

ANEXT Bank Private Limited

Pillar 3 Disclosure Report

31 March 2023

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 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 March 2023, 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
		31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
		2023	2022	2022	2022	2022
S\$'000						
Available capital (amounts)						
1	CET1 capital	428,799	185,686	195,150	199,759	N/A
2	Tier 1 capital	428,799	185,686	195,150	199,759	N/A
3	Total capital	429,735	186,096	195,162	199,771	N/A
Risk weighted assets (amounts)						
4	Total RWA	117,091	55,475	14,965	12,364	N/A
Risk-based capital ratios as a percentage of RWA¹						
5	CET1 ratio (%)	366.2	334.7	1,304.0	1,615.7	N/A
6	Tier 1 ratio (%)	366.2	334.7	1,304.0	1,615.7	N/A
7	Total capital ratio (%)	367.0	335.5	1,304.1	1,615.8	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	2.5	N/A
9	Countercyclical buffer requirement (%)	0.0	0.0	-	-	N/A
10	G-SIB and/or D-SIB additional requirement (%)	-	-	-	-	N/A
11	Total of CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5	2.5	2.5	2.5	N/A
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	359.0	327.5	1,296.1	1,611.2	N/A
Leverage Ratio						
13	Total Leverage Ratio exposure measure	568,300	268,514	238,344	243,983	N/A
14	Leverage Ratio (%) (row 2 / row 13)	75.5	69.2	81.9	81.9	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 March 2023 were well above the regulatory minimum requirements. Compared with the previous quarter, the increase in CAR was mainly attributable to the capital injection received in Q1 2023.

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

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	
	31 Mar 2023	31 Dec 2022		31 Mar 2023	
1	Credit risk (excluding CCR)	96,248	44,320		7,700
2	<i>of which: Standardised Approach</i>	96,248	44,320		7,700
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	8,433	3,064		675
21	<i>of which: SA(MR)</i>	8,433	3,064		675
22	<i>of which: IMA</i>	-	-		-
23	Operational risk	12,410	8,091		993
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-		-
25	Floor adjustment	-	-		-
26	Total	117,091	55,475		9,368

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.

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

S\$'000		31-Mar-23
		Amount ¹
1	Total consolidated assets as per published financial statements	576,945
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	34
7	Other adjustments	(8,679)
8	Exposure measure	568,300

¹The Bank only publishes financial statements annually. Amount indicated here is for Q1 2023.

4.2 Leverage Ratio Common Disclosure Template

		Amount ¹ (S\$'000)	
		31-Mar-23	31-Dec-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)	576,945	277,687
2	Asset amounts deducted in determining Tier 1 capital	(8,679)	(9,199)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	568,266	268,488
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	339	255
18	Adjustments for calculation of exposure measures of off-balance sheet items	(305)	(229)
19	Total exposure measures of off-balance sheet items	34	26
Capital and Total exposures			
20	Tier 1 capital	428,799	185,686
21	Total exposures	568,300	268,514
Leverage Ratio			
22	Leverage Ratio	75.5%	69.2%

¹ The Bank only publishes financial statements annually. Amount indicated here is for Q1 2023.

Leverage Ratio as of 31 March 2023 stood at 75.5%, well above the 3% minimum requirement. The quarter-on-quarter increase in Leverage Ratio is mainly attributable to the capital injection received in Q1 2023, resulting in an increase in Tier 1 capital.

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