

Standard Chartered Bank (Singapore) Limited
Registration Number: 201224747C

Public Disclosure
For the period 8 October 2012 (date of incorporation) to
31 December 2013

1. Introduction

Standard Chartered Bank (Singapore) Limited (the “Bank”) is incorporated in the Republic of Singapore and has its registered office at 8 Marina Boulevard Level 27 Marina Bay Financial Centre Tower 1, Singapore 018981. The Bank operates in Singapore under a full bank licence with an Asian Currency Unit and Qualifying Full Bank privileges granted by the Monetary Authority of Singapore.

The immediate and ultimate holding companies during the financial period are Standard Chartered Holdings (Singapore) Private Limited and Standard Chartered PLC (the “Group”) respectively. The former is incorporated in Singapore and the latter is incorporated in the United Kingdom.

Standard Chartered Bank Singapore Branch (the “Branch”) has transferred the assets and liabilities of the consumer banking retail and Small Medium Enterprises (“SME”) business in Singapore to the Bank on 7 October 2013 via a scheme of transfer (the “Scheme”) under Part VIIA, Division 1 of the Banking Act, Chapter 19 of Singapore (“Banking Act”).

The purpose of this disclosure is to provide the information in accordance with public disclosure under MAS Notice 637. This supplements the disclosure in the Risk Management and Capital Management sections as well as related information in the Notes to the Financial Statements.

This public disclosure should be read in conjunction with the Bank’s Financial Statements for the period 8 October 2012 (date of incorporation) to 31 December 2013.

2. Capital Structure and Capital Adequacy

The Bank’s approach to capital management is to maintain a strong capital base to support the development of the Bank’s business and to meet regulatory capital requirements at all times.

The Bank applies the Internal Capital Adequacy Assessment Process (“ICAAP”) to assess its capital demand on a current, planned and stressed basis. The assessment covers the major risks faced by the Bank, in addition to credit, market and operational risks that are covered under the minimum capital requirements. The capital management and planning process is overseen by the Asset and Liability Committee (the “ALCO”) which is chaired by the Chief Executive officer.

The Bank’s regulator, the Monetary Authority of Singapore (“MAS”), under MAS Notice 637 on Risk Based Capital Adequacy Requirements sets out the requirements relating to the minimum capital adequacy ratios for banks incorporated in Singapore and the methodology the banks shall use in calculating these ratios.

The table below shows the composition of the Bank’s regulatory capital and its capital adequacy ratios as of 31 December 2013 on Basel III basis.

2.1 Capital Management

In S\$ million	2013
Ordinary Shares	1,653
Disclosed reserves	48
Regulatory adjustments	(285)
Common Equity Tier 1 Capital	1,416
Tier 1 Capital	1,416
Subordinated notes	784
Portfolio impairment provisions	34
Tier 2 Capital	818
Eligible Total Capital	2,234
Risk-Weighted Assets (RWA)	
Credit	16,470
Market	1
Operational	1,323
Total RWA	17,794

Capital Adequacy Ratios	
Common Equity Tier 1	7.96%
Tier 1	7.96%
Total	12.56%

Pursuant to section 9 of the Banking Act of Singapore, the bank is required to maintain a paid-up capital and capital funds of not less than \$1,500,000,000.

The Bank's capital is the aggregate of its paid-up share capital and disclosed reserves which include accumulated profits, foreign currency translation reserves, available for sale reserves and cash flow reserves. The Bank's Tier 2 capital comprises of Basel III Compliant Floating Rate Subordinated Notes issued to the Group.

The Bank's capital requirements are based on the Standardized Approach and the Bank's capital adequacy ratio ("CAR") for 31 December 2013 is computed on this basis, which is in accordance with MAS Notice 637.

As at 31 December 2013, the above ratios are above the stipulated regulatory requirements for CET 1 CAR, Tier 1 CAR and Total CAR of 4.5%, 6% and 10% respectively.

3. Risk Management

The Board is responsible for overseeing the governance of risk in the Bank. The Board ensures that senior management maintains a sound system of risk management and internal controls to safeguard stakeholders' interests and the Company's assets. Section on 'Risk Management and Internal Controls' under 'Accountability and Audit' in the Corporate Governance Report outlines the bank's approach to risk management.

The Bank has adopted the Standardised Approach ("SA") for Credit Risk, Operational Risk and Market Risk capital computations as per requirements set out in MAS Notice 637.

3.1 Exposures and Risk Weighted Assets (RWA)

Exposures and RWA by Portfolio as of 31 December 2013 (S\$million)

	Gross Exposure	Credit Exposures	RWA
Credit Risk			
Standardised Approach			
Residential Mortgage	22,053	22,052	8,010
Regulatory Retail	5,087	4,583	3,508
Central Governments and Central Banks	3,067	3,067	-
Commercial Real Estate	2,299	2,291	2,291
Corporate	2,151	2,132	1,417
Bank	1,898	1,898	399
Securitization	768	768	158
Others	855	755	687
Total Standardised	38,178	37,546	16,470
Internal Ratings based Approach			
	-	-	-
Total Credit Risk	38,178	37,546	16,470
Market Risk			
Standardised Approach			1
Operational Risk			
Standardised Approach			1,323
Total RWA			17,794

Note: Amounts above represent exposures after credit risk mitigation and where applicable, include on-balance sheet amounts and credit equivalent amounts of off-balance sheet items as per MAS Notice 637.

3.2 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. It is managed through a framework that sets out credit policies and procedures and credit approval authority delegations. There is a clear segregation of duties between transaction originators and credit approvers. Further details on credit risk management can be found in Note 36 of the Bank's financial statements.

The Bank measures Credit Risk as per the Standardised Approach (SA) for its credit portfolios. For sovereigns, corporates and financial institutions, external credit ratings from approved External Credit Assessment Institutions (ECAI) are used to assign risk weights.

3.2.1 Exposure by geography: The Bank's business is managed and originated from Singapore and as such all its exposures are from Singapore.

3.2.2 Credit Risk Assessed - by Risk Weights (S\$million)

Risk weights	Exposure Amount
0%	3,113
20%	3,292
35%	21,438
50%	589
75%	4,912
100%	4,108
>100%	94
Total	37,546

3.2.3 Credit Risk assessed - on residual contractual maturity (S\$million)

	One year or less	One to five years	Over five years	Total
On Balance sheet	1,635	3,470	27,652	32,757
Off Balance sheet	1,862	85	2,765	4,712
OTC Derivatives	35	31	10	77
Total	3,532	3,586	30,427	37,546

3.2.4 Impairment Allowances policy: Note 36 of the Bank's financial statement outlines the approach for assessment of individual and collective impairment allowances.

3.2.5 Exposures classified / past due and individual impairment allowance (S\$million)

Asset Type	Past Due Exposures	Classified Exposures	Individual impairment allowances
Retail Mortgages	161	28	1
Unsecured Loans	380	99	16
Small and Medium Enterprises	17	29	7
Others	5	0	0
Grand Total	563	156	24

Notes: The Past Due facilities are the one overdue by a day or more but not yet Classified. Small and Medium Enterprises facilities include SME mortgage loans and SME Trade Finance.

3.2.6 Credit Exposures and RWA for ECAI rated exposures

	Exposure Amount S\$million	RWA S\$million
ECAI Rated Exposures	4,958	530

3.2.7 Credit Risk Mitigation (CRM)

Potential credit losses from any given customer or portfolio are mitigated using a range of tools such as collateral, netting agreements and guarantees. The reliance that can be placed on these mitigants is assessed in light of items such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Risk mitigation policies and procedures determine the eligibility of various types of collateral, collateral valuation/ revaluation requirements, applicable hair-cuts, re-margining requirements and re-assessment of credit limits.

Asset Class Breakdown by Risk Weights after Credit Risk Mitigation (S\$million)

Asset Class under Standardised Approach	Credit Exposure	Eligible Financial Collateral after Haircut	Reduction in Credit Exposure by Credit Protection
Residential Mortgage	22,052	0	-
Regulatory Retail	4,583	459	-
Central Governments and Central Banks	3,067	-	-
Commercial Real Estate	2,291	7	-
Corporate	2,132	81	-
Bank	1,898	-	-
Securitization	768	-	-
Others	755	101	-
Total Credit	37,546	648	-

Note: Only the eligible financial collateral or credit risk mitigation as per MAS 637 are included above for regulatory capital calculations. Eligible Financial Collateral are after applying haircut by Asset Class.

3.3 Counterparty Credit Risk (CCR) in the Trading Book

Counterparty credit risk (CCR) is the risk that the Bank's counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative contract defaults prior to maturity date of the contract and that the Bank at the time has a claim on the counterparty. CCR arises predominantly in the trading book, but can also arise in the banking book due to hedging of external funding.

The credit risk arising from all financial derivatives is managed as part of the overall lending limits. The Bank reduces its credit exposure to counterparties by entering into contractual netting agreements. Following International Accounting Standard (IAS) 32 requirements, exposures are however presented on a gross basis in the financial statements as such transactions are not intended to be settled net in the ordinary course of business.

Counterparty Credit Risk Exposures (S\$million)

	Credit Exposure before credit risk mitigation	Netting benefits	Netted current credit exposure	Collateral held	Net derivatives credit exposure
Interest Rate	32	0	32	-	32
Foreign Exchange	34	0	34	-	34
Equity	10	-	10	-	10
Other Commodity	0	-	0	-	0

Note: There are no credit derivative transactions in the Bank.

3.4 Securitisation Exposures

The Bank does not securitize its own assets, nor does it acquire assets with a view to re-securitising them. The bank does not provide implicit support for any transactions it structures or on which it has invested. The Bank does not arrange securitisations for clients.

The Bank holds certain investments in Asset Backed Securities ("ABS") in the banking book for managing its liquidity and to meet the regulatory requirements for maintaining high quality assets. These exposures are risk weighted under the Standardised Approach and are valued in accordance with the Bank's accounting policy as stated in Financial Statements Note 3.1.

Exposure of ABS is tabulated below (S\$million)

	Notional amount		
	Traditional securitisation programmes	EAD	RWA
Auto Loan	217	217	48
Credit card receivables	57	57	11
Residential mortgages (RMBS)	494	494	99
Grand Total	768	768	158

3.5 Market Risk and Interest Rate Risk in the Banking Book

Market risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. It is managed under the market risk policies and processes to obtain the best balance of risk and return whilst meeting customers' requirements.

The primary categories of market risk are:

- interest rate risk in banking book: arising from changes in yield curves and credit spreads impacting the banking book.
- currency exchange rate risk: arising from changes in exchange rates on any residual foreign exchange positions.

The Bank does not run a trading book. All derivatives related to customer transactions and structured loans and deposits are covered with the Branch on a back to back basis. Residual currency exchange positions related to foreign exchange price movements may remain within the Bank.

The Market Risk function monitors exposures against approved limits for the trading and banking book. Sensitivity measures are used in addition to Value at Risk ("VaR") as risk management tools. Further details of exposure can be found in Note 36 of the Bank's financial statements.

The Bank's market risk capital requirement is summarised below (S\$million):

Interest rate risk	-
Equity position risk	-
Foreign exchange risk	0.06
Commodity risk	-
Total	0.06

3.6 Operational Risk

The Bank's senior management team, under delegation from the Board, is responsible for overseeing operational risks across the Bank. The Bank has systems in place to record Operational Risk and Loss Incidents and to trigger periodic control self assessments as required and to capture results to monitor exceptions. Further details on operational risk management can be found in Note 36 of the Bank's financial statements.

4 Remuneration

Remuneration Policy

The Remuneration Committee (the “Committee”) of Standard Chartered PLC (the “Group”) comprises only Non Executive Directors (“NED”) providing independence from the management of the Bank. The Committee has oversight of all reward policies for Standard Chartered employees. It is responsible for setting the principles and governance framework for all compensation decisions.

The Bank have an exemption from the MAS on the requirement to set up a remuneration committee on the basis that the remuneration of the directors and executive officers of the Bank are subject to the remuneration framework and processes of the Group. The Bank adopts the remuneration policy and processes of the Group. The Board of the Bank annually reviews the alignment of the remuneration framework and processes of the Bank with the principles and best practices promulgated under the Corporate Governance regulations and guidelines by the MAS. There has been no significant change in the Group remuneration policy in 2013.

Our performance, reward and benefits approach supports and drivers our business strategy and reinforces our values in the context of a clearly articulated risk appetite and a Group-wide framework, under which we apply a consistent approach to reward all employees.

All employees are entitled to base salary, benefits and have the opportunity to receive an element of performance-related compensation, subject to their contractual entitlement. The maximum opportunity of performance-related compensation available is based on the seniority and responsibility of the role. The Group adopts a prudent approach to increases in fixed compensation across the Group.

The Group aims to sustain a high performance culture in which every employee has a clear set of objectives, receives ongoing feedback on their performance and behaviour and is appropriately rewarded for their individual contribution.

There is no direct formulaic link between business income generated by an individual and that individual’s reward. Differentiating performance and values ratings at all levels enable us to target spend towards those who have made the most effective contribution to the Group’s performance and unique culture, recognises and aids retention of our highest performers and balances this with affordability considerations.

Performance and reward decisions for the control functions (including those of Risk, Compliance, HR and Legal) are determined independently of the business and control functions do not participate in any business specific performance plans.

Governance and Regulatory Requirements

Benchmarking the Group’s compensation arrangement against emerging regulatory best practice.

Regulatory Benchmarking

Emerging Regulatory	
Best Practice	Standard Chartered Practice
Fixed and variable compensation balance	<ul style="list-style-type: none"> ▪ Fixed remuneration is set at a level that is both appropriate for the role and the market as well as allowing for truly flexible variable remuneration arrangements where, for example, no performance award could be paid ▪ There is a single pool from which all discretionary variable compensation irrespective of structure (e.g. cash, deferred shares, performance shares) is funded

Remuneration policy supporting effective risk management processes	<ul style="list-style-type: none"> ▪ Risk management is core to all business decisions across the Group and we have a robust process for ensuring that compensation decisions take risk into account
Rewarding for performance and adherence to values	<ul style="list-style-type: none"> ▪ Employees are assessed and rewarded on performance against objectives and adherence to Group values. Those individuals modelling our values typically receive an uplift of up to 20 per cent over target variable compensation compared with those who demonstrate the values less frequently ▪ Claw-back on unvested deferred variable compensation that can be activated by inappropriate behaviours and non-adherence to Group values
Strong, defined link between remuneration and strategy	<ul style="list-style-type: none"> ▪ Variable compensation for senior management is driven by collective and individual objectives that are clearly linked to the achievement of business objectives consistent with the Group's risk appetite
Risk and performance Alignment	<ul style="list-style-type: none"> ▪ The use of a robust risk adjusted profit metric that takes into account regulatory capital, credit and market risk in the formulation of performance award pools ▪ Claw-back can be applied to deferred and performance awards prior to vesting ▪ The Group's share plan uses a risk based performance condition to ensure it is aligned to risk ▪ A combination of three-year and five-year vesting periods for share awards is consistent with the tenor of the Group's banking book.
Meaningful levels of deferral for variable compensation	<ul style="list-style-type: none"> ▪ A Group-wide deferral framework with a top rate of 60 per cent deferral of Total Variable Compensation applies to all employees ▪ All employees are subject to the higher of any regulatory deferral requirements and the Group deferral framework
Strong internal governance process	<ul style="list-style-type: none"> ▪ The Committee oversees all material variable compensation plan spend and reviews the remuneration of the most highly paid and those subject to the Remuneration Code's deferral requirements ▪ The Group Chief Risk Officer attends key Committee meetings ▪ Control function variable compensation pools are managed separately from the businesses they control ▪ A comprehensive set of reward plan committees provide rigorous challenge of variable compensation decisions and allocation of pools ▪ Control functions provide input into reward plan committees on any control issues (positive or negative) that should influence compensation and claw-back decisions

Supporting risk management through our remuneration practices

Effective risk management fundamental to building sustainable performance and is the central tenet of the financial and operational management of the Group. The Risk function ensures management of risk throughout the Group via a robust and rigorous Risk Management Framework. Risk appetite is set in the context of the Group's strategy and the annual Strategy Board meeting sets strategic goals that are translated into financial and business targets and, ultimately, to employees' objectives.

Since performance against these objectives is a significant factor in the determination of an individual's Annual Performance Award, employees are required to ensure the effective management of risks within the scope of their direct organisational responsibilities.

The Committee reviews the Group’s performance and reward policy on a regular basis against significant regulatory developments in our markets, market practice and shareholder expectations.

Risk adjustment of compensation

The Committee views management of Total Variable Compensation (“TVC”) in a holistic way, using a number of levers to determine both the appropriate size of the variable compensation pool and individual recommendations taking account of current and future risk to the Group at the time at which compensation decisions are made.

These levels are used to make ex-ante risk and performance adjustments beginning with the use of risk capital-adjusted profit (“RCAP”) in determining the TVC pools. In addition, the Committee has agreed a number of mechanisms to make ex-post performance adjustments that provide further alignment to actual performance outcomes (see below).

Considerations at the time of award (ex ante)

- Initial pool funding** • Total variable compensation (TVC) pool determination is based on risk adjusted profit
- Validation of the TVC pool** • The Committee then reviews the TVC pool and exercises its judgment to ensure that the overall payout appropriately reflects Group performance, the control environment, and any other qualitative risk factors that the Committee considers appropriate

Adjustments after awards made (ex post)

- Balance of upfront and deferred annual performance awards and performance shares** • The Committee considers the balance of cash, deferred and performance shares to be delivered both at an aggregate level and at an individual level. Ex post adjustments are only effective if the right people get the appropriate level of deferrals and performance shares.
• In the Group, deferrals start at USD50,000 and up to 1,370 employees are eligible to receive performance shares depending on individual performance.

- Performance adjustment and claw-back** • This is achieved through multiple lenses.
• Potential diminution in value of deferred award: through share price movement until vesting.
• Malus prior to vesting: applied if an individual exhibits inappropriate values or behaviour.
• Malus prior to vesting: applied if there is a material event (including a restatement, breach of regulatory guidelines or failure in risk management at a Group or business level).
• Potential diminution in value of performance shares: through share price movement as well as subsequent testing of performance conditions

- Shareholding requirements** • The Group operates a shareholding requirement policy to align the interests of its executives with its investors. We remain committed to the principles of share ownership by executives with an expectation that such employees build up a shareholding over time
• Employees subject to the Remuneration Code contained within the Prudential Regulation Authority’s (“PRA”) handbook are required to hold a specified minimum number of vested ordinary shares, which effectively results in a 12 -month retention period for vested and up-front share awards

Application of deferral and malus

Annual discretionary performance awards (“APA”) above USD50,000 are subject to deferral under the Group’s standard framework. The deferred portion is delivered entirely in shares for the majority of employees. However, those employees with the highest level of deferrals (a minimum total deferred APA of USD85,000) can elect for 50 per cent of their deferred award to be delivered as deferred cash. All deferred awards, shares and cash, vest equally over three years and remain subject to the Group’s claw-back policy. Vested deferred share and up-front share awards may be sold if the employee meets any stated minimum shareholding requirement.

The current deferral thresholds are shown in the following table:

Annual performance award threshold (USD)	Percentage deferred
USD50,000 or less	No deferral, paid in cash
Above USD50,000 and equal to USD250,000	25%
Above USD250,000 and equal to USD500,000	35%
Above USD500,000 and equal to USD3million	50%
Above USD3m	65%

Note: The net deferral rate will be capped at an aggregate deferral of 50 per cent including an expected value of any performance shares.

The Committee has discretion in very exceptional circumstances to determine that a whole award may not vest or will only partially vest. Such circumstances (defined as a “Material Event”) may include a material re-statement of the Group’s financial statements, the discovery of endemic problems in financial reporting, or where as a result of financial losses a material breach of regulatory guidelines (e.g. in relation to capital holdings or liquidity) or significant failure in risk management at Group or business unit level has occurred or is likely to occur. Where the Group financial statements have been subject to a material restatement or there has been a risk management failure, the Committee may also determine that forfeiture is to be restricted to the award holders in a particular business unit if issues in that unit alone have been the cause of the restatement or the risk management failure.

Individual award holders may also forfeit their awards if it is determined that the employee or former employee or group of employees has, as a result of an appropriate review, been deemed to have (i) caused in full or in part a material loss for the Group as a result of reckless, negligent or wilful actions or (ii) exhibited inappropriate values or behaviour.

Code staff remuneration disclosures

Under the Capital Requirements Directive IV (“CRDIV”) taking effect for the 2014 performance year, firms will be required maintain a policy on the annual assessment process to identify employees whose professional activities have, or could have, a material impact on the institution’s risk profile. These are known as Material Risk Takers and more commonly as Code Staff Employees (“Code Staff”) by the Prudential Regulation Authority. The Group has introduced a policy for the identification of Code Staff in 2013.

Remuneration for Code Staff is typically delivered through a combination of base salary, benefits and variable compensation (split between an annual performance award and a performance share award).

Variable compensation for Code Staff is structured in line with the Remuneration Code requirements. 40 to 60 per cent of variable compensation is deferred over a period of three years. Non-deferred variable compensation is delivered 50 per cent in up-front shares and 50 per cent in cash. Deferred

variable compensation is delivered through a mix of the following depending on the individual and quantum of the award:

- Deferred restricted shares;
- Deferred cash (eligible employees may elect to receive 50 per cent of the deferred amount in cash rather than just deferred restricted shares; and
- Performance shares.

Deferred compensation (cash and shares) is subject to the Group’s claw-back policy and continued employment (which may be terminated by the Group in the event of material misconduct). Both up-front and deferred shares are subject to a Group shareholding requirement level set out in our Structure of Discretionary Variable Compensation Policy.

The Bank has adopted the following definitions for the purposes of MAS Notice 637 Pillar 3 reporting:

Category 1: Material Risk Takers would be defined as employees who have been identified as “Code Staff” in accordance with the Group policy on the Identification of Material Risk Takers for Remuneration Purposes.

Category 2: Senior Management would be defined as Executive Committee members who are direct reports to the Chief Executive Officer of the Bank excluding Material Risk Takers identified above.

Please refer to the Directors’ Remuneration Report in the Annual Report of Standard Chartered PLC for more details of the Board Remuneration Committee, the major characteristics of the remuneration system, and how risks are taken into account in the remuneration processes.

Table 1: Guaranteed Bonuses, Sign-on Awards and Severance Payments

Category	MRT	SM
Number of guaranteed bonus awards	0	0
Number of sign-on awards	0	0
Number of severance payments	0	0
Total amount of above payments made during the Financial Year (SGD)	0	0

Table 2: Breakdown of Remuneration Awarded in Current Financial Year

Category		MRT %		SM %	
		Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration	Cash-based	66	0	56	0
	Shares and share-linked instruments	0	0	0	0
	Other forms of remuneration	0	0	0	0
Variable remuneration	Cash-based	10	0	32	0
	Shares and share-linked instruments ¹	10	14	0	12
	Other forms of remuneration	0	0	0	0
Total		100		100	

Table 3: Breakdown of Long-term Remuneration Awards

Category	MRT %	SM %
Change in deferred remuneration awarded in current financial year²	-70	-7
Change in amount of outstanding deferred remuneration from the previous financial year³	-2	3
Outstanding deferred remuneration (breakdown):		
Cash-based	6	0
Shares and share-linked instruments	94	100
Other forms of remuneration	0	0
Total	100	100
Outstanding deferred remuneration (performance adjustments):		
Of which exposed to ex-post adjustments	100	100
Reductions in current year due to ex-post adjustments (explicit ⁴)	0	0
Reductions in current year due to ex-post adjustments (implicit ⁵)	14	14
Outstanding retained remuneration (performance adjustments):		
Of which exposed to ex-post adjustments	0	0
Reductions in current year due to ex-post adjustments (explicit)	0	0
Reductions in current year due to ex-post adjustments (implicit)	0	0
Headcount	2	8

- 1 Shares and share-linked instruments comprise restricted share awards and expected value of performance share awards granted in respect of 2013 performance.
- 2 Value of deferred remuneration (restricted share awards, performance share awards and deferred cash) awarded in 2013 compared against the value of deferred remuneration awarded in 2012. Value of restricted share awards and performance share awards are based on share price at the time of grant.
- 3 Value of outstanding deferred remuneration (eg. unvested shares and/or deferred cash) as at 31 December 2013 compared to value of outstanding deferred remuneration as at 31 December 2012. Value of deferred remuneration is based on the share price as at 31 December in the relevant year.
- 4 Examples of explicit ex-post adjustments include malus, clawbacks or value of deferred remuneration which has lapsed as a result of performance conditions not being satisfied.
- 5 Examples of implicit ex-post adjustments include fluctuations in the value of restricted shares or performance shares.

Although the Bank was only incorporated in October 2013, for disclosure purposes we have made calculations on a full year basis with a comparison to the same numbers for 2012 where applicable.

5 Composition of Capital

As required under MAS Notice 637 and in line with Basel III requirements, **Tables 1 and 2** are mandatory disclosures on Regulatory Capital using prescribed templates.

Table 1 shows the reconciliation between the Bank's published balance sheet and the regulatory capital components. The balance sheet is expanded to identify and map to the regulatory capital components as set out in **Table 2** (in the column "Reference").

Table 1 – Reconciliation of Balance Sheet to Regulatory Capital as at 31 Dec 2013

S\$' million	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Reference
Equity			
Share capital	1,653	1,653	A
Reserves	4	4	C
of which: Cash flow hedge reserve	4	4	F
Accumulated profits	44	44	B
Total equity attributable to owner of the Bank	1,701		
Liabilities			
Deposits of non-bank customers	30,587		
Derivative financial instruments	9		
Bills and drafts payable	56		
Amounts due to ultimate holding company and its branches	109		
Amounts due to related corporations	10		
Other liabilities	250		
Current tax payable	9		
Deferred tax liabilities	6		
of which: Deferred tax liabilities for Intangible assets		0	E2
Subordinated notes	784	784	G
Total Liabilities	31,820		
Assets			
Cash and balances with central banks	757		
Singapore government securities and treasury bills	2,368		
Debt securities	1,944		
Loans and advances to banks	62		
Loans and advances to customers	26,147		
of which: Provisions eligible for inclusion in T2 Capital		34	H
Derivative financial instruments	29		
Bills receivable	95		
Amounts due from ultimate holding company and its branches	1,685		
Amounts due from related corporations	5		
Other assets	115		
Goodwill and intangible assets	282		
of which: Amount related to Goodwill		279	D
of which: Amount related to Intangible Assets		3	E1
Property and Equipment	32		
Total Assets	33,521		

Table 2 lists the regulatory capital components and the corresponding regulatory adjustments. The columns: (a) ‘Amount’ refers to components of capital calculated in accordance with MAS Notice 637, effective 1 Jan 2013, (b) ‘Amount subject to Pre-Basel III treatment’ refers to components of capital that are on transitional arrangement, otherwise would be fully applied towards the relevant tier of capital, and (c) ‘Source’ provides link to Table 1 by way of alphabetic/ alphanumeric references, and cross-reference within the table by way of row number. Regulatory adjustments that are deducted against capital are reflected as positive numbers.

Table 2 – Capital Components as at 31 Dec 2013

	\$\$' million	Amount	Amount subject to Pre-Basel III treatment	Source
	Common Equity Tier 1 capital: Instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	1,653		A
2	Retained earnings	44		B
3	Accumulated other comprehensive income and other disclosed reserves	4		C
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			
	Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII			
8	Goodwill, net of associated deferred tax liability		279	D
9	Intangible assets, net of associated deferred tax liability		2	E1 - E2
10	Deferred tax assets that rely on future profitability			
11	Cash flow hedge reserve		4	F
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	Capital investments in ordinary shares of unconsolidated financial institutions in which Reporting Bank does not hold a major stake			
19	Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (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 related tax liability)			
22	Amount exceeding the 15% threshold			
23	of which: investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)			
24	of which: mortgage servicing rights			

Table 2 – Capital Components as at 31 Dec 2013

	S\$' million	Amount	Amount subject to Pre-Basel III treatment	Source
25	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments			
26A	PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments			
26B	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630			
26C	Capital deficits in subsidiaries and associates that are regulated financial institutions			
26D	Any other items which the Authority may specify			
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	285		shortfall of Row 43
28	Total regulatory adjustments to CET1 Capital	285		
29	Common Equity Tier 1 capital (CET1)	1,416		
	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	Capital investments in AT1 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake			
40	Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)			
41	National specific regulatory adjustments	285		
41A	PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments			
41B	Any other items which the Authority may specify			
41C	Regulatory adjustments applied to AT1 Capital in respect of amounts subject to pre-Basel III treatment	285		
	of which: Goodwill, net of associated deferred tax liability	279		Row 8 at 100%
	of which: Intangible assets, net of associated deferred tax liability	2		Row 9 at 100%

Table 2 – Capital Components as at 31 Dec 2013

	S\$' million	Amount	Amount subject to Pre-Basel III treatment	Source	
	of which: Deferred tax assets that rely on future profitability				
	of which: Cash flow hedge reserve	4			Row 11 at 100%
	of which: Increase in equity capital resulting from securitisation transactions				
	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk				
	of which: Shortfall of TEP relative to EL under IRBA				
	of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments				
	of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630				
	of which: Capital deficits in subsidiaries and associates that are regulated financial institutions				
	of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)				
	of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% (insurance subsidiaries) of such capital investments				
	of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)				
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	285			
44	Additional Tier 1 capital (AT1)				
45	Tier 1 capital (T1 = CET1 + AT1)	1,416			
	Tier 2 capital: instruments and provisions				
46	Tier 2 capital instruments and share premium (if applicable)	784		G	
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	34		H	
51	Tier 2 capital before regulatory adjustments	818			
	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	Capital investments in Tier 2 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake				

Table 2 – Capital Components as at 31 Dec 2013

	S\$' million	Amount	Amount subject to Pre-Basel III treatment	Source
55	Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)			
56	National specific regulatory adjustments			
56A	PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments			
56B	Any other items which the Authority may specify			
56C	Regulatory adjustments applied to Tier 2 Capital in respect of amounts subject to pre-Basel III treatment			
	of which: Shortfall of TEP relative to EL under IRBA			
	of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments			
	of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630			
	of which: Capital deficits in subsidiaries and associates that are regulated financial institutions			
	of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)			
	of which: PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments			
	of which: Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)			
57	Total regulatory adjustments to Tier 2 capital			
58	Tier 2 capital (T2)	818		
59	Total capital (TC = T1 + T2)	2,234		
60	Total risk weighted assets	17,794		
	Capital ratios (as a percentage of risk weighted assets)			
61	Common Equity Tier 1 CAR	7.96%		
62	Tier 1 CAR	7.96%		
63	Total CAR	12.56%		
64	Bank-specific buffer requirement	4.5%		
65	of which: capital conservation buffer requirement			
66	of which: bank specific countercyclical buffer requirement			
67	of which: G-SIB buffer requirement (if applicable)			
68	Common Equity Tier 1 available to meet buffers			
	National minima			
69	Minimum CET1 CAR	4.5%		
70	Minimum Tier 1 CAR	6.0%		
71	Minimum Total CAR	10.0%		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the bank does not hold a major stake			

Table 2 – Capital Components as at 31 Dec 2013

	S\$' million	Amount	Amount subject to Pre-Basel III treatment	Source	
73	Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)				
74	Mortgage servicing rights (net of related tax liability)				
75	Deferred tax assets arising from temporary differences (net of related 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)	34			Row 50
77	Cap on inclusion of provisions in Tier 2 under standardised approach	205			
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				
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 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)				

6 Main Features of Capital Instruments

The following disclosure is based on the prescribed template as set out in MAS Notice 637 Table 11D-1. This disclosure shall be updated whenever there is an issuance, redemption, conversion/write-down, or other material change in the nature of an existing capital instrument.

Ordinary Shares

No.		
1.	Issuer	Standard Chartered Bank (Singapore) Limited
2.	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3.	Governing law(s) of the instrument	Singapore
	Regulatory treatment	
4.	Transitional Basel III rules	Core Equity
5.	Post-transitional Basel III rules	Core Equity
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 mil, as of most recent reporting date)	S\$1,653 million
9.	Par value of instrument	S\$1,653 million
10.	Accounting classification	Equity
11.	Original date of issuance	S\$100 issued on 2 February 2013 S\$1,652,999,900 issued on 9 October 2013
12.	Perpetual or dated	Perpetual
13.	Original maturity date	No maturity
14.	Issuer call subject to prior supervisory approval	N/A
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	N/A
22.	Noncumulative or cumulative	Noncumulative
23.	Convertible or non-convertible	Nonconvertible
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	N/A
31.	If write-down, write-down trigger(s)	N/A
32.	If write-down, full or partial	N/A

Ordinary Shares

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)	The Ordinary Shares shall on the return of capital in a winding-up, entitle the holders thereof rights of participation in any surplus profits or assets of the Bank after all senior obligations have been satisfied.
36.	Non-compliant transitioned features	No
37.	If yes, specify non-compliant features	N/A

Subordinated Notes

No.		
1.	Issuer	Standard Chartered Bank (Singapore) Limited
2.	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	BB number: PP1W041T5-A
3.	Governing law(s) of the instrument	Singapore
Regulatory treatment		
4.	Transitional Basel III rules	Tier 2
5.	Post-transitional Basel III rules	Tier 2
6.	Eligible at solo/ group/ group & solo	
7.	Instrument type (types to be specified by each jurisdiction)	Subordinated note
8.	Amount recognised in regulatory capital (currency in mil, as of most recent reporting date)	S\$784 million
9.	Par value of instrument	S\$784 million
10.	Accounting classification	Liability
11.	Original date of issuance	2 October 2013
12.	Perpetual or dated	Dated
13.	Original maturity date	2 October 2023
14.	Issuer call subject to prior supervisory approval	Yes
15.	Optional call date, contingent call dates and redemption amount	<p>The Subordinated Notes may be redeemed, at the option of the Bank, on the Interest Payment Date falling on, or nearest to, 2 October 2018 or on any Interest Payment Date thereafter.</p> <p>The Subordinated Notes may be redeemed, in whole but not in part, upon the occurrence of a Tax Event or a Capital Event at their principal amount, together with interest accrued to the date fixed for redemption.</p> <p>S\$784 million</p>
16.	Subsequent call dates, if applicable	Each interest payment date after the First Call Date
Coupons/ dividends		
17.	Fixed or floating dividend/ coupon	Floating
18.	Coupon rate and any related index	3M SIBOR + 2.53%
19.	Existence of a dividend stopper	No
20.	Fully discretionary, partially discretionary or mandatory	Mandatory
21.	Existence of step up or other incentive to redeem	No
22.	Noncumulative or cumulative	Cumulative
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

Subordinated Notes

30.	Write-down feature	Yes
31.	If write-down, write-down trigger(s)	<p>“Trigger Event” means the earliest of:</p> <p>(a) the MAS notifying the Issuer in writing that it is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; and</p> <p>(b) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the MAS</p>
32.	If write-down, full or partial	Full
33.	If write-down, permanent or temporary	Permanent
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)	<p>Subordinated to creditors of the Issuer (including the Issuer’s depositors) other than those whose claims are expressed to rank <i>pari passu</i> or junior to the claims of the holders of the Notes.</p> <p>The Notes will rank <i>pari passu</i> with (i) all subordinated debt issued by the Issuer that qualifies as Tier 2 Capital Securities and (ii) any obligation of the Issuer that ranks or is expressed to rank, by its terms or operation of law, <i>pari passu</i> with Tier 2 Capital Securities.</p>
36.	Non-compliant transitioned features	No
37.	If yes, specify non-compliant features	N/A