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

Public Disclosure

Year ended 31 December 2014

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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, #27-01 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 holding company is Standard Chartered Holdings (Singapore) Private Limited, an entity incorporated in Singapore. The intermediate holding company and ultimate holding company is Standard Chartered Bank and Standard Chartered PLC (the "Group") respectively. Both the intermediate holding company and ultimate holding company are incorporated in the United Kingdom.

This is the first full financial year of operation for the Bank since the transfer of assets and liabilities of the consumer banking retail and Small and Medium Enterprises ("SME") business in Singapore from Standard Chartered Bank Singapore Branch (the "Branch") 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"). Details of the transfer are disclosed in Note 38 of the Bank's financial statements.

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 as of 31 December 2014.

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, determined according to the requirements of MAS Notice 637.

2.1 Capital Management

In S$ million	2014	2013
Ordinary Shares	1,653	1,653
Disclosed reserves	183	48
Regulatory adjustments	(302)	(285)
Common Equity Tier 1 Capital	**1,534**	**1,416**
Tier 1 Capital	**1,534**	**1,416**
Subordinated notes	784	784
Portfolio impairment provisions	54	34
Tier 2 Capital	**838**	**818**
Eligible Total Capital	**2,372**	**2,234**
Risk-Weighted Assets (RWA)		
Credit	15,760	16,470
Market	2	1
Operational	1,306	1,323
Total RWA	**17,068**	**17,794**

Capital Adequacy Ratios		
Common Equity Tier 1	8.99%	7.96%
Tier 1	8.99%	7.96%
Total	13.90%	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 hedge reserves. The Bank’s Tier 2 capital includes Basel III Compliant Floating Rate Subordinated Notes issued to the intermediate holding company.

The Bank’s capital requirements are based on the Standardised Approach and the Bank’s capital adequacy ratio (“CAR”) for 31 December 2014 and 2013 are computed on this basis, which is in accordance with MAS Notice 637.

As at 31 December 2014, the above ratios are above the stipulated regulatory requirements for CET 1 CAR, Tier 1 CAR and Total CAR of 5.5%, 7% 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.

Data as at 31 December 2014 unless otherwise stated.

3.1 Exposures and Risk Weighted Assets (RWA)

Exposures and RWA by Asset Class (S$ million)

	Gross Exposures	Credit Exposures	RWA
Credit Risk **Standardised Approach**			
Residential Mortgage	21,559	21,556	8,107
Regulatory Retail	4,861	4,369	3,361
Central Governments and Central Banks	3,117	3,117	-
Commercial Real Estate	2,011	2,003	2,003
Corporate	1,954	1,879	1,326
Bank	1,157	1,157	259
Securitization	1,311	1,311	262
Others	713	531	442
Total Standardised	**36,683**	**35,923**	**15,760**
Internal Ratings based Approach	-	-	-
Total Credit Risk	**36,683**	**35,923**	**15,760**
Market Risk			
Standardised Approach	-	-	2
Operational Risk			
Standardised Approach	-	-	1,306
Total RWA			**17,068**

Notes: Credit Exposures above represent amounts 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. Credit policies and procedures are established by the Executive Risk Committee. These are consistent with the Group-wide credit policies, but are adapted by the Bank as its own to reflect the country-specific risk environment and portfolio characteristics of the Bank. There is a clear segregation of duties between transaction originators and credit approvers. Further details on credit risk management can be found in Note 39 of the Bank's financial statements.

The Bank measures Credit Risk as per the SA for its credit portfolios. For sovereigns, corporates and financial institutions, primarily arising in the Company's Treasury portfolio, external credit ratings from approved External Credit Assessment Institutions (ECAI) are used to assign risk weights. The Bank’s business is managed and originated from Singapore and as such almost all its exposures are from Singapore.

3.2.1 Credit Risk Assessed Using Standardised Approach (S$ million)

Risk weights	Exposure
0%	3,163
20%	3,021
35%	20,258
50%	311
75%	5,355
100%	3,706
>100%	109
Total	**35,923**

3.2.2 Credit Risk Exposure by Asset Type (S$ million)

Asset Type	Exposure
On Balance sheet	32,181
Off Balance sheet	3,682
OTC Derivatives	60
Total	**35,923**

3.2.3 Credit Risk Exposure By Residual Contractual Maturity (S$ million)

Residual Contractual Maturity	Exposure
One year or less	2,743
One to five years	3,202
Over five years	29,978
Total	**35,923**

3.2.4 Exposures and RWA by Recognised External Credit Assessment Institutions (ECAI) (S$ million)

ECAI	Exposure	RWA
Moody's	5,392	646
Standard & Poor's	442	88
Fitch	280	-
Total	**6,114**	**734**

3.2.5 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. For all credit risk mitigants that meet the policy criteria, a clear set of procedures are applied to ensure that the value of the underlying collateral is appropriately recorded and updated regularly.

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

Asset Class under Standardised Approach	Credit Exposures	Eligible Financial Collateral after Haircut	Reduction in Credit Exposure by Credit Protection
Residential Mortgage	21,556	-	-
Regulatory Retail	4,369	474	-
Central Governments and Central Banks	3,117	-	-
Commercial Real Estate	2,003	7	-
Corporate	1,879	75	-
Bank	1,157	-	-
Securitization	1,311	-	-
Others	531	186	-
Total Credit	**35,923**	**742**	**-**

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

3.3 Industry Classification (S$ million)

Industry Segment	Loan Balance	Past Due Loans	Non Performing Loans	Individual Impairment Allowance
Manufacturing	265	3	6	1
Building and construction	603	14	13	3
Housing loans	18,298	226	25	1
General commerce	801	3	17	5
Transportation, storage and communications	87	0	3	2
Financial institutions, investment and holding companies	589	3	0	0
Professionals and private individuals	4,862	326	95	17
Others	578	11	7	1
Total	**26,083**	**586**	**166**	**29**

Notes: Amounts represents the actual "loan balance" to customers. Industry classification is based on MAS guidelines. Details on the amounts of Collective Impairment Allowance and movement in impairment balances during the year are contained in Note 18 and Note 32 of the Annual Financial Statements.

3.3.1 Past Due Loans by Period Overdue (S$ million)

	Less than 30 days	30 - 90 days	Over 90 days	Total
Analysed by past due period	452	105	29	**586**

Notes: Amounts represents the actual "loan balance" to customers.

3.4 Counterparty Credit Risk (CCR)

Counterparty Credit Risk (CCR) for Financial Market derivative trades include:

- Pre Settlement Risk: replacement cost of the trade if the counterparty defaults prior to the maturity date of the trade and if the mark-to-market is in the Bank's favour.
- Settlement Risk: risk that the counterparty fails to deliver the terms of the trade at the time of settlement.

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	16	-	16	-	16
Foreign Exchange	32	-	32	1	31
Equity	13	-	13	-	13
Other Commodity	0	-	0	-	0

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

3.5 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)

Traditional Securitisation Programs	Notional Amount	Exposure	RWA
Auto Loan	537	537	107
Credit card receivables	26	26	5
Residential mortgages (RMBS)	748	748	150
Total	**1,311**	**1,311**	**262**

3.6 Market Risk

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.

It is not the intent of the Bank to hold trading book exposures in the entity. All derivatives related to customer transactions and structured loans and deposits are covered with the Standard Chartered Bank Singapore Branch on a back to back basis. Residual currency exchange positions related to foreign exchange price movements may remain within the Bank.

The Market & Traded Credit Risk function monitors exposures against approved limits. Sensitivity measures are used in addition to Value at Risk ("VaR") as risk management tools. Further details on Market Risk and VaR can be found in Note 39 of the Bank's financial statements.

The Bank's market risk capital requirement as at 31 December 2014 is summarised below (S$million):

Interest rate risk	-
Equity position risk	-
Foreign exchange risk	0.2
Commodity risk	-
Total	**0.2**

3.7 Operational Risk

Operational risk is the potential for loss arising from the failure of people, processes or technology, or the impact of external events. Operational risk exposures are managed through a set of processes that drive risk identification, assessment, control and monitoring. 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 the Bank's operational risk management framework can be found in Note 39 of the Bank's financial statements.

4. Remuneration

Remuneration Policy

The Remuneration Committee (the "Committee") of 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.

Our performance, reward and benefits approach supports and drives 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.

Our variable compensation awards do not contain any direct formulaic link between business income and individual 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.

The Group has a clear performance and reward governance structure, which ensures that compensation decisions for all support functions in the Group, and specifically the control functions (Risk, Compliance, Human Resource, Internal Audit and Legal & Compliance), are managed independently of the business.

Key Changes to Remuneration Policy

Group Identification of Material Risk Takers

- The new rules of the Capital Requirements Directive IV ("CRD IV") on remuneration effective 1 January 2014 require banks and investment firms to identify categories of employees whose professional activities have a material impact on the institution's risk profile
- The Group revised the Group Identification of Material Risk Takers for Remuneration Purposes to comply with CRD IV
- The requirements of the new CRD IV are significantly more complex and contain both quantitative and qualitative criteria designed to capture a larger code staff population and hence there is an increase in number of code staff/material risk takers reported as of 31 December 2014 compared to 31 December 2013

Group Structure of Discretionary

- The group structure of Discretionary Variable Compensation have been revised with the following changes:

Variable Compensation	• To meet the requirements of CRD IV • For staff in certain senior levels, the suspension of Performance Share Awards and migration to a single total variable compensation decision • The introduction of a five-year deferral vehicle for Code Staff • Offering deferred cash going forward only to Code Staff • Changes to the shareholding requirement approach such that up-front shares will be separately “locked-up” and released after six months and will no longer form part of the shareholding requirement calculation

Group Claw-Back	• The new Prudential Regulation Authority (“PRA”) policy statement on claw-back will take effect for remuneration awarded on or after 1 January 2015.
	• The Group has approved amendments to the Group’s Claw-back Policy to ensure alignment with the new rules which require that:
	  • Variable remuneration must be subject to claw-back for a period of at least seven years from award
	  • Claw-back should be exercised where there is reasonable evidence of employee misbehaviour or material error, or where the Bank or relevant business unit suffers a material failure of risk management. This has been narrowed from the original consultation to exclude material downturns in financial performance
	  • Where the rationale for claw-back is a failure of risk management, the Bank should take account of the individual's proximity to, and responsibility for, the failure in deciding what level of claw-back should apply, if any
	  • The Bank is required to "make all reasonable efforts" to exercise claw-back, and should seek to recover "an appropriate amount corresponding to some or all vested variable remuneration"

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	▪ 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	▪ 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	▪ Employees are assessed and rewarded on performance against objectives and adherence to Group values. ▪ Malus or the forfeiture of unvested awards can be activated by inappropriate behaviours and non-adherence to Group values.

	▪ Under the Group Claw-back Policy, the Group reserves the right to apply prior year adjustment and/or claw-back to variable compensation awards (including cash, deferred cash, restricted shares and/or performance shares) in certain circumstances. This can be applied for up to seven years from date of award.
Strong, defined link between remuneration and strategy	▪ 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	▪ 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 ▪ Malus 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
Meaningful levels of deferral for variable compensation	▪ A graduated Group-wide deferral framework with a top rate of 65 per cent deferral of Total Variable Compensation applies to all employees who receive a variable award in excess of USD 50,000 ▪ All employees are subject to the higher of any regulatory deferral requirements or the Group deferral framework
Strong internal governance process	▪ The Committee oversees all material variable compensation plan spend. ▪ The Group Chief Risk Officer attends appropriate 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 malus/claw-back decisions

Supporting risk management through our remuneration practices

Effective risk management fundamental to building sustainable performance is the central tenet of the financial and operational management of the Group. The Risk Management Framework sets out the Group's enterprise-wide approach to risk management and the control framework within which risks are managed. Risk appetite is set in the context of the Group's strategy and agreed by the Board. This forms the basis for establishing the risk parameters within which businesses (and, ultimately, employees) must operate, including policies, concentration limits and business mix parameters.

Since performance against these objectives is a significant factor in the determination of an individual's variable compensation, employees are required to ensure the effective management of risks within the scope of their direct organisational responsibilities. Assessing 'how' an employee has achieved an objective, as well as 'what' has been achieved, is a key component of our performance assessment process and remuneration decision.

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 levers 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 was based on risk adjusted profit
Validation of the TVC pool	• The Committee then reviewed the TVC pool and exercised its' judgment to ensure that the overall payout appropriately reflected Group performance, the control environment, and any other qualitative risk factors that the Committee considered appropriate, and the position of the Group's pool against the market

Adjustments after awards made (ex post)

Balance of non deferred total variable compensation awards	• The Committee considered the balance of cash, deferred and performance shares to be delivered immediately and the balance to be deferred both at an aggregate level and at an individual level. As well as encouraging senior employees to take the longer term view, ex-post adjustments are only effective if the appropriate levels of deferrals and performance shares are delivered. As such, deferrals start where TVC awards were USD 70,000
Performance adjustment and claw-back	• This was achieved through multiple lenses: Potential diminution in value of the deferred award: through non vesting due to performance conditions and share price movement until vesting. • Claw-back applied to awards in accordance with the policy described below which applies to all employees.
Shareholding requirements	• The Group operated a shareholding requirement policy to align the interests of its senior employees with its investors. We remain committed to the principles of share ownership by senior employees with an expectation that such employees build up a shareholding over time • Up-front shares were subject to a six month retention period and a proportion of deferred shares were subject to a 12 month retention period on vesting (referred to as the 'Retention Policy').

Application of deferrals and claw-back

TVC awards above USD50,000 are subject to deferral under the Group's standard framework. All deferred awards, shares and cash, vest equally over three or five years. Vested deferred share and up-front share awards may only be sold if the employee meets any stated minimum shareholding requirement. Under the Group's claw-back policy, all 2014 awards (both cash and shares) are subject to claw-back for a period of seven years from the date of award.

Claw-back may apply either on an individual basis or at a business unit level or Group level. At an individual level, where an employee is terminated for cause, including misconduct, any unvested and vested awards lapse. In the event an employee (or former employee) has 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, behaviour or applied a lack of appropriate supervision, a prior year adjustment (or malus) will be applied in the first instance.

In exceptional circumstances, however, claw-back may be applied. At a business unit or group level, the Committee had discretion in 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 restatement 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 a 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.

Code staff remuneration disclosures

Under the Capital Requirements Directive IV (“CRDIV”), firms will be required to 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, pension contribution, benefits and variable compensation. A limited number of Code Staff receive a Code Staff Allowance (“CSA”) as part of their fixed compensation. Eligibility for a CSA is determined by considering role, function, skills and experience.

The table below summarises the groups of employees who have been identified in accordance with the regulatory requirements as material risk takers, otherwise known as Code Staff.

Quantitative criteria	Qualitative criteria
The quantitative criteria captures employees who: - **have been awarded total remuneration of EUR500,000 or more in the previous financial year** - **are within the 0.3 per cent of the number of staff on a global basis, rounded up to the nearest integer, who have been awarded the highest total remuneration in the preceding financial year** - **in the preceding financial year were awarded total remuneration that was equal to or greater than the lowest total remuneration awarded that year to: a member of senior management, the head of audit, compliance, legal and risk, senior employees within material business units and employees who are able to initiate or approve credit risk exposures above a certain threshold and sign off on trading book transactions at or above a specific VaR** **Note: certain employees can be excluded from the list of Code Staff if they have no material impact on the Group’s risk profile**	The qualitative criteria broadly captures the following employees: - Group directors (both executive and non executive) - Employees who perform a significant influence function (SIF), and members of the Group’s senior executive team and their immediate direct reports who have significant business or function responsibilities with risk and/or profit and loss accountability - Senior employees within the audit, compliance, legal and risk functions (both at a Group and business level) - Senior employees within material business units - Employees who sit on certain committees - Employees who are able to initiate or approve credit risk exposures above a certain threshold and sign off on trading book transactions at or above a specific value-at-risk limit

Variable compensation for Code Staff is structured in line with the Remuneration Code requirements. For the 2014 performance period, Code Staff are required to have between 40 and 60 per cent of their variable compensation deferred over a period of up to five years. Non-deferred variable compensation will be delivered 50 per cent in up-front shares and 50 per cent in cash. Deferred variable compensation is delivered entirely in shares for the majority of Code Staff employees. However, those employees with the highest level of deferrals (a minimum total deferred amount of USD100,000) have the opportunity to elect for 50 per cent of their deferred award to be delivered as deferred cash. TVC awards are subject to the Group's claw-back policy. Deferred compensation (cash and shares) is subject to continued employment (which may be terminated by the Group in the event of material misconduct). Both up-front and deferred shares are subject to the Retention Policy.

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

Category 1: Material Risk Takers ("MRT") 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 as set out above.

Category 2: Senior Management ("SM") 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 variable remuneration received	9	4
Number of guaranteed bonus awards	0	1
Number of sign-on awards	0	0
Number of severance payments	1	0
Total amount of above payments made during the Financial Year (SGD)	857,750	278,379

Table 2: Breakdown of Remuneration Awarded in Current Financial Year

Category		MRT %		SM %	
		Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration	Cash-based	43	0	55	0
	Shares and share-linked instruments	0	0	0	0
	Other forms of remuneration	0	0	0	0
Variable remuneration	Cash-based	10	23	16	4
	Shares and share-linked instruments[1]	10	14	16	9
	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 year[2]	1,113	-59
Change in amount of outstanding deferred remuneration from the previous financial year[3]	160	-60
Outstanding deferred remuneration (breakdown):		
Cash-based	34	15
Shares and share-linked instruments	66	85
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])	19	35
Reductions in current year due to ex-post adjustments (implicit[5])	29	29
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	9	4

1 Shares and share-linked instruments comprise restricted share awards granted in respect of 2014 performance.

2 Value of deferred remuneration (restricted share awards and deferred cash) awarded in 2014 compared against the value of deferred remuneration awarded in 2013 based on headcount in respective years. Value of restricted share awards are based on share price at the time of grant.

3 Value of outstanding deferred remuneration (eg. unvested share awards and/or deferred cash) as at 31 December 2014 compared to value of outstanding deferred remuneration as at 31 December 2013 based on headcount in respective years. 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/performance adjustment.

5 Examples of implicit ex-post adjustments include fluctuations in the value of restricted shares or performance shares.

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 2014

S$'million	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Reference
Equity			
Share capital	1,653	1,653	A
Reserves	(10)	(10)	C
of which: Cash flow hedge reserve	(10)	(10)	F
Accumulated profits	193	193	B
Total equity attributable to owner of the Bank	**1,836**		
Liabilities			
Deposits and balances of banks	0		
Deposits of non-bank customers	29,655		
Derivative financial instruments	27		
Bills and drafts payable	63		
Amounts due to intermediate holding company and its branches	140		
Amounts due to related corporations	15		
Other liabilities	478		
Current tax payable	35		
Deferred tax liabilities	5		
of which: Deferred tax liabilities for Intangible assets	-	6	E2
Subordinated notes	784	784	G
Total Liabilities	**31,202**		
Assets			
Cash and balances with central banks	922		
Singapore government securities and treasury bills	2,443		
Debt securities	2,061		
Loans and advances to banks	26		
Loans and advances to customers	26,000		
of which: Provisions eligible for inclusion in T2 Capital		54	H
Derivative financial instruments	54		
Bills receivable	71		
Amounts due from intermediate holding company and its branches	1,010		
Amounts due from related corporations	10		
Other assets	120		
Goodwill and intangible assets	318		
of which: Amount related to Goodwill		279	D
of which: Amount related to Intangible Assets		39	E1
Property and Equipment	3		
Total Assets	**33,038**		

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 2014

	S$' 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	193		B
3	Accumulated other comprehensive income and other disclosed reserves	(10)		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**	**1,836**		
	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	55	224	D
9	Intangible assets, net of associated deferred tax liability	7	26	E1 - E2
10	Deferred tax assets that rely on future profitability		-	
11	Cash flow hedge reserve	(2)	(8)	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 2014

	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	242		shortfall of Row 43
28	**Total regulatory adjustments to CET1 Capital**	302		
29	**Common Equity Tier 1 capital (CET1)**	**1,534**		
	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	242		
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	242		
	of which: Goodwill, net of associated deferred tax liability	224		

Table 2 – Capital Components as at 31 Dec 2014

	S$' million	Amount	Amount subject to Pre-Basel III treatment	Source
	of which: Intangible assets, net of associated deferred tax liability	26		
	of which: Deferred tax assets that rely on future profitability			
	of which: Cash flow hedge reserve	(8)		
	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 (incl insurance subsidiaries)			
	of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments			
	of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl 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**	**242**		
44	**Additional Tier 1 capital (AT1)**	**-**		
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,534**		
	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	54		H
51	**Tier 2 capital before regulatory adjustments**	**838**		
	Tier 2 capital: regulatory adjustments			

Table 2 – Capital Components as at 31 Dec 2014

	S$' million	Amount	Amount subject to Pre-Basel III treatment	Source
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			
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 (incl 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)**	**838**		
59	**Total capital (TC = T1 + T2)**	**2,372**		
60	**Total risk weighted assets**	**17,068**		
	Capital ratios (as a percentage of risk weighted assets)			
61	**Common Equity Tier 1 CAR**	**8.99%**		
62	**Tier 1 CAR**	**8.99%**		
63	**Total CAR**	**13.90%**		
64	Bank-specific buffer requirement	5.5%		
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	1.99%		
	National minima			
69	Minimum CET1 CAR	5.5%		
70	Minimum Tier 1 CAR	7.0%		
71	Minimum Total CAR	10.0%		

Table 2 – Capital Components as at 31 Dec 2014

	S$' million	Amount	Amount subject to Pre-Basel III treatment	Source
	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			
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)	54		Row 50
77	Cap on inclusion of provisions in Tier 2 under standardised approach	197		
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	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. 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. S$784 million
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)	"Trigger Event" means the earliest of: (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 (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
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)	Subordinated to creditors of the Issuer (including the Issuer's depositors) other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of the Notes. The Notes will rank *pari passu* 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, *pari passu* with Tier 2 Capital Securities.
36.	Non-compliant transitioned features	No
37.	If yes, specify non-compliant features	N/A