(9,396)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	268,488	238,344
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	255	-
18	Adjustments for calculation of exposure measures of off-balance sheet items	(229)	-
19	Total exposure measures of off-balance sheet items	26	-
Capital and Total exposures			
20	Tier 1 capital	185,686	195,150
21	Total exposures	268,514	238,344
Leverage Ratio			
22	Leverage Ratio	69.2%	81.9%

¹ Leverage ratio is computed using quarter-end balances.

Leverage Ratio as of 31 December 2022 stood at 69.2%, well above the 3% minimum requirement. The quarter-on-quarter decrease in Leverage Ratio is mainly driven by higher loan growth, resulting in an increase in total exposures.

9 Risk Management Approach

Risk Culture

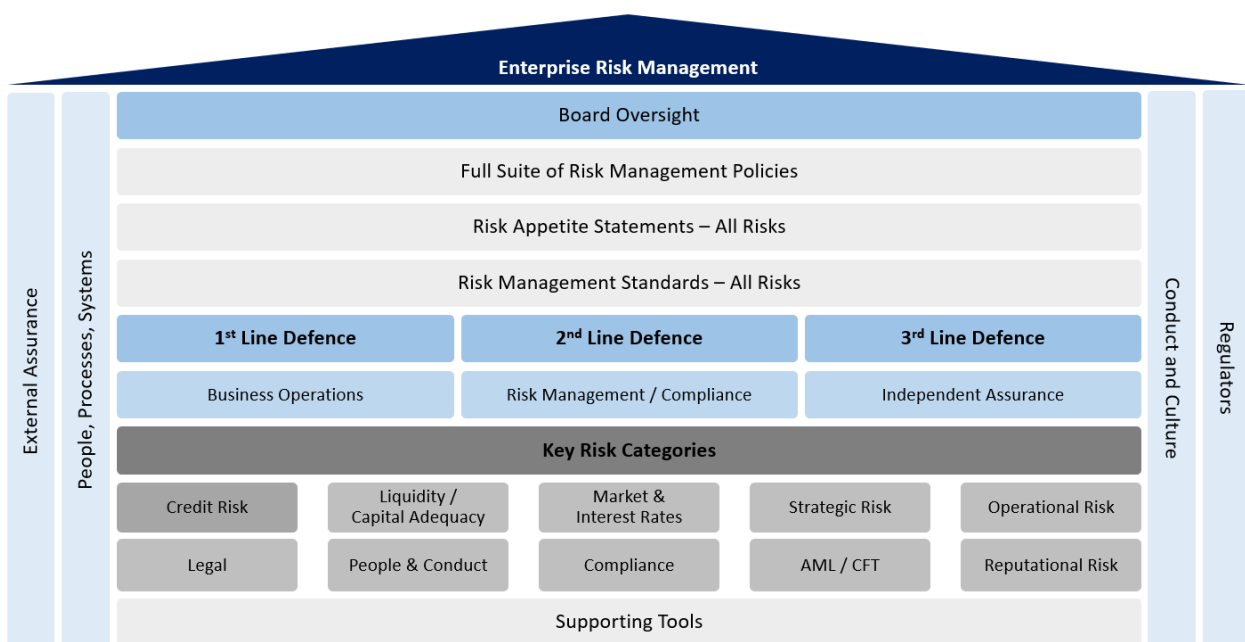
A strong risk culture is imperative for the successful long-term sustainable development of the Bank. Specifically, risk culture refers to the norms, attitudes and behaviours relating to risk awareness, risk-taking and risk management, and controls that shape decisions on risks. Every employee of the Bank has a role to play in risk management, and having the right risk culture is fundamental to the success of the Bank. The Bank's risk culture seeks to operate in compliance with laws and regulations, to maintain good financial soundness, to act with high standards of integrity, and to embed risk concepts to all employees.

The objectives of the Bank's Risk Culture and Risk Appetite are to:

- Set the tone from the top, and to inculcate an appropriate risk culture throughout the Bank;
- Determine the Bank's Risk Appetite Statement and Risk Limits that are comprehensive, actionable, and consistent with the Bank's business strategy;
- Ensure the risk appetite including risk profile, risk tolerance and risk strategy are reviewed regularly.

Risk Governance

As we pursue our strategic priorities and capitalise on business opportunities, we recognise the presence of various risks which we have identified and broadly categorised. These risks span across our Enterprise, and includes the areas of Credit, Liquidity, Market & Interest Rates, Technology and Operational, Strategy and Reputation, as well as Legal, Regulatory Compliance and Anti-Money Laundering (AML). These risks are interconnected and necessitate a comprehensive and holistic approach to risk management that is embedded in all activities, processes and systems.



As part of our risk management approach, the Board holds the ultimate responsibility for overseeing the Bank’s business, risk strategy, financial soundness as well as its corporate structure and governance. The Board is primarily assisted by the Board Risk Committee (“BRC”) for overseeing risk management matters. The BRC sets the Bank’s risk appetite and also oversees the establishment of risk management policies and frameworks in a manner that fosters the appropriate risk culture and conduct.

The CEO has established management committees to assist in making business decisions with due consideration to risks and returns and specific risk areas. The main Management Committees include the Executive Committee, AML Oversight Committee, Asset and Liability Committee, Credit Risk Management Committee and Risk Management Committee.

The Bank adopts the Three Lines of Defence for Risk Management:

Line of Defence	Details
First Line	<ul style="list-style-type: none"> Comprising Business Units and Supporting functions that own and have primary responsibility in ensuring that activities of the business unit are consistent with the Bank’s risk appetite; approved risk limits are adhered to and aligned with the necessary internal controls and risk management processes. They should also ensure proper identification, monitoring, and reporting of any breaches of risk limits and material risk exposures on an ongoing basis.
Second Line	<ul style="list-style-type: none"> Comprising primarily Risk Management, and Compliance, that oversees the Bank’s risk-taking activities of the first line, undertaking independent risk assessments and reporting. In addition, compliance with laws, corporate governance rules, regulations and internal policies are also part of the independent risk monitoring process. The second line of defence also supports the Bank’s strategy of balancing growth with stability. This is done by facilitating business development within the Bank’s risk appetite, embracing a consistent and efficient risk management framework including setting risk appetite, risk policies, and risk limits. In addition, they are also responsible for highlighting any significant vulnerabilities and risk issues to the respective management committees.
Third Line	<ul style="list-style-type: none"> Independent Assurance is responsible for providing assurance to the Audit Committee and the Board on the effectiveness of the Bank’s risk management and control structure, policies, system and processes from the first and second lines of defence.

Risk Appetite

The Bank has established a risk appetite framework to determine the amount of risk the Bank is able and willing to accept in the pursuit of our business objectives, taking into consideration our financials, strategic direction and regulatory requirements such as capital and liquidity requirements. It is not meant to stifle the taking of risks, but rather to ensure that transparency is observed when pursuing what are ultimately the objectives of the bank as a whole.

The Bank pursues sound, prudent management, rational development, and assumes the appropriate amount of risks in order to obtain a reasonable return that commensurate with the risk taken. In the balance of risks and business development, the Bank would ensure a reasonable level of capital adequacy to withstand the risks faced by the Bank. Compliance with laws and regulations is the cornerstone for the stable and long-term development of the Bank. The Bank continues to meet all regulatory requirements and pursue long-term sustainable development.

The Bank's risk appetite statement and risk appetite are reviewed and approved annually by the Board, to ensure that they commensurate with the Bank's scale and business. The senior management closely monitor and assess the risks that the Bank is exposed to and ensure adherence to the risk appetite through the implementation of appropriate risk management processes and controls.

Lastly, risk limits are also set for controlling and mitigating the risks identified. Such limits are reviewed and/or updated annually in accordance with the risk appetite to adjust to the changing business environment.

10 Credit Risk

10.1 General Qualitative Disclosures on Credit Risk

Credit risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Bank in accordance with agreed terms. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a segregation of duties between transaction originators in the businesses and approvers within the Risk function. Credit exposure limits are approved within a defined credit approval authority framework.

The Credit Risk function is the second line control function that performs independent challenge, monitoring and oversight of the credit risk management practices of the business and functions engaged in or supporting revenue generating activities which constitute the first line of defence. The credit risk function is also responsible for ensuring that the quality of portfolio is maintained within acceptable parameters defined in the Bank's risk appetite and policies. Bank Internal Audit serves as the third line of defence to provide independent assurance on the effectiveness of controls that support the first line's risk management of business activities and the processes maintained by the second line. Its role is defined and overseen by the Audit Committee and the Board.

The Bank's ultimate credit authority lies with the BRC. Risk authorities are linked to individual appointments where authorities are delegated. These individuals then in turn delegate authorities to individuals in accordance with the list of delegated authority matrices and principles of delegation of authorities. Delegations vary based on business segment, limit category, credit grade, expected loss and maximum tenor.

Credit Monitoring

The Bank regularly monitors credit exposures, portfolio performance, and external trends that may impact risk management outcomes. Internal risk management reports are presented to the risk committees containing information on key trends across major portfolios, portfolio delinquency and loan impairment performance.

Credit Concentration Risk

Credit concentration risk may arise from a single large exposure to a counterparty or a group of connected counterparties, or from multiple exposures across the portfolio that are closely correlated. Large exposure concentration risk is managed through concentration limits set by counterparty or group of connected counterparties. At the portfolio level, credit concentration thresholds are set and monitored to control concentrations, where appropriate, by industry.

10.2 Credit Quality of Assets

The following table provides an overview of the credit quality of the Bank's on and off-balance sheet assets. Figures are based on carrying amounts as reported in the financial statements.

		31-Dec-22						
		a	b	c	d	e	f	g
S\$'000		Gross carrying amount of		Allowances and impairments	of which: allowances for standardised approach exposures		of which: allowances for IRBA exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		of which: specific allowances	of which: general allowances		
1	Loans	-	41,979	386	-	386	N/A	41,593
2	Debt securities	-	149,632	#	-	#	N/A	149,632
3	Off-balance sheet exposures	-	-	-	-	-	N/A	-
4	Total	-	191,611	386	-	386	N/A	191,225

Represents amounts of less than S\$500.

Financial assets that are credit impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset.

10.3 Changes in Stock of Defaulted Loans and Debt Securities

The following table provides the changes in defaulted loans to customers and debt securities from the previous semi-annual reporting period, including the flows between non-defaulted and defaulted categories and reductions due to write-offs.

		31-Dec-22
S\$'000		a
1	Defaulted loans and debt securities at end of the previous semi-annual reporting period	-
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	-
3	Returned to non-defaulted status	-
4	Amounts written-off	-
5	Other changes	-
6	Defaulted loans and debt securities at end of the semi-annual reporting period (1+2-3-4±5)	-

There are no defaulted loans and bills receivable as of 31 December 2022.

10.4 Additional Disclosures related to the Credit Quality of Assets

The following tables show the breakdown of credit risk exposures by geographical areas¹, industry and residual maturity.

Breakdown by Geographical Areas

S\$'000	31-Dec-22
	Total
Singapore	267,392
Hong Kong	358
United States	1,148
Total	268,898

¹ Credit exposures are computed on an immediate risk basis (i.e. where the Bank's counterparties reside).

Breakdown by Industry

S\$'000	31-Dec-22
	Total
Manufacturing	5,868
Building and construction	3,766
General commerce	13,631
Transportation, storage and communications	4,164
Financial institutions, investment and holding companies	58,433
Government	167,361
Others	15,675
Total	268,898

Breakdown by Residual Maturity

\$'000	31-Dec-22
	Total
Up to 1 year	195,138
More than 1 year	41,241
No specific maturity	32,519
Total	268,898

As of 31 December 2022, the Bank does not have any impaired exposures, related allowances and write-offs.

10.5 Qualitative Disclosures related to CRM Techniques

Potential credit losses from any given account, client or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives taking into account expected volatility and guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

The Bank may accept collateral and guarantees, among other instruments to help mitigate Credit Risks. In the initial phases of lending, Credit Facilities will be extended primarily on unsecured basis with or without guarantee arrangements depending on the Specific Product Programs. Where collaterals and/or guarantees are obtained, they are not a substitute for comprehensive assessment of a borrower or an obligor. The potential correlation between collateral values and the obligor's financial condition will also be considered. Different types of collateral have different ascribed margins and will be established accordingly. The quantum of financing will take into consideration the ascribed margins of the collaterals for secured/partially secured lending and will be set at a level that provides sufficient cushion against a decline in collateral values. Collateral revaluation should be performed at least annually to obtain the latest current market value of the collateral pledged and also to review the appropriateness of the lending margin.

When accepting guarantees for Credit Facilities, the Bank will evaluate the level of coverage being provided in relation to Credit Quality, Legal Capacity and Strength of the guarantor(s). The Bank will perform the necessary due diligence to ensure the enforceability of the guarantee arrangements.

10.6 Overview of CRM Techniques

The following table provides information on the extent of the Bank's usage of CRM techniques.

		31-Dec-22				
		a	b	c	d	e
S\$'000		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	41,979	-	-	-	-
2	Debt securities	149,632	-	-	-	-
3	Total	191,611	-	-	-	-
4	Of which: defaulted	-	-	-	-	-

As of 31 December 2022, the Bank does not hold any secured exposures.

10.7 Qualitative Disclosures on the use of external credit ratings under the SA(CR)

External ratings, where available, are used to assign risk-weights for Standardised Approach exposures. These external ratings must come from approved rating agencies, known as External Credit Assessment Institutions ("ECAI"); which currently include Moody's, Standard & Poor's and Fitch. The Bank uses the ECAI ratings from these agencies in its day-to-day business, which are tracked and kept updated.

The Bank currently does not use assessments provided by export credit agencies for the purpose of evaluating RWA in the Standardised Approach.

10.8 SA(CR) and SA(EQ) - Credit Risk Exposure and CRM Effects

The following table provides the effects of CRM on the calculation of the Bank's capital requirements for SA(CR).

		31-Dec-22					
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
S\$'000		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes and others							
1	Cash items	-	-	-	-	-	0%
2	Central government and central bank	167,361	-	167,361	-	-	0%
3	PSE	-	-	-	-	-	0%
4	MDB	-	-	-	-	-	0%
5	Bank	58,403	-	58,403	-	11,681	20%
6	Corporate	-	-	-	-	-	0%
7	Regulatory retail	41,979	255	41,979	-	31,484	75%
8	Residential mortgage	-	-	-	-	-	0%
9	CRE	-	-	-	-	-	0%
10	Equity - SA(EQ)	-	-	-	-	-	0%
11	Past due exposures	-	-	-	-	-	0%
12	Higher-risk categories	-	-	-	-	-	0%
13	Other exposures	1,155	-	1,155	-	1,155	100%
14	Total	268,898	255	268,898	-	44,320	16%

10.9 SA(CR) and SA(EQ) - Exposures by Asset Classes and Risk Weights

The following table provides the breakdown of the Bank's credit risk exposures under the SA(CR) and SA(EQ) by asset class and risk weight, corresponding to the level of risk attributed to the exposures.

		31-Dec-22									
		a	b	c	d	e	f	g	h	i	j
		Risk weight									Total credit exposure amount (post-CCF and post-CRM)
S\$'000	Asset classes and others	0%	10%	20%	35%	50%	75%	100%	150%	Others	
1	Cash items	-	-	-	-	-	-	-	-	-	-
2	Central government and central bank	167,361	-	-	-	-	-	-	-	-	167,361
3	PSE	-	-	-	-	-	-	-	-	-	-
4	MDB	-	-	-	-	-	-	-	-	-	-
5	Bank	-	-	58,403	-	-	-	-	-	-	58,403
6	Corporate	-	-	-	-	-	-	-	-	-	-
7	Regulatory retail	-	-	-	-	-	41,979	-	-	-	41,979
8	Residential mortgage	-	-	-	-	-	-	-	-	-	-
9	CRE	-	-	-	-	-	-	-	-	-	-
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	-	-
11	Past due exposures	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	1,155	-	-	1,155
14	Total	167,361	-	58,403	-	-	41,979	1,155	-	-	268,898

11 Counterparty Credit Risk

Counterparty Credit Risk (“CCR”) is defined as the risk that a counterparty could default before the final settlement of the cash flows of derivatives or securities financing transactions.

Pre-settlement credit risk for traded products arising from a counterparty potentially defaulting on its obligations is quantified by evaluation of the market price, plus potential future exposure. This is included under the Bank's overall credit limits to counterparties for internal risk management.

As of 31 December 2022, the Bank has not engaged in any derivatives or securities financing transactions, hence CCR is not applicable.

12 Securitisation

Securitisation is defined as a structure where the cashflow from a pool of assets is used to service obligations to at least two different tranches or classes of creditors.

As of 31 December 2022, the Bank does not securitise its own assets, acquire assets with a view to re-securitising them, nor does it arrange securitisations for clients.

13 Market Risk

13.1 Qualitative Disclosures related to Market Risk

The Market Risk Management Policy sets our overall approach towards market risk management. Market risk arises from adverse changes in interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices as well as related factors. The Bank adheres to the principle of prudence in managing market risk and aims for an appropriate balance between risk-taking and capital strength.

Strict controls are maintained by limiting its risk exposure to avoid excessive risk and adopts net-open-position limits while performs stress testing to monitor the Bank's vulnerability to unexpected but plausible extreme market risk-related events regularly.

The Market and Liquidity Risk Management department is independently set up to monitor, control, and analyse the Bank's market risk (including interest rate risk in the banking book).

Internal control processes and systems have been designed and implemented to support risk management methodology. These control processes and systems are reviewed regularly to ensure sound effectiveness at all times. The Bank adopts the Standardised Approach to measure regulatory capital requirements for market risk.

13.2 Market Risk under Standardised Approach

The following table shows the components of the Bank's market risk capital requirement under the Standardised Approach.

S\$'000		31-Dec-22
		RWA
Products excluding options		
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	3,064
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	Total	3,064

14 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Losses can be in the form of financial losses or others such as reputational impact, loss of public confidence, ability to transact / maintain liquidity, or underwrite new business.

The Bank's Operational Risk Management ("ORM") Policy sets our overall approach for managing operational risk in a structured, systematic and consistent manner. This policy aims to establish an effective and efficient ORM framework for the Bank to identify, assess, monitor, report and mitigate the risks it is exposed to. To be effective, this framework should be cohesive, consistently applied, and integrated with business processes. The Bank also fosters a corporate culture of vigilance and high standard of care in all employees.

To manage and control operational risk, the Bank uses various tools, including risk and control self-assessment ("RCSA"), operational risk event management and KRI monitoring.

RCSA is performed by each business function to self-identify and evaluate the operational risks (inherent risks and residual risks) and corresponding controls (control design and control execution) in various business and management activities. It is also meant for the respective units to also take corresponding improvement measures according to these evaluation results.

An operational risk event is an event that results in a gain, a loss or a near miss. The Bank has referenced the Basel Committee on Banking Supervision ("BCBS") framework on operational loss event categories. Analysis of risk events can provide insights into the root causes of losses and information on whether control failures are isolated or systemic. These then enable the Bank to identify or estimate the risk that may occur in the future if the surrounding factors do not change significantly. When control issues are identified, treatment plans shall be developed and tracked until resolution of the issues.

KRIs are metrics that relate to a specific risk and demonstrate a change in the likelihood or consequence of the risk occurring. KRI with pre-defined escalation triggers are employed to facilitate risk monitoring in a forward-looking manner. KRIs provide an early warning to identify potential events that may harm continuity of an activity/ project that signal the need for actions to be taken.

The Bank applies a computation method agreed by MAS for the calculation of its Operational Risk Capital Requirement.

15 Interest Rate Risk in the Banking Book

The Bank's Interest Rate Risk in the Banking Book ("IRRBB") is measured from both economic value and earnings perspectives using Economic Value of Equity ("EVE") and Net Interest Income ("NII") variability as the respective key risk metrics to manage the Bank's assets and liabilities. The bank measures IRRBB on a monthly basis. Internal control processes and metrics have been implemented to support the management approach and reviewed regularly.

In 2022, the key driver of interest rate risk is SGD-denominated exposure consisting of loans, deposits and liquid assets. The NII of the banking book is assessed under various rate scenarios to determine the impact of interest rate movements on future earnings. Simulating a 150 basis-point parallel upward or downward shift in yield curves on banking book exposures, NII is estimated to be impacted by SGD 1.64 million.

16 Remuneration

16.1 Remuneration Strategy and Approach

The Bank's remuneration policy is designed to attract, motivate and retain employees to achieve the goals set out in our business strategy and priorities. We carefully consider risk management principles and adhere to overall corporate governance requirements, whilst ensuring our remuneration approach is competitive and sustainable to deliver the Bank's long-term success based on the following key principles and mechanisms.

Principles	Details
Fairness	<p>Takes into consideration:</p> <ul style="list-style-type: none"> • Capability - employee's skills, experience and contributions and/or achievements within the Bank. • External benchmarks - in line with prevailing industry norms and standards. • Internal parity - in comparison to peers within the Bank on job responsibilities, seniority and performance levels.
Competitiveness	<ul style="list-style-type: none"> • Salary levels for individuals will be influenced by market competitiveness to attract top talent. • Regular market surveys will be conducted to assess the compensation range for different job profiles within the Bank.
Incentive	<ul style="list-style-type: none"> • Thoughtfully designed incentive schemes to foster specific behaviours that align with our organisational goals - intended to motivate employees to exhibit desired behaviours and contribute towards overall success of the Bank.
Comprehensive Performance Indicators	<ul style="list-style-type: none"> • Ensures a holistic evaluation process based on performance review indicators that aligns with overall compensation strategy given that a significant portion of salary adjustments is linked to an individual's performance and their ability to meet individual and team goals.

The Bank's remuneration policy applies to all permanent, full-time employees of the Bank, while senior managers' remuneration is determined separately by the Board.

To ensure its appropriateness and effectiveness, the salary policy and its implementation is reviewed regularly, conducted at least once a year, by both management and the Nomination and Remuneration Committee. These are the key stakeholders that play a crucial role in the management of salaries.

Stakeholders	Roles
Board of Directors	<ul style="list-style-type: none"> Responsible for the salary management, system and policy decisions of the Bank, in compliance with relevant laws and regulations in Singapore.
Nomination and Remuneration Committee	<ul style="list-style-type: none"> Ensures that the Bank's salary policy conforms to the Bank's business strategy, enterprise objectives, risk preference, culture, control environment, the Bank's long-term interests and relevant legal or regulatory requirements. Examines the overall salary policy and structure of the bank, specific salary plans related to senior management, and the overall salary calculation plans applicable to all employees of the company at least once a year in a meeting, and where applicable, provides suggestions to the Board. The composition and specific terms of reference of the Committee are guided by the Rules of Procedure of the Nomination and Remuneration Committee.
Human Resource Department	<ul style="list-style-type: none"> Responsible for the implementation of specific matters relating to compensation and performance management. Responsible for the organisation, implementation, management, inspection and supervision of all policies relating to remuneration. Handles the day-to-day affairs of salary and payroll management in accordance with the Bank's existing payroll architecture.

16.2 Remuneration Composition

Employee remuneration comprises the following 3 main components.

Remuneration Component	Details
Fixed Salary	<ul style="list-style-type: none"> Mainly based on the employee's position, value and competency. Determined by the benchmark of internal organisational levelling with consideration factors such as tenure, business responsibilities and risks undertaken. Any adjustment to an employee's fixed salary will be based on the combination of Bank-wide guidelines and individual adjustments; adjustment range is determined by achievement of organisational goals, individual's position on the current salary range as well as the macroeconomic environment. End of year adjustment ratios of the employee's fixed salary, if any, will be determined by the assessment result of the individual, including but not limited to if they get promoted.

Remuneration Component	Details
Discretionary Bonus	<ul style="list-style-type: none"> Based on a combination of the Bank's overall performance as well as the individual employee's performance, paid out as a reward for employee's overall contributions to the success of the Bank.
Long-term Incentives	<ul style="list-style-type: none"> Handed out to a cross-section of the Bank's employees in the form of Restricted Shares Units, Share Appreciation Rights, based on the outcome of their performance evaluation. In the event a senior management personnel or related staff leaves the position within the prescribed time period, the Bank reserves the right to claw back all long-term incentives that have been issued, and forgo the payment of the remaining unpaid incentives.

The following categories of personnel may have a significant impact on the Bank's risk situation and financial stability. The design of remuneration for these employees will therefore take into consideration the extent of influence they have on day-to-day administrative matters and the potential risks associated with their actions, that the Bank will be exposed to.

Personnel	Details
The Bank's Senior Management	<ul style="list-style-type: none"> Including but not limited to the Directors, Chief Executive Officer and other Senior Managers. Responsible for monitoring the strategies and/or activities of the Bank and/or its related businesses.
Individual employees	<ul style="list-style-type: none"> Those who in the course of their duties and activities would undertake or bear significant risk on behalf of the Bank i.e., material risk personnel whose authority enables them to undertake significant risks and/or Those who are engaged in risk control functions i.e., employees who operate in risk management, financial control, compliance, law and internal audit. For the avoidance of doubt, these functions will also constitute core functions as determined in the Individual Accountability and Conduct Framework. Salaries of these personnel shall be determined according to their roles in the Bank, and should be independent of the business area's performance under their supervision to avoid potential collusion, and to ensure the twin objectives of business performance and risk control are given equal importance. Additionally, the leadership of the business unit should not be involved in determining the salary of risk control employees.
Teams	<ul style="list-style-type: none"> Teams that have employees whose collective actions could expose the Bank to material risk i.e., list of core functions as determined in the Individual Accountability and Conduct Framework.

16.3 2022 Remuneration Outcomes

The following tables show the breakdown of the total compensation elements paid out in the financial year.

Breakdown of Remuneration Awarded

Category		SM ¹	MRP ²
Fixed remuneration	Cash-based	55%	74%
	Shares and other share-linked instruments	-	-
	Other forms of remuneration	-	-
Variable remuneration	Cash-based	13%	7%
	Shares and other share-linked instruments	31%	18%
	Other forms of remuneration	-	-
Total remuneration		100%	100%
Headcount		12	17
Number of variable remuneration awards received		10	10

¹ Material Risk Personnel (“MRP”) refer to individuals who are employed by the Bank and have the authority to make decisions or conduct activities that can significantly impact the Bank’s safety and soundness, or cause harm to customers or other stakeholders.

² Senior Management (“SM”) refer to individuals who are employed by, or acting for the Bank and are principally responsible for the day-to-day management of the Bank (excluding MRP identified above).

The Bank has adopted the above definitions for the purposes of MAS Notice 637 Pillar 3 reporting.

Breakdown of Guaranteed Bonuses, Sign-on Awards and Severance Payments

Category	SM	MRP
Number of guaranteed bonuses	0	0
Number of sign-on awards	3	2
Number of severance payments	0	0
Total amount of above payments made (S\$’000)	119	28

As of 31 December 2022, there were no outstanding deferred remuneration nor any deferred remuneration paid out in the financial year.

17 Pillar 3 disclosures not applicable to the Bank

RWA Disclosures

For the purpose of calculating Credit and Market RWA, the Bank applies the Standardised Approach. Accordingly, the disclosures on the following RWA approaches are not applicable to the Bank.

	Pillar 3 Table	Table Name
Credit Risk	11-16	Qualitative Disclosures for Internal Ratings-Based Approach (“IRBA”) Models
	11-17	IRBA - Credit Risk Exposures by Portfolio and Probability of Default (“PD”) Range
	11-18	IRBA - Effect on RWA of Credit Derivatives used as Credit Risk Mitigation (“CRM”)
	11-19	IRBA - RWA Flow Statement for Credit Risk Exposures
	11-20	IRBA - Backtesting of PD per Portfolio
	11-21	IRBA - Specialised Lending and Equities under the Simple Risk Weight Method
Market Risk	11-37	Qualitative Disclosures related to Internal Models Approach (“IMA”)
	11-39	RWA Flow Statements of Market Risk Exposures under IMA
	11-40	IMA Values for Trading Portfolios
	11-41	Comparison of Value-at-Risk (“VaR”) Estimates with Gains or Losses

Counterparty Credit Risk

During the financial year, the Bank has not engaged in any derivatives or securities financing transactions. Consequently, disclosures relating to Counterparty Credit Risk (“CCR”) are not applicable.

	Pillar 3 Table	Table Name
Counterparty Credit Risk	11-23	Analysis of CCR Exposure by Approach
	11-24	Credit Valuation Adjustment (“CVA”) Risk Capital Requirements
	11-25	Standardised Approach - CCR Exposures by Portfolio and Risk Weights
	11-26	IRBA - CCR Exposures by Portfolio and PD Range
	11-27	Composition of Collateral for CCR Exposure
	11-28	Credit Derivative Exposures
	11-29	RWA Flow Statements under the CCR Internal Models Method
	11-30	Exposures to Central Counterparties

Securitisation

As the Bank does not securitise its own assets, acquire assets with a view to re-securitising them, nor does it arrange securitisations for clients, the following disclosures relating to Securitisation are not applicable.

	Pillar 3 Table	Table Name
Securitisation	11-32	Securitisation Exposures in the Banking Book
	11-33	Securitisation Exposures in the Trading Book
	11-34	Securitisation Exposures in the Banking Book and associated Regulatory Capital Requirements - A Reporting Bank acting as Originator or as Sponsor
	11-35	Securitisation Exposures in the Banking book and associated Regulatory Capital Requirements - A Reporting Bank acting as Investor

Macroprudential Supervisory Measures

The Bank is not classified as a Global Systemically Important Bank (“G-SIB”) by the BCBS, hence the following disclosure is not applicable.

	Pillar 3 Table	Table Name
Macroprudential Supervisory Measures	11-47	Disclosure of G-SIB Indicators

18 Abbreviations

A-IRBA	Advanced Internal Ratings-Based Approach
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
CAR	Capital Adequacy Ratio
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CRM	Credit Risk Mitigation
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Bank
ECAI	External Credit Assessment Institutions
EL	Expected Loss
ERM	Enterprise Risk Management
EVE	Economic Value of Equity
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
IRBA	Internal Ratings-Based Approach
IRRBB	Interest Rate Risk in the Banking Book
ISIN	International Securities Identification Number
KRI	Key Risk Indicator
MAS	Monetary Authority of Singapore
MDB	Multilateral Development Bank
MRP	Material Risk Personnel
NII	Net Interest Income
ORM	Operational Risk Management
PE/VC	Private Equity and Venture Capital

RWA	Risk-Weighted Assets
RCSA	Risk and Control Self-Assessment
SA(CR)	Standardised Approach for Credit Risk
SA(EQ)	Standardised Approach to Equity Exposures
SA(MR)	Standardised Approach to Market Risk
SM	Senior Management
SFT	Securities Financing Transactions
SGD	Singapore Dollar
TEP	Total Eligible Provisions
T1	Tier 1
T2	Tier 2