

Oversea-Chinese Banking Corporation Limited

**Pillar 3 Disclosures
(OCBC Group – As at 30 June 2020)**



Incorporated in Singapore
Company Registration Number: 193200032W

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1. INTRODUCTION

This document presents the information in accordance with Pillar 3 (P3) disclosure requirements under Monetary Authority of Singapore (MAS) Notice 637 on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore. The P3 requirements specify reporting templates for most of the quantitative disclosures to enable market participants to better compare the capital adequacy and risk profile across banks via improved consistency in public disclosure.

For purpose of the mid-year disclosure for OCBC Group (Group) as at 30 June 2020, explanations of the drivers behind significant differences between reporting periods for the respective sections are provided where appropriate. The disclosure on the RWA flow statements for the following are omitted as there is no exposure treated under these approaches:

- Counterparty Credit Risk (CCR) under the Internal Models Method (IMM)
- Market Risk exposures under the Internal Models Approach (IMA)

2. ACCOUNTING AND REGULATORY CONSOLIDATION

The consolidation basis used for regulatory capital computation is similar to that used for financial reporting except for the following:

- Great Eastern Holdings Limited and its insurance subsidiaries are excluded from regulatory consolidation and are treated as investments in unconsolidated major stake companies that are financial institutions in accordance with MAS Notice 637's definition of insurance subsidiary. The regulatory adjustments applied to these investments are in accordance with MAS Notice 637 paragraphs 6.1.3(p), 6.2.3(e) and 6.3.3(e).
- As at 30 June 2020, the total equity of these insurance subsidiaries was S\$8 billion and total assets were S\$100 billion.

Disclosures on the Group's reconciliation of regulatory capital and regulatory capital position can be found in Section 5 of this document.

3. KEY METRICS

The table below provides an overview of the Group's prudential regulatory metrics, as stipulated by MAS Notice 637.

	(a)	(b)	(c)	(d)	(e)	
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	
Available Capital (S\$ million)						
1	CET1 Capital	31,876	32,350	31,800	30,759	30,176
2	Tier 1 Capital	33,406	33,879	33,331	32,290	31,706
3	Total Capital	36,726	37,169	35,992	36,214	35,341
Risk Weighted Assets (S\$ million)						
4	Total RWA	223,867	225,914	213,356	212,839	209,203
Risk-based Capital Ratios as a percentage of RWA (%)						
5	CET1 Ratio	14.2	14.3	14.9	14.4	14.4
6	Tier 1 Ratio	14.9	14.9	15.6	15.1	15.1
7	Total Capital Ratio	16.4	16.4	16.8	17.0	16.8
Additional CET1 buffer requirements as a percentage of RWA (%)						
8	Capital conservation buffer requirement	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement	0.1	0.1	0.3	0.4	0.4
10	Bank G-SIB and/or D-SIB additional requirements	-	-	-	-	-
11	Total of Bank CET1 specific requirements ^{1/}	2.6	2.6	2.8	2.9	2.9
12	CET1 available after meeting the Reporting Bank's minimum capital requirements	6.4	6.4	6.8	7.0	6.8
Leverage Ratio (S\$ million)						
13	Total Leverage Ratio exposure measure	446,130	453,487	431,314	424,551	417,885
14	Leverage Ratio (%) ^{2/}	7.4	7.4	7.7	7.6	7.5
Liquidity Coverage Ratio (S\$ million) ^{3/}						
15	Total High Quality Liquid Assets	53,730	52,738	49,769	48,677	46,894
16	Total net cash outflow	42,236	35,290	30,710	32,008	31,028
17	Liquidity Coverage Ratio (%)	127	151	163	154	151
Net Stable Funding Ratio (S\$ million)						
18	Total available stable funding	253,755	251,828	245,245	243,501	239,480
19	Total required stable funding	213,236	232,323	221,410	221,422	219,417
20	Net Stable Funding Ratio (%)	119	108	111	110	109

^{1/} Sum of rows 8, 9 and 10

^{2/} Computed by row 2 / row 13

^{3/} Reported as simple averages of daily observations for the respective quarter

4. COUNTERCYCLICAL CAPITAL BUFFER

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

The geographical distribution is based on the country where the physical collateral resides in, residence of the guarantor, or in the absence of such mitigant, the country of obligor (i.e. the country where the majority of the obligor's operating assets is situated) in accordance with MAS Notice 637 requirements.

30 Jun 2020				
	(a)	(b)	(c)	(d)
	Country-Specific countercyclical buffer requirement %	RWA for private sector credit exposures S\$ million	Bank-Specific countercyclical buffer requirement ^{1/} %	Countercyclical buffer amount S\$ million
Geographical breakdown				
Hong Kong	1.00%	23,536		
Luxembourg	0.25%	22		
Sub-total		23,558		
Total		167,497	0.1%	316

31 Dec 2019				
	(a)	(b)	(c)	(d)
	Country-Specific countercyclical buffer requirement %	RWA for private sector credit exposures S\$ million	Bank-Specific countercyclical buffer requirement ^{1/} %	Countercyclical buffer amount S\$ million
Geographical breakdown				
Sweden	2.50%	1		
Hong Kong	2.00%	20,924		
United Kingdom	1.00%	6,599		
France	0.25%	27		
Sub-total		27,551		
Total		156,192	0.3%	661

^{1/} The Bank-Specific countercyclical buffer is the additional capital which needs to be maintained above the Regulatory minimum and Capital Conservation buffer requirement

5. COMPOSITION OF CAPITAL

5.1 Reconciliation of Regulatory Capital

The reporting position of the table in this section is as at 30 June 2020.

	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Cross Reference to Section 5.2
S\$'m			
EQUITY			
Share capital	17,296	17,296	A
Other equity instruments	1,497	1,497	B
Reserves:			
Capital reserves	1,224		
Fair value reserves	993		
Revenue reserves	26,874		
Total reserves	29,091		
of which: Retained earnings		19,885	C1
of which: Accumulated other comprehensive income and other disclosed reserves		2,108	C2
of which: Cash flow hedge reserve		1	C3
of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk		11	C4
Non-controlling interests	1,458		
of which: Minority interest that meets criteria for inclusion in CET1 Capital		210	D1
of which: Minority interest that meets criteria for inclusion in AT1 Capital		34	D2
of which: Minority interest that meets criteria for inclusion in Tier 2 Capital		19	D3
Valuation adjustment		77	E
Total equity	49,342		
LIABILITIES			
Deposits of non-bank customers	309,731		
Deposits and balances of banks	12,460		
Due to associates	422		
Trading portfolio liabilities	425		
Derivative payables	14,129		
Other liabilities	8,122		
Current tax payables	1,357		
Deferred tax liabilities	1,524		
of which: Associated with intangible assets		40	F
Debt issued	23,596		
of which: Tier 2 capital instruments		1,218	G
Life assurance fund liabilities	88,894		
Total liabilities	460,660		
Total equity and liabilities	510,002		
ASSETS			
Cash and placements with central banks	19,698		
Singapore government treasury bills and securities	11,117		
Other government treasury bills and securities	20,998		
Placements with and loans to banks	36,158		
Loans to customers	264,391		
of which: Eligible provision for inclusion in Tier 2 Capital subject to cap in respect of exposures under SA and IRBA		2,083	H
Debt and equity securities	32,213		
of which: Investments in unconsolidated major stake financial institutions		341	I1
of which: Investments in unconsolidated non major stake financial institutions		1,480	I2
of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630		0	I3
Investments in insurance subsidiaries		1,953	J
Derivative and forward securities:			
Unconsolidated non major stake financial institutions		(23)	K1
Indirect investment in OCBC own shares		0	K2
Assets held for sale	21		
Derivative receivables	14,135		
Other assets	6,716		
Deferred tax assets	157		
of which: Deferred tax assets before netting		256	L
Associates	4,190		
of which: Investments in unconsolidated major stake financial institutions		4,156	M
Property, plant and equipment	3,628		
Investment property	829		
Goodwill and intangible assets	5,013		
of which: Goodwill		4,081	N1
of which: Intangible assets		270	N2
Life assurance fund investment assets	90,738		
Total assets	510,002		

5.2 Regulatory Capital Position

The reporting position of the tables in this section is as at 30 June 2020.

		S\$m	
		Amount	Cross Reference to Section 5.1
	Common Equity Tier 1 capital: instruments and reserves		-
1	Paid-up ordinary shares and share premium (if applicable)	17,296	A
2	Retained earnings	19,885	C1
3	Accumulated other comprehensive income and other disclosed reserves	2,108	C2
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	210	D1
6	Common Equity Tier 1 capital before regulatory adjustments	39,499	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	77	E
8	Goodwill, net of associated deferred tax liability	4,081	N1
9	Intangible assets, net of associated deferred tax liability	230	N2 - F
10	Deferred tax assets that rely on future profitability	256	L
11	Cash flow hedge reserve	1	C3
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	11	C4
15	Defined benefit pension fund assets, net of associated deferred tax liability	-	
16	Investments in own shares	0	K2
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-	
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	2,966	(I1 + J + M) - 3,484 ¹
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of associated deferred tax liability)		
22	Amount exceeding the 15% threshold	-	
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments	0	
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	0	I3
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	
26C	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	-	
28	Total regulatory adjustments to CET1 Capital	7,624	
29	Common Equity Tier 1 capital (CET1)	31,876	
	Additional Tier 1 capital: instruments		
30	AT1 capital instruments and share premium (if applicable)	1,497	B
31	of which: classified as equity under the Accounting Standards	1,497	
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	34	D2
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	1,531	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
41	National specific regulatory adjustments which the Authority may specify	-	
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	1,531	
45	Tier 1 capital (T1 = CET1 + AT1)	33,406	

5.2 Regulatory Capital Position

		Amount	Cross Reference to Section 5.1
	Tier 2 capital: instruments and provisions		
46	Tier 2 capital instruments and share premium (if applicable)	1,218	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	19	D3
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	2,083	H
51	Tier 2 capital before regulatory adjustments	3,320	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-	
54	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
54a	Investments in other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake: amount previously designated for the 5% threshold but that no longer meets the conditions	-	
55	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
56	National specific regulatory adjustments which the Authority may specify	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	3,320	
59	Total capital (TC = T1 + T2)	36,726	
60	Floor-adjusted total risk weighted assets	223,867	
	Capital ratios (as a percentage of floor-adjusted risk weighted assets)		
61	Common Equity Tier 1 CAR	14.2%	
62	Tier 1 CAR	14.9%	
63	Total CAR	16.4%	
64	Bank-specific buffer requirement	9.1%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: bank specific countercyclical buffer requirement	0.1%	
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	-	
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	6.4%	
	National minima		
69	Minimum CET1 CAR	6.5%	
70	Minimum Tier 1 CAR	8.0%	
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 and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	1,456	I2 + K1
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	3,484	Refer to note ¹
74	Mortgage servicing rights (net of associated deferred tax liability)		
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liability)		
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	717	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	717	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	1,529	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,366	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

^{1/} The investments in the ordinary shares of unconsolidated major stake companies that are financial institutions which are within the prescribed threshold amount in accordance with MAS Notice 637 paragraph 6.1.3 (p)(iii)

5.3 Main Features of Capital Instruments

The following disclosures are made pursuant to the requirements of MAS Notice 637 Annex 11D. They are not a summary of the terms, do not purport to be complete, and should be read in conjunction with, and are qualified in their entirety by, the relevant Terms and Conditions available on the Bank's Investor Relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html). The reporting position of all tables in this section is as at 30 June 2020.

	OCBC Ordinary Shares	OCBC 3.8% Non-cumulative Non-convertible Perpetual Capital Securities
1. Issuer	Oversea-Chinese Banking Corporation Limited	Oversea-Chinese Banking Corporation Limited
2. Unique identifier (ISIN)	SG1S04926220	SG6YJ3000003
3. Governing law(s) of instrument	Singapore	Singapore
<i>Regulatory treatment</i>		
4. Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1
5. Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1
6. Eligible at Solo / Group / Solo and Group	Solo and Group	Solo and Group
7. Instrument type	Ordinary shares	Perpetual Capital Securities
8. Amount recognised in regulatory capital	S\$17,296 million	S\$499 million
9. Par value of instrument	NA	S\$500 million
10. Accounting classification	Shareholders' equity	Shareholders' equity
11. Original date of issuance	NA	25 Aug 2015
12. Perpetual or dated	Perpetual	Perpetual
13. Original maturity date	No maturity	No maturity
14. Issuer call subject to prior supervisory approval	No	Yes
15. Optional call date, contingent call dates and redemption amount	NA	On or after the First Reset Date of 25 Aug 2020 (at par) Tax call (at par) Regulatory call (at par)
16. Subsequent call dates, if applicable	NA	Optional call dates - any date after the First Reset Date
<i>Coupons / dividends</i>		
17. Fixed or floating dividend / coupon	NA	Fixed to fixed
18. Coupon rate and any related index	NA	3.8% p.a. up to (but excluding) 25 Aug 2020; if not redeemed, the distribution rate will be reset every 5 years thereafter to a fixed rate equal to the then prevailing 5-year SGD SOR plus 1.51% p.a.
19. Existence of a dividend stopper	NA	Yes
20. Fully discretionary, partially discretionary or mandatory	NA	Fully discretionary
21. Existence of step up or other incentive to redeem	NA	No
22. Noncumulative or cumulative	NA	Noncumulative
23. Convertible or non-convertible	NA	Nonconvertible
24. If convertible, conversion trigger(s)	NA	NA
25. If convertible, fully or partially	NA	NA
26. If convertible, conversion rate	NA	NA
27. If convertible, mandatory or optional conversion	NA	NA
28. If convertible, specify instrument type convertible into	NA	NA
29. If convertible, specify issuer of instrument it converts into	NA	NA
30. Write-down feature	No	Yes
31. If write-down, write-down trigger(s)	NA	The earlier of: i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer would become non-viable; and ii) 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	NA	Fully or partially
33. If write-down, permanent or temporary	NA	Permanent
34. If temporary write-down, description of write-up mechanism	NA	NA
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Additional Tier 1 capital instruments of OCBC Bank	Upon the occurrence of any winding-up proceeding (other than pursuant to a Permitted Reorganisation), Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of (i) Senior Creditors and (ii) holders of Tier II Capital Securities, and will rank senior to all Junior Obligations.
36. Non-compliant transitioned features	No	No
37. If yes, specify non-compliant features	NA	NA

5.3 Main Features of Capital Instruments (continued)

	OCBC 4.0% Non-cumulative Non-convertible Perpetual Capital Securities	OCBC 4.25% Subordinated Notes due 2024
1. Issuer	Oversea-Chinese Banking Corporation Limited	Oversea-Chinese Banking Corporation Limited
2. Unique identifier (ISIN)	SGXF81199428	US69033DAC11 (Reg S)
3. Governing law(s) of instrument	Singapore	US69033CAC38 (144A) England (Save for the subordination provisions) Singapore (In respect of the subordination provisions)
<i>Regulatory treatment</i>		
4. Transitional Basel III rules	Additional Tier 1	Tier 2
5. Post-transitional Basel III rules	Additional Tier 1	Tier 2
6. Eligible at Solo / Group / Solo and Group	Solo and Group	Solo and Group
7. Instrument type	Perpetual Capital Securities	Subordinated debt
8. Amount recognised in regulatory capital	S\$998 million	S\$1,218 million
9. Par value of instrument	S\$1,000 million	US\$1,000 million
10. Accounting classification	Shareholders' equity	Liabilities - amortised cost
11. Original date of issuance	24 Aug 2018	19 Jun 2014
12. Perpetual or dated	Perpetual	Dated
13. Original maturity date	No maturity	19 Jun 2024
14. Issuer call subject to prior supervisory approval	Yes	Yes
15. Optional call date, contingent call dates and redemption amount	On the First Reset Date of 24 Aug 2023 and each Distribution Payment Date thereafter (at par) Tax call (at par) Regulatory call (at par)	Tax call (at par) Regulatory call (at par)
16. Subsequent call dates, if applicable	Optional call dates - any Distribution Payment Date after the First Reset Date	NA
<i>Coupons / dividends</i>		
17. Fixed or floating dividend / coupon	Fixed to fixed	Fixed
18. Coupon rate and any related index	4.0% p.a. up to (but excluding) 24 Aug 2023; if not redeemed, the distribution rate will be reset on the First Reset Date and every 5 years thereafter to a fixed rate equal to the then prevailing 5-year SGD SOR plus 1.811% p.a.	4.25% p.a.
19. Existence of a dividend stopper	Yes	NA
20. Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21. Existence of step up or other incentive to redeem	No	No
22. Noncumulative or cumulative	Noncumulative	NA
23. Convertible or non-convertible	Nonconvertible	Nonconvertible
24. If convertible, conversion trigger(s)	NA	NA
25. If convertible, fully or partially	NA	NA
26. If convertible, conversion rate	NA	NA
27. If convertible, mandatory or optional conversion	NA	NA
28. If convertible, specify instrument type convertible into	NA	NA
29. If convertible, specify issuer of instrument it converts into	NA	NA
30. Write-down feature	Yes	Yes
31. If write-down, write-down trigger(s)	The earlier of: i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer would become non-viable; and ii) 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.	Contractual approach The earlier of (i) MAS determining that a write-down is necessary; and (ii) a decision by MAS to make a public sector injection of capital, or equivalent support, without which the issuer would become non-viable in both (i) and (ii)
32. If write-down, full or partial	Fully or partially	May be written down fully or partially
33. If write-down, permanent or temporary	Permanent	Permanent
34. If temporary write-down, description of write-up mechanism	NA	NA
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Upon the occurrence of any winding-up proceeding (other than pursuant to a Permitted Reorganisation), Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of (i) Senior Creditors which includes holders of Tier II Capital Securities, and will rank senior to all Junior Obligations.	Unsubordinated and unsecured obligations of OCBC Bank
36. Non-compliant transitioned features	No	No
37. If yes, specify non-compliant features	NA	NA

6. LEVERAGE RATIO

Leverage Ratio Summary Comparison Table

	Item	Amount (S\$m)	
		30 Jun 2020	31 Mar 2020
1	Total consolidated assets as per published financial statements	510,002	512,138
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(98,786)	(91,107)
3	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of exposure measure	0	0
4	Adjustment for derivative transactions	3,178	1,426
5	Adjustment for SFTs	22	56
6	Adjustment for off-balance sheet items	39,326	38,389
7	Other adjustments	(7,612)	(7,415)
8	Exposure measure	446,130	453,487

Leverage Ratio Common Disclosure Table

	Item	Amount (S\$m)	
		30 Jun 2020	31 Mar 2020
	Exposure measures of on-balance sheet items		
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	394,603	401,421
2	Asset amounts deducted in determining Tier 1 capital	(7,612)	(7,415)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	386,991	394,006
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	9,891	10,293
5	Potential future exposure associated with all derivative transactions	7,122	6,967
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	(8)	(11)
8	CCP leg of trade exposures excluded	-	-
9	Adjusted effective notional amount of written credit derivatives	369	608
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	17,374	17,857
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	2,417	3,179
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	22	56
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	2,439	3,235
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	199,832	198,023
18	Adjustments for calculation of exposure measures of off-balance sheet items	(160,506)	(159,634)
19	Total exposure measures of off-balance sheet items	39,326	38,389
	Capital and Total exposures		
20	Tier 1 capital	33,406	33,879
21	Total exposures	446,130	453,487
	Leverage Ratio		
22	Leverage ratio	7.4%	7.4%

SFT: Securities Financing Transactions

CCP: Central Counterparty

7. CREDIT QUALITY

7.1 Overview of Credit Quality of Assets

The table below provides an overview of the credit quality of the on and off-balance sheet assets of the Group.

A borrower is recognised to be in default when the borrower is unlikely to repay in full its credit obligations to the Group, or the borrower is past due for more than 90 days on its credit obligations to the Group.

		30 Jun 2020						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of ^{1/}		of which: Allowances for Standardised Approach exposures				
S\$ million		Defaulted exposures	Non-defaulted exposures	Allowances and Impairments	of which: Specific Allowances	of which: General Allowances	of which: Allowances for IRBA exposures	Net Values ^{2/} (a + b + c)
1	Loans to customers	4,229	263,645	(3,100)	(296)	(353)	(2,451)	264,774
2	Debt securities	8	27,341	(17)	(2)	(6)	(9)	27,332
3	Off-balance sheet exposures	114	12,017	(383)	-	(49)	(334)	11,748
4	Total	4,351	303,003	(3,500)	(298)	(408)	(2,794)	303,854

		31 Dec 2019						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of ^{1/}		of which: Allowances for Standardised Approach exposures				
S\$ million		Defaulted exposures	Non-defaulted exposures	Allowances and Impairments	of which: Specific Allowances	of which: General Allowances	of which: Allowances for IRBA exposures	Net Values ^{2/} (a + b + c)
1	Loans to customers	3,838	260,935	(2,144)	(259)	(214)	(1,671)	262,629
2	Debt securities	2	25,032	(11)	(2)	(4)	(5)	25,023
3	Off-balance sheet exposures	43	13,901	(281)	#	(34)	(247)	13,663
4	Total	3,883	299,868	(2,436)	(261)	(252)	(1,923)	301,315

^{1/} Refers to the accounting value of the assets before any impairment allowances but after write-offs

^{2/} Refers to total gross carrying amount less impairment allowances

Represents amounts of less than \$0.5 million

7.2 Changes in Stock of Defaulted Loans to Customers and Debt Securities

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

The increase in defaulted loans and debt securities in the first half of 2020 was mainly driven by new defaulted loans that was partly offset by write-offs and upgrades.

	S\$ million	(a) Amount outstanding
1	Defaulted loans and debt securities as at 31 December 2019 (1 + 2 + 3 + 4 + 5)	3,840
2	Loans and debt securities that have defaulted in the first half of 2020	890
3	Return to non-defaulted status	(133)
4	Amounts written-off	(374)
5	Other changes ^{1/}	14
6	Defaulted loans and debt securities as at 30 June 2020 (1 + 2 + 3 + 4 + 5)	4,237

^{1/} Other changes comprise foreign exchange, increase in existing defaulted loans and recoveries

8. OVERVIEW OF RISK WEIGHTED ASSETS

The table below provides an overview of the Group's total RWA, broken down by the approaches with which the RWA are computed, as stipulated by MAS Notice 637. Total RWA remained relatively stable between March and June 2020 mainly due to lower Market RWA which was largely offset by an increase in Credit RWA.

S\$ million	RWA		Minimal Capital Requirements ^{1/}	
	(a) Jun-20	(b) Mar-20	(c) Jun-20	
1	Credit Risk (excluding Counterparty Credit Risk)	178,755	174,542	17,876
2	Of which: Standardised Approach	51,129	50,935	5,113
3	Of which: Foundation Internal Ratings-Based Approach (F-IRBA)	110,319	105,178	11,032
4	Of which: Supervisory Slotting Approach	3,710	3,425	371
5	Of which: Advanced Internal Ratings-Based Approach (A-IRBA)	13,597	15,004	1,360
6	Credit Risk: Counterparty Credit Risk (CCR)	4,099	4,320	409
7	Of which: Current Exposure Method	3,192	3,253	319
8	Of which: Internal Models Method	-	-	-
9	Of which: Other CCR	103	338	10
9a	Of which: Central Counterparties (CCP)	804	729	80
10	Credit Valuation Adjustments (CVA)	5,555	5,737	556
11	Equity exposures under Simple Risk Weight Method	-	-	-
11a	Equity exposures under Internal Models Method	-	-	-
12	Equity investments in funds - Look Through Approach	135	116	13
13	Equity investments in funds - Mandate-Based Approach	147	148	15
14	Equity investments in funds - Fall Back Approach	17	20	2
14a	Equity investments in funds - Partial Use of an Approach	131	119	13
15	Unsettled Transactions	16	50	2
16	Securitisation exposures in banking book	-	-	-
17	Of which: SEC-IRBA	-	-	-
18	Of which: SEC-ERBA, including IAA	-	-	-
19	Of which: SEC-SA	-	-	-
20	Market Risk	10,823	16,750	1,082
21	Of which: Standardised Approach	10,823	16,750	1,082
22	Of which: Internal Models Approach	-	-	-
23	Operational Risk	15,479	15,348	1,548
24	Credit RWA pursuant to paragraph 6.1.3(p)(iii) ^{2/}	8,710	8,764	871
25	Floor Adjustment	-	-	-
26	Total	223,867	225,914	22,387

^{1/} Minimum capital requirements are calculated at 10% of RWA

^{2/} Refers to Credit RWA attributed to investments in the ordinary shares of unconsolidated major stake companies that are financial institutions, within the prescribed threshold amount in accordance with MAS Notice 637 paragraph 6.1.3 (p)(iii)

9. RWA FLOW STATEMENT FOR CREDIT RISK EXPOSURES

This table provides an overview of the quarter-on-quarter movement of Credit Risk RWA attributed to the key drivers from rows 2 to 8.

The increase in RWA during the second quarter of 2020 was primarily due to corporate loan growth and asset quality adversely impacted by the global pandemic, partially offset by FX effect.

S\$ million	(a) RWA
1 RWA as at 31 March 2020 ^{1/}	123,607
2 Asset Size ^{2/}	3,406
3 Asset Quality ^{3/}	1,198
4 Model Updates ^{4/}	-
5 Methodology and Policy ^{5/}	(77)
6 Acquisitions and Disposals ^{6/}	-
7 Foreign exchange movements ^{7/}	(508)
8 Other ^{8/}	-
9 RWA as at 30 June 2020 ^{1/} (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8)	127,626

^{1/} Refers to RWA of Credit Risk (excluding Counterparty Credit Risk) exposures under IRB Approach and Supervisory Slotting Approach

^{2/} Refers to organic changes in book size and composition (origination of new businesses and maturing loans), excluding acquisitions and disposal of entities

^{3/} Refers to changes in the assessed quality of the bank's assets due to changes in borrower risk, such as rating grade migration or similar effects

^{4/} Refers to changes due to model implementation, changes in model scope, or any model enhancements

^{5/} Refers to changes driven by methodological changes such as regulatory policy changes

^{6/} Refers to changes in book size due to acquisition and disposal of entities or portfolios

^{7/} Refers to changes driven by market movements such as foreign exchange movements

^{8/} Refers to changes that cannot be attributed to any other category

10. CREDIT EXPOSURES UNDER STANDARDISED AND IRB APPROACH

10.1 Credit Exposures under Standardised Approach and CRM effects

The following table illustrates the effects of credit risk mitigation (CRM) on the calculation of capital requirements for credit and equity exposures under the Standardised Approach.

In the first half of 2020, RWA increased mainly due to higher exposures under Corporate and Commercial Real Estate asset classes attributed to loan growth as well as FX effect.

		30 Jun 2020								
		(a)		(b)		(c)		(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM						
S\$ million	Asset Class	On-Balance Sheet	Off-Balance Sheet	On-Balance Sheet	Off-Balance Sheet	On-Balance Sheet	Off-Balance Sheet	RWA	RWA Density	
1	Cash Items	828	-	828	-	828	-	3	0%	
2	Sovereign	4,093	-	4,093	-	4,093	-	878	21%	
3	PSE	270	-	270	-	270	-	135	50%	
4	MDB	-	130	-	-	-	-	-	NA	
5	Bank	5,713	#	5,735	-	5,735	-	2,683	47%	
6	Corporate	16,724	10,026	16,022	2,260	16,022	2,260	17,022	93%	
7	Regulatory Retail	7,334	1,776	6,929	53	6,929	53	5,237	75%	
8	Residential Mortgage	12,588	28	12,385	-	12,385	-	4,430	36%	
9	Commercial Real Estate	12,483	2,221	12,440	263	12,440	263	12,703	100%	
10	Equity exposures	642	-	642	-	642	-	1,031	160%	
11	Past Due exposures	276	6	276	#	276	#	335	121%	
12	Higher risk exposures	-	-	-	-	-	-	-	NA	
13	Others ^{1/}	6,823	596	6,637	35	6,637	35	6,672	100%	
14	Total	67,774	14,783	66,257	2,611	66,257	2,611	51,129	74%	

		31 Dec 2019								
		(a)		(b)		(c)		(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM						
S\$ million	Asset Class	On-Balance Sheet	Off-Balance Sheet	On-Balance Sheet	Off-Balance Sheet	On-Balance Sheet	Off-Balance Sheet	RWA	RWA Density	
1	Cash Items	1,008	-	1,008	-	1,008	-	7	1%	
2	Sovereign	3,851	-	3,851	-	3,851	-	744	19%	
3	PSE	282	-	282	-	282	-	141	50%	
4	MDB	8	130	8	-	8	-	-	NA	
5	Bank	5,566	20	5,603	4	5,603	4	2,561	46%	
6	Corporate	16,056	8,831	15,442	1,888	15,442	1,888	16,056	93%	
7	Regulatory Retail	7,331	1,833	6,922	57	6,922	57	5,234	75%	
8	Residential Mortgage	12,907	24	12,689	-	12,689	-	4,516	36%	
9	Commercial Real Estate	12,165	2,045	12,090	147	12,090	147	12,236	100%	
10	Equity exposures	567	-	567	-	567	-	908	160%	
11	Past Due exposures	194	1	194	1	194	1	232	119%	
12	Higher risk exposures	-	-	-	-	-	-	-	NA	
13	Others ^{1/}	6,627	857	6,419	31	6,419	31	6,450	100%	
14	Total	66,562	13,741	65,075	2,128	65,075	2,128	49,085	73%	

^{1/} Includes other exposures not included in the above asset classes, such as fixed asset

Represents amounts of less than \$0.5 million

10.2 Credit Exposures under Standardised Approach by Risk Weight

The following table provides a breakdown of credit risk exposures treated under the Standardised approach by asset class and risk weight. The risk weight assigned corresponds to the level of risk attributed to each exposure.

		30 Jun 2020									
		(a)	(b)	(c)	Risk Weight		(f)	(g)	(h)	(i)	(j)
S\$ million		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total EAD ^{1/}
Asset Class											
1	Cash Items	812	-	16	-	-	-	-	-	-	828
2	Sovereign	2,338	-	-	-	1,755	-	-	-	-	4,093
3	PSE	-	-	-	-	270	-	-	-	-	270
4	MDB	-	-	-	-	-	-	-	-	-	-
5	Bank	-	-	763	-	4,883	-	89	-	-	5,735
6	Corporate	-	-	54	-	2,433	-	15,795	#	-	18,282
7	Regulatory Retail	-	-	-	-	-	6,982	-	-	-	6,982
8	Residential Mortgage	-	-	-	12,172	-	171	42	-	-	12,385
9	Commercial Real Estate	-	-	-	-	-	-	12,703	-	-	12,703
10	Equity exposures	-	-	-	-	-	-	-	-	642	642
11	Past Due exposures	-	-	-	-	-	-	158	118	-	276
12	Higher risk exposures	-	-	-	-	-	-	-	-	-	-
13	Others ^{2/}	-	-	-	-	-	-	6,672	-	-	6,672
14	Total	3,150	-	833	12,172	9,341	7,153	35,459	118	642	68,868

		31 Dec 2019									
		(a)	(b)	(c)	Risk Weight		(f)	(g)	(h)	(i)	(j)
S\$ million		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total EAD ^{1/}
Asset Class											
1	Cash Items	973	-	35	-	-	-	-	-	-	1,008
2	Sovereign	2,364	-	-	-	1,487	-	-	-	-	3,851
3	PSE	-	-	-	-	282	-	-	-	-	282
4	MDB	8	-	-	-	-	-	-	-	-	8
5	Bank	-	-	934	-	4,597	-	76	-	-	5,607
6	Corporate	-	-	57	-	2,461	-	14,814	-	-	17,332
7	Regulatory Retail	-	-	-	-	-	6,979	-	-	-	6,979
8	Residential Mortgage	-	-	-	12,531	-	111	47	-	-	12,689
9	Commercial Real Estate	-	-	-	-	-	-	12,236	-	-	12,236
10	Equity exposures	-	-	-	-	-	-	-	-	567	567
11	Past Due exposures	-	-	-	-	-	-	118	76	-	194
12	Higher risk exposures	-	-	-	-	-	-	-	-	-	-
13	Others ^{2/}	-	-	-	-	-	-	6,450	-	-	6,450
14	Total	3,345	-	1,026	12,531	8,827	7,090	33,741	76	567	67,203

^{1/} Total EAD refers to both on and off-balance sheet amounts that are used for computing capital requirements, net of impairment allowances and write-offs and after application of CRM and CCF

^{2/} Includes other exposures not included in the above asset classes, such as fixed asset

Represents amounts of less than \$0.5 million

10.3 Credit Exposures under Foundation Internal Ratings-Based Approach (F-IRBA)

The following table provides the main parameters used in the treatment of exposures for the calculation of capital requirements under the F-IRBA.

The increase in RWA density in the first half of 2020 was mainly due to adverse impact of global pandemic on asset quality of loans in Corporate asset class.

	30 Jun 2020											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (S\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (S\$ million)	RWA Density ^{7/} (%)	Expected Losses (S\$ million)	TEP ^{8/} (S\$ million)
Sovereign	(S\$ million)											
PD Range												
0.00 to < 0.15	38,453	434	100%	39,165	0.00%	20	45%	1.7	862	2%	1	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	-	-	-	-	-	-	-	-	-	NA	-	
0.50 to < 0.75	-	-	-	-	-	-	-	-	-	NA	-	
0.75 to < 2.50	16	-	-	16	1.11%	1	45%	1.0	13	81%	#	
2.50 to < 10.00	60	-	-	60	6.42%	1	53%	1.0	108	181%	2	
10.00 to < 100.00	-	200	-	-	NA	2	NA	-	-	NA	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	NA	-	
Sub-total	38,529	634	68%	39,241	0.02%	24	45%	1.7	983	3%	3	14
Bank												
PD Range												
0.00 to < 0.15	36,601	2,593	10%	40,071	0.05%	270	45%	1.0	6,022	15%	10	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	2,056	33	7%	2,059	0.37%	21	45%	0.6	1,126	55%	3	
0.50 to < 0.75	2,958	125	1%	3,004	0.54%	22	45%	0.8	2,157	72%	7	
0.75 to < 2.50	1,232	69	15%	1,242	1.85%	20	45%	0.9	1,488	120%	11	
2.50 to < 10.00	99	17	29%	104	4.70%	20	44%	0.7	146	139%	2	
10.00 to < 100.00	113	23	21%	88	11.10%	50	45%	0.3	187	213%	4	
100.00 (Default)	#	-	0%	#	100.00%	1	45%	1.0	-	0%	#	
Sub-total	43,059	2,860	10%	46,568	0.18%	404	45%	1.0	11,126	24%	37	155
Corporate												
PD Range												
0.00 to < 0.15	38,272	32,528	19%	44,743	0.10%	868	44%	2.4	13,270	30%	20	
0.15 to < 0.25	2	#	10%	2	0.19%	6	37%	4.6	1	53%	#	
0.25 to < 0.50	17,468	19,433	21%	21,289	0.37%	516	43%	2.1	12,270	58%	34	
0.50 to < 0.75	10,187	13,662	23%	12,946	0.54%	533	42%	2.4	9,319	72%	30	
0.75 to < 2.50	12,782	14,405	17%	13,764	1.44%	876	43%	1.9	13,374	97%	85	
2.50 to < 10.00	4,724	2,036	23%	4,721	5.16%	289	43%	2.1	7,044	149%	104	
10.00 to < 100.00	819	1,226	2%	811	12.55%	344	43%	2.3	1,677	207%	43	
100.00 (Default)	2,851	93	35%	2,884	100.00%	176	43%	2.0	-	0%	1,253	
Sub-total	87,105	83,383	20%	101,160	3.58%	3,608	43%	2.2	56,955	56%	1,569	2,603

10.3 Credit Exposures under Foundation Internal Ratings-Based Approach (F-IRBA) (continued)

	30 Jun 2020											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (S\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (S\$ million)	RWA Density ^{7/} (%)	Expected Losses (S\$ million)	TEP ^{8/} (S\$ million)
Corporate (IPRE)	(S\$ million)											
PD Range												
0.00 to < 0.15	2,341	96	44%	2,383	0.14%	10	45%	1.8	741	31%	1	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	5,836	795	61%	6,319	0.37%	41	45%	2.4	3,990	63%	11	
0.50 to < 0.75	9,458	1,467	72%	10,475	0.54%	93	45%	2.5	8,056	77%	25	
0.75 to < 2.50	14,995	2,724	54%	16,440	1.33%	286	45%	2.4	17,332	105%	98	
2.50 to < 10.00	3,057	1,064	43%	3,505	3.79%	137	45%	2.6	5,132	146%	59	
10.00 to < 100.00	32	4	18%	32	11.10%	9	45%	4.1	75	232%	2	
100.00 (Default)	46	#	50%	46	100.00%	4	45%	2.1	-	0%	21	
Sub-total	35,765	6,150	57%	39,200	1.23%	580	45%	2.4	35,326	90%	217	503
Corporate Small Business												
PD Range												
0.00 to < 0.15	679	549	12%	747	0.11%	411	39%	3.3	224	30%	#	
0.15 to < 0.25	566	190	10%	534	0.16%	845	39%	4.0	206	39%	#	
0.25 to < 0.50	410	453	11%	412	0.36%	283	40%	2.6	200	49%	1	
0.50 to < 0.75	1,034	931	12%	1,095	0.54%	531	37%	1.7	532	49%	2	
0.75 to < 2.50	2,792	2,385	11%	2,825	1.40%	1,104	38%	2.5	2,195	78%	15	
2.50 to < 10.00	1,859	1,310	11%	1,912	4.72%	647	39%	2.2	2,008	105%	34	
10.00 to < 100.00	407	234	14%	428	13.52%	488	34%	2.2	564	132%	21	
100.00 (Default)	1,148	25	65%	1,164	100.00%	151	43%	1.6	-	0%	504	
Sub-total	8,895	6,077	12%	9,117	14.93%	4,460	39%	2.4	5,929	65%	577	862
Total (all portfolios)	213,353	99,104	22%	235,286	2.36%	9,076	44%	1.9	110,319	47%	2,403	4,137

10.3 Credit Exposures under Foundation Internal Ratings-Based Approach (F-IRBA) (continued)

	31 Dec 2019											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (\$ million)	RWA Density ^{7/} (%)	Expected Losses (\$ million)	TEP ^{8/} (\$ million)
Sovereign	(\$ million)											
PD Range												
0.00 to < 0.15	38,879	247	100%	39,424	0.00%	20	45%	1.6	747	2%	1	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	-	-	-	-	-	-	-	-	-	NA	-	
0.50 to < 0.75	-	-	-	-	-	-	-	-	-	NA	-	
0.75 to < 2.50	41	-	-	41	1.11%	1	45%	1.0	33	81%	#	
2.50 to < 10.00	49	-	-	49	6.42%	1	53%	1.0	90	183%	2	
10.00 to < 100.00	-	200	-	-	NA	2	NA	-	-	NA	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	NA	-	
Sub-total	38,969	447	55%	39,514	0.01%	24	45%	1.6	870	2%	3	10
Bank												
PD Range												
0.00 to < 0.15	37,766	2,330	6%	40,663	0.05%	269	45%	1.1	6,252	15%	10	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	2,824	90	43%	3,056	0.37%	18	45%	0.8	1,768	58%	5	
0.50 to < 0.75	2,362	262	9%	2,435	0.54%	23	45%	0.7	1,722	71%	6	
0.75 to < 2.50	1,231	146	8%	1,242	1.84%	25	45%	0.7	1,459	118%	10	
2.50 to < 10.00	160	3	69%	162	6.17%	25	44%	0.2	267	164%	4	
10.00 to < 100.00	12	1	51%	12	11.10%	40	44%	0.1	25	206%	1	
100.00 (Default)	#	-	0%	#	100.00%	1	45%	1.0	-	0%	#	
Sub-total	44,355	2,832	8%	47,570	0.17%	401	45%	1.0	11,493	24%	36	130
Corporate												
PD Range												
0.00 to < 0.15	39,376	38,360	22%	47,849	0.09%	944	44%	2.5	14,246	30%	20	
0.15 to < 0.25	2	#	10%	2	0.19%	6	37%	4.7	1	54%	#	
0.25 to < 0.50	15,192	17,597	22%	18,809	0.37%	524	43%	2.0	10,608	56%	30	
0.50 to < 0.75	9,397	12,118	16%	10,910	0.54%	572	44%	2.0	7,605	70%	26	
0.75 to < 2.50	11,408	12,840	13%	11,582	1.42%	800	43%	1.9	11,200	97%	70	
2.50 to < 10.00	3,204	1,498	13%	2,906	5.26%	239	43%	2.4	4,413	152%	66	
10.00 to < 100.00	550	2,411	1%	548	13.14%	354	39%	3.2	1,107	202%	29	
100.00 (Default)	2,366	31	55%	2,383	100.00%	158	43%	2.4	-	0%	1,036	
Sub-total	81,495	84,855	19%	94,989	3.10%	3,597	43%	2.3	49,180	52%	1,277	1,876

10.3 Credit Exposures under Foundation Internal Ratings-Based Approach (F-IRBA) (continued)

	31 Dec 2019											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (S\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (S\$ million)	RWA Density ^{7/} (%)	Expected Losses (S\$ million)	TEP ^{8/} (S\$ million)
Corporate (IPRE)	(S\$ million)											
PD Range												
0.00 to < 0.15	3,240	214	59%	3,367	0.14%	16	45%	1.8	1,050	31%	2	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	4,709	899	62%	5,268	0.37%	40	45%	2.7	3,484	66%	9	
0.50 to < 0.75	9,592	1,531	69%	10,632	0.54%	97	45%	3.0	8,766	82%	26	
0.75 to < 2.50	13,873	2,504	56%	15,269	1.35%	275	45%	2.6	16,536	108%	92	
2.50 to < 10.00	2,466	1,105	45%	2,956	4.14%	128	45%	3.0	4,554	154%	55	
10.00 to < 100.00	35	23	58%	49	11.23%	11	45%	3.6	110	227%	2	
100.00 (Default)	46	1	3%	46	100.00%	4	45%	3.9	-	0%	21	
Sub-total	33,961	6,277	58%	37,587	1.23%	571	45%	2.7	34,500	92%	207	399
Corporate Small Business												
PD Range												
0.00 to < 0.15	1,001	635	12%	1,077	0.11%	448	37%	3.2	308	29%	#	
0.15 to < 0.25	500	162	12%	518	0.16%	803	38%	4.2	204	39%	#	
0.25 to < 0.50	614	555	18%	684	0.37%	290	38%	2.5	333	49%	1	
0.50 to < 0.75	752	866	11%	830	0.54%	582	38%	1.9	415	50%	2	
0.75 to < 2.50	2,256	2,225	11%	2,386	1.44%	1,049	39%	2.2	1,883	79%	13	
2.50 to < 10.00	1,827	1,541	9%	1,953	4.41%	634	37%	2.7	2,059	105%	32	
10.00 to < 100.00	368	126	21%	394	13.10%	490	37%	2.0	580	147%	19	
100.00 (Default)	1,033	11	67%	1,040	100.00%	200	43%	1.7	-	0%	450	
Sub-total	8,351	6,121	12%	8,882	13.75%	4,496	38%	2.5	5,782	65%	517	668
Total (all portfolios)	207,131	100,532	21%	228,542	2.06%	9,089	44%	2.0	101,825	45%	2,040	3,083

- ^{1/} On-balance sheet refers to the amount of the on-balance sheet exposure gross of impairment allowances (before taking into account the effect of CRM)
- ^{2/} Off-balance sheet refers to the exposure value without taking into account valuation adjustments and impairment allowances, CCFs and the effect of CRM
- ^{3/} EAD refers to the amount relevant for the capital requirements calculation, after taking into account the effect of CCFs and CRM
- ^{4/} Refers to the PD and LGD associated with each obligor grade, weighted by EAD
- ^{5/} Number of obligors refers to the number of counterparties
- ^{6/} Refers to the effective maturity of the exposures to the obligor in years, weighted by EAD
- ^{7/} Total RWA divided by the exposures post-CCF and post-CRM
- ^{8/} Refers to the total eligible provisions attributed to the respective portfolios
- # Represents amounts of less than \$0.5 million

10.4 Credit Exposures under Advanced Internal Ratings-Based Approach (A-IRBA)

The following table provides the main parameters used in the treatment of exposures for the calculation of capital requirements under the A-IRBA.

30 Jun 2020												
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (\$ million)	RWA Density ^{7/} (%)	Expected Losses (\$ million)	TEP ^{8/} (\$ million)
Residential Mortgage	(S\$ million)											
PD Range												
0.00 to < 0.15	3,200	636	68%	3,635	0.09%	12,537	10%		86	2%	#	
0.15 to < 0.25	13,460	924	74%	14,139	0.15%	36,839	10%		496	4%	2	
0.25 to < 0.50	12,443	898	63%	13,011	0.25%	44,940	10%		682	5%	3	
0.50 to < 0.75	13,301	635	68%	13,729	0.50%	45,737	10%		1,190	9%	7	
0.75 to < 2.50	6,574	603	77%	7,036	1.01%	30,707	11%		993	14%	8	
2.50 to < 10.00	2,348	143	91%	2,477	3.62%	7,906	11%		745	30%	10	
10.00 to < 100.00	892	10	80%	900	22.68%	6,470	12%		595	66%	24	
100.00 (Default)	432	4	0%	432	100.00%	2,381	15%		263	61%	67	
Sub-total	52,650	3,853	70%	55,359	1.67%	187,517	10%		5,050	9%	121	136
Qualifying Revolving Retail												
PD Range												
0.00 to < 0.15	626	6,198	44%	3,326	0.06%	570,582	80%		106	3%	2	
0.15 to < 0.25	52	1,576	49%	822	0.16%	160,768	80%		62	8%	1	
0.25 to < 0.50	182	725	44%	500	0.29%	83,228	81%		63	13%	1	
0.50 to < 0.75	283	874	44%	667	0.58%	102,100	78%		138	21%	3	
0.75 to < 2.50	251	570	56%	571	1.42%	82,168	82%		246	43%	7	
2.50 to < 10.00	265	251	62%	421	5.09%	59,595	83%		444	105%	18	
10.00 to < 100.00	80	71	69%	129	23.05%	16,206	84%		282	218%	25	
100.00 (Default)	26	-	0%	26	100.00%	3,669	82%		#	0%	26	
Sub-total	1,765	10,265	46%	6,462	1.46%	1,078,316	80%		1,341	21%	83	45
Retail Small Business												
PD Range												
0.00 to < 0.15	268	280	57%	429	0.10%	2,426	27%		30	7%	#	
0.15 to < 0.25	1,531	498	49%	1,775	0.17%	6,219	32%		216	12%	2	
0.25 to < 0.50	365	32	55%	382	0.35%	1,291	31%		73	19%	#	
0.50 to < 0.75	555	60	61%	592	0.50%	3,035	43%		193	33%	1	
0.75 to < 2.50	1,139	81	61%	1,188	1.18%	6,213	39%		518	44%	5	
2.50 to < 10.00	525	29	70%	546	4.77%	4,883	40%		332	61%	10	
10.00 to < 100.00	307	16	84%	320	33.28%	2,460	43%		301	94%	44	
100.00 (Default)	103	5	3%	103	100.00%	1,147	50%		121	118%	43	
Sub-total	4,793	1,001	54%	5,335	4.82%	27,674	36%		1,784	33%	105	68

10.4 Credit Exposures under Advanced Internal Ratings-Based Approach (A-IRBA) (continued)

	30 Jun 2020											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (S\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (S\$ million)	RWA Density ^{7/} (%)	Expected Losses (S\$ million)	TEP ^{8/} (S\$ million)
	(S\$ million)											
Other Retail												
PD Range												
0.00 to < 0.15	476	2,715	99%	3,174	0.05%	3,000	3%		15	0%	#	
0.15 to < 0.25	3,130	1,660	95%	4,713	0.19%	24,626	9%		171	4%	1	
0.25 to < 0.50	244	21	46%	254	0.30%	3,960	15%		21	8%	#	
0.50 to < 0.75	3,168	991	99%	4,149	0.50%	3,645	8%		268	6%	2	
0.75 to < 2.50	7,656	1,971	99%	9,614	1.52%	3,852	8%		994	10%	12	
2.50 to < 10.00	3,522	1,000	100%	4,521	4.99%	1,394	9%		609	13%	19	
10.00 to < 100.00	6,452	1,616	100%	8,069	13.28%	1,283	10%		1,561	19%	106	
100.00 (Default)	44	1	0%	44	100.00%	165	30%		65	147%	10	
Sub-total	24,692	9,975	99%	34,538	4.40%	41,925	8%		3,704	11%	150	62
Corporate												
PD Range												
0.00 to < 0.15	133	462	99%	591	0.05%	374	1%	1.0	2	0%	#	
0.15 to < 0.25	455	281	99%	732	0.20%	380	6%	1.0	31	4%	#	
0.25 to < 0.50	-	-	-	-	-	-	-	-	-	NA	-	
0.50 to < 0.75	554	315	100%	869	0.50%	151	8%	1.0	85	10%	#	
0.75 to < 2.50	1,414	445	99%	1,856	1.52%	206	8%	1.0	289	16%	2	
2.50 to < 10.00	1,020	144	100%	1,164	5.00%	70	7%	1.0	251	22%	4	
10.00 to < 100.00	1,703	397	100%	2,101	12.42%	286	11%	1.0	1,060	50%	30	
100.00 (Default)	#	-	0%	#	100.00%	1	51%	1.0	-	0%	#	
Sub-total	5,279	2,044	100%	7,313	4.83%	1,468	8%	1.0	1,718	23%	36	24
Total (all portfolios)	89,179	27,138	73%	109,007	2.89%	1,336,900	15%		13,597	12%	495	335

10.4 Credit Exposures under Advanced Internal Ratings-Based Approach (A-IRBA) (continued)

	31 Dec 2019											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (S\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (S\$ million)	RWA Density ^{7/} (%)	Expected Losses (S\$ million)	TEP ^{8/} (S\$ million)
Residential Mortgage	(S\$ million)											
PD Range												
0.00 to < 0.15	3,195	654	68%	3,642	0.09%	12,465	10%		85	2%	#	
0.15 to < 0.25	13,420	813	74%	14,026	0.15%	36,619	10%		493	4%	3	
0.25 to < 0.50	12,359	756	63%	12,837	0.25%	44,592	10%		674	5%	3	
0.50 to < 0.75	13,505	535	65%	13,854	0.50%	46,327	11%		1,206	9%	7	
0.75 to < 2.50	6,602	474	71%	6,941	1.01%	31,430	11%		985	14%	7	
2.50 to < 10.00	2,472	123	89%	2,581	3.74%	8,286	11%		787	31%	10	
10.00 to < 100.00	882	16	65%	892	23.03%	6,245	12%		571	64%	25	
100.00 (Default)	433	6	0%	433	100.00%	2,551	15%		254	59%	72	
Sub-total	52,868	3,377	69%	55,206	1.69%	188,515	10%		5,055	9%	127	129
Qualifying Revolving Retail												
PD Range												
0.00 to < 0.15	806	5,833	43%	3,322	0.06%	549,233	80%		106	3%	2	
0.15 to < 0.25	84	1,596	55%	959	0.17%	168,654	82%		78	8%	1	
0.25 to < 0.50	217	707	45%	536	0.30%	85,035	81%		68	13%	1	
0.50 to < 0.75	338	838	43%	702	0.58%	103,082	78%		145	21%	3	
0.75 to < 2.50	306	571	59%	644	1.38%	95,130	86%		143	22%	8	
2.50 to < 10.00	307	254	69%	482	5.16%	65,473	84%		520	108%	21	
10.00 to < 100.00	115	133	90%	235	24.58%	22,650	86%		546	232%	35	
100.00 (Default)	21	-	0%	21	100.00%	3,290	82%		-	0%	21	
Sub-total	2,194	9,932	47%	6,901	1.76%	1,092,547	81%		1,606	23%	92	39
Retail Small Business												
PD Range												
0.00 to < 0.15	286	280	56%	442	0.10%	2,510	27%		31	7%	#	
0.15 to < 0.25	1,230	485	50%	1,470	0.17%	5,929	34%		191	13%	2	
0.25 to < 0.50	307	32	56%	325	0.35%	1,160	35%		69	21%	#	
0.50 to < 0.75	565	48	61%	594	0.50%	3,128	42%		190	32%	1	
0.75 to < 2.50	942	94	59%	998	1.17%	5,687	46%		517	52%	5	
2.50 to < 10.00	501	24	75%	519	4.39%	5,177	43%		341	66%	10	
10.00 to < 100.00	279	20	77%	294	31.64%	2,440	43%		265	90%	38	
100.00 (Default)	119	4	0%	119	100.00%	1,258	55%		160	134%	57	
Sub-total	4,229	987	54%	4,761	5.33%	27,289	39%		1,764	37%	113	77

10.4 Credit Exposures under Advanced Internal Ratings-Based Approach (A-IRBA) (continued)

	31 Dec 2019											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Average CCF (%)	EAD ^{3/} (\$ million)	Average PD ^{4/} (%)	Number of Obligors ^{5/}	Average LGD ^{4/} (%)	Average Maturity ^{6/} (In years)	RWA (\$ million)	RWA Density ^{7/} (%)	Expected Losses (\$ million)	TEP ^{8/} (\$ million)
	(\$ million)											
Other Retail												
PD Range												
0.00 to < 0.15	474	2,542	99%	3,001	0.05%	2,832	8%		38	1%	#	
0.15 to < 0.25	3,099	1,375	94%	4,389	0.19%	25,550	11%		191	4%	1	
0.25 to < 0.50	244	18	49%	252	0.30%	3,875	15%		21	8%	#	
0.50 to < 0.75	3,572	957	95%	4,482	0.50%	3,830	10%		359	8%	2	
0.75 to < 2.50	7,432	1,173	99%	8,594	1.48%	3,944	9%		953	11%	12	
2.50 to < 10.00	4,467	772	100%	5,239	4.99%	1,374	10%		793	15%	25	
10.00 to < 100.00	7,702	942	100%	8,644	12.14%	1,141	11%		1,850	21%	119	
100.00 (Default)	40	1	5%	40	100.00%	160	30%		94	235%	6	
Sub-total	27,030	7,780	98%	34,641	4.36%	42,706	10%		4,299	12%	165	54
Corporate												
PD Range												
0.00 to < 0.15	74	402	100%	476	0.05%	349	7%	1.0	9	2%	#	
0.15 to < 0.25	423	266	100%	689	0.20%	353	8%	1.0	39	6%	#	
0.25 to < 0.50	-	-	-	-	-	-	-	-	-	NA	-	
0.50 to < 0.75	448	224	100%	671	0.50%	147	8%	1.0	69	10%	#	
0.75 to < 2.50	1,563	394	100%	1,957	1.40%	206	8%	1.0	323	17%	2	
2.50 to < 10.00	1,183	265	100%	1,448	5.00%	80	9%	1.0	423	29%	7	
10.00 to < 100.00	1,741	306	100%	2,048	12.64%	180	13%	1.0	1,187	58%	35	
100.00 (Default)	#	#	100%	#	100.00%	1	50%	1.0	-	0%	#	
Sub-total	5,432	1,857	100%	7,289	4.99%	1,316	10%	1.0	2,050	28%	44	23
Total (all portfolios)	91,753	23,933	71%	108,798	2.92%	1,352,373	16%		14,774	14%	541	322

- ^{1/} On-balance sheet refers to the amount of the on-balance sheet exposure gross of impairment allowances (before taking into account the effect of CRM)
- ^{2/} Off-balance sheet refers to the exposure value without taking into account valuation adjustments and impairment allowances, CCFs and the effect of CRM
- ^{3/} EAD refers to the amount relevant for the capital requirements calculation, after taking into account the effects of CCFs and CRM
- ^{4/} Refers to the PD and LGD associated with each obligor grade, weighted by EAD
- ^{5/} Number of obligors refers to the number of accounts, except for Retail Small Business which refers to the number of counterparties
- ^{6/} Refers to the effective maturity of the exposures to the obligor in years and is not applicable for portfolios under the IRB treatment of Retail asset classes
- ^{7/} Total RWA divided by the exposures post-CCF and post-CRM
- ^{8/} Refers to the total eligible provisions attributed to the respective portfolios
- # Represents amounts of less than \$0.5 million

10.5 Overview of Credit Risk Mitigation Techniques

The table below provides an overview of the Group's usage of Credit Risk Mitigation (CRM) techniques for on-balance sheet exposures to Loans to customers and Debt Securities, categorised by status followed by form of instrument.

		30 Jun 2020				
		(a)	(b)	(c)	(d)	(e)
S\$ million		Exposures unsecured	Exposures secured ^{1/}	Exposures secured by Collateral	Exposures secured by Financial Guarantees	Exposures secured by Credit Derivatives ^{2/}
1	Loans to customers	149,989	114,785	102,987	3,471	-
2	Debt Securities	27,057	275	-	275	-
3	Total	177,046	115,060	102,987	3,746	-
4	Of which: Defaulted	1,360	1,040	635	-	-

		31 Dec 2019				
		(a)	(b)	(c)	(d)	(e)
S\$ million		Exposures unsecured	Exposures secured ^{1/}	Exposures secured by Collateral	Exposures secured by Financial Guarantees	Exposures secured by Credit Derivatives ^{2/}
1	Loans to customers	147,284	115,345	104,368	3,396	-
2	Debt Securities	24,725	298	-	298	-
3	Total	172,009	115,643	104,368	3,694	-
4	Of which: Defaulted	1,502	946	684	-	-

^{1/} Refers to carrying amount of exposures (net of impairment allowances) which have at least one credit risk mitigation mechanism, collateral or financial guarantees associated with them

^{2/} Not applicable since the Group does not recognise credit derivatives as a form of CRM instrument for exposures

10.6 Effect on RWA of Credit Derivatives used as CRM

The Group does not recognise credit derivatives as a credit risk mitigant for exposures under F-IRBA or A-IRBA.

11. SPECIALISED LENDING UNDER SUPERVISORY SLOTTING CRITERIA

Exposures treated under the Supervisory Slotting Criteria include loans to customers for Project Financing (PF), Object Financing (OF) and Commodity Financing (CF). Income Producing Real Estate (IPRE) exposures are reported under F-IRBA.

Specialised Lending Portfolio (S\$ million)		30 Jun 2020								
		On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Risk Weight (%)	EAD ^{3/}			Total	RWA	Expected Losses
Regulatory Categories	Remaining Maturities				PF	OF	CF			
Strong	Less than 2.5 years	-	-	50%	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	70%	-	-	-	-	-	-
Good	Less than 2.5 years	-	-	70%	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	90%	-	-	-	-	-	-
Satisfactory		2,223	1,518	115%	2,604	339	100	3,043	3,710	85
Weak		-	-	250%	-	-	-	-	-	-
Default		105	-	-	31	82	81	194	-	97
Total		2,328	1,518		2,635	421	181	3,237	3,710	182

Specialised Lending Portfolio (S\$ million)		31 Dec 2019								
		On-Balance Sheet ^{1/}	Off-Balance Sheet ^{2/}	Risk Weight (%)	EAD ^{3/}			Total	RWA	Expected Losses
Regulatory Categories	Remaining Maturities				PF	OF	CF			
Strong	Less than 2.5 years	-	-	50%	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	70%	-	-	-	-	-	-
Good	Less than 2.5 years	-	-	70%	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	90%	-	-	-	-	-	-
Satisfactory		1,596	1,464	115%	2,182	181	97	2,460	2,999	69
Weak		-	-	250%	-	-	-	-	-	-
Default		106	-	-	30	79	79	188	-	94
Total		1,702	1,464		2,212	260	176	2,648	2,999	163

^{1/} On-balance sheet refers to the amount of the on-balance sheet exposure net of impairment allowances and write-offs (after taking into account the effect of CRM)

^{2/} Off-balance sheet refers to the exposure value without taking into account the effects of CCFs and CRM

^{3/} EAD refers to the amount relevant for capital requirements calculated by taking into account the effects of CCFs and CRM

12. COUNTERPARTY CREDIT RISK

12.1 Counterparty Credit Risk Exposures by Approach

Counterparty credit risk (CCR) is the risk of a counterparty defaulting before the final settlement of the transaction, which generally represents uncertain exposures that can vary over time with the movement of underlying market factors such as those in over-the-counter (OTC) derivatives.

The Group currently treats CCR under the Current Exposure Method (CEM), with regulatory prescribed add-on that represents the potential future exposure in addition to the net replacement cost of the OTC derivatives.

The table below provides an overview of the CCR for OTC derivatives and Securities Financing Transactions (SFTs).

30 Jun 2020						
Counterparty Credit Risk Exposure by Approach (S\$ million)	(a)	(b)	(c)	(d)	(e)	(f)
	Replacement Cost	Potential Future Exposure	Effective EPE	Alpha factor (α)	EAD ^{1/}	RWA
1 CEM (For derivatives)	6,705	9,089			8,539	3,192
2 CCR Internal models method (For derivatives and SFTs)			-		-	-
3 FC(SA) for SFTs					-	-
4 FC(CA) for SFTs					6,356	103
5 VaR for SFTs					-	-
6 Total						3,295

31 Dec 2019						
Counterparty Credit Risk Exposure by Approach (S\$ million)	(a)	(b)	(c)	(d)	(e)	(f)
	Replacement Cost	Potential Future Exposure	Effective EPE	Alpha factor (α)	EAD ^{1/}	RWA
1 CEM (For derivatives)	4,407	7,678			6,616	2,085
2 CCR Internal models method (For derivatives and SFTs)			-		-	-
3 FC(SA) for SFTs					-	-
4 FC(CA) for SFTs					3,816	158
5 VaR for SFTs					-	-
6 Total						2,243

^{1/} EAD refers to the amount relevant for capital requirements calculation, after taking into account the effects of CRM

12.2 CVA Risk Capital Charge

The Credit Valuation Adjustment (CVA) is made to the mark-to-market valuation of OTC derivatives as calculated under the Standardised approach for the Group.

30 Jun 2020		
S\$ million	(a) EAD ^{1/}	(b) RWA
Credit Valuation Adjustments (CVA) Risk Capital Requirements		
Total portfolios subject to Advanced CVA capital requirement	-	-
1 (i) VaR component (including the three-times multiplier)	-	-
2 (ii) Stressed VaR component (including the three-times multiplier)	-	-
3 All portfolios subject to Standardised CVA capital requirement	7,603	5,555
4 Total portfolios subject to the CVA risk capital requirement	7,603	5,555
31 Dec 2019		
S\$ million	(a) EAD ^{1/}	(b) RWA
Credit Valuation Adjustments (CVA) Risk Capital Requirements		
Total portfolios subject to Advanced CVA capital requirement	-	-
1 (i) VaR component (including the three-times multiplier)	-	-
2 (ii) Stressed VaR component (including the three-times multiplier)	-	-
3 All portfolios subject to Standardised CVA capital requirement	6,064	3,093
4 Total portfolios subject to the CVA risk capital requirement	6,064	3,093

^{1/} EAD refers to the amount relevant for capital requirements calculation, after taking into account the effects of CRM

12.3 Exposures to Central Counterparties

The table below provides an overview of the Group's exposures to Central Clearing Counterparties (CCPs), including all types of exposures due to operations, margins, contributions to default funds and related capital requirements.

All derivative exposures to CCPs are currently treated under the Current Exposure Method (CEM), with regulatory prescribed add-on in addition to the net replacement cost of the derivatives.

30 Jun 2020		
S\$ million	(a) EAD	(b) RWA
1	Total exposures to qualifying CCPs	792
2	Exposures to qualifying CCPs	8,457
3	arising from: OTC derivative transactions;	8,453
4	arising from: Exchange-traded derivative transactions;	4
5	arising from: SFTs; and	-
6	arising from: Netting sets ^{1/}	-
7	Segregated collateral ^{2/}	115
8	Non-segregated collateral	2,164
9	Pre-funded default fund contributions	7
10	Unfunded default fund contributions	-
11	Total exposures to non-qualifying CCPs	12
12	Exposures to non-qualifying CCPs	1
13	arising from: OTC derivative transactions;	-
14	arising from: Exchange-traded derivative transactions;	1
15	arising from: SFTs; and	-
16	arising from: Netting sets ^{1/}	-
17	Segregated collateral ^{2/}	-
18	Non-segregated collateral	11
19	Pre-funded default fund contributions	-
20	Unfunded default fund contributions	-

12.3 Exposures to Central Counterparties (continued)

		31 Dec 2019	
S\$ million		(a)	(b)
		EAD	RWA
1	Total exposures to qualifying CCPs		416
2	Exposures to qualifying CCPs	4,516	177
3	arising from: OTC derivative transactions;	4,514	177
4	arising from: Exchange-traded derivative transactions;	2	#
5	arising from: SFTs; and	-	-
6	arising from: Netting sets ^{1/}	-	-
7	Segregated collateral ^{2/}	106	
8	Non-segregated collateral	1,019	239
9	Pre-funded default fund contributions	7	-
10	Unfunded default fund contributions	-	-
11	Total exposures to non-qualifying CCPs		11
12	Exposures to non-qualifying CCPs	#	#
13	arising from: OTC derivative transactions;	-	-
14	arising from: Exchange-traded derivative transactions;	#	#
15	arising from: SFTs; and	-	-
16	arising from: Netting sets ^{1/}	-	-
17	Segregated collateral ^{2/}	-	
18	Non-segregated collateral	11	11
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

^{1/} Refers to netting assets where cross-product netting has been approved

^{2/} Refers to collateral which is held in a bankruptcy remote manner

Represents amounts of less than \$0.5 million

12.4 Counterparty Credit Risk Exposures under Standardised Approach by Risk Weight

The table below represents the risk weights used in the calculation of capital for the Group's portfolio, which are subjected to the CCR requirements under the Standardised Approach by asset classes.

S\$ million	30 Jun 2020								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Risk Weight								Total EAD ^{1/}
	0%	10%	20%	50%	75%	100%	150%	Others	
Asset Class									
Sovereign	388	-	-	-	-	-	-	-	388
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	98	16	-	2	-	-	116
Corporate	-	-	#	-	-	127	-	-	127
Regulatory	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-
Others ^{2/}	-	-	-	-	-	60	-	-	60
Total	388	-	98	16	-	189	-	-	691

S\$ million	31 Dec 2019								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Risk Weight								Total EAD ^{1/}
	0%	10%	20%	50%	75%	100%	150%	Others	
Asset Class									
Sovereign	329	-	-	-	-	-	-	-	329
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	89	14	-	-	-	-	103
Corporate	-	-	#	-	-	97	-	-	97
Regulatory	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-
Others ^{2/}	-	-	-	-	-	35	-	-	35
Total	329	-	89	14	-	132	-	-	564

^{1/} EAD refers to the amount relevant for capital requirement calculation, after taking into account the effects of CRM

^{2/} Includes other exposures not included in the above asset classes

Represents amounts of less than \$0.5 million

12.5 Counterparty Credit Risk Exposures under Foundation Internal Ratings-Based Approach (F-IRBA)

The table below represents the parameters used in the calculation of capital for the Group's portfolio, which are subjected to the CCR requirements under the F-IRBA by asset classes.

	30 Jun 2020						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD ^{1/} (S\$ million)	Average PD ^{2/} (%)	Number of Obligors ^{3/}	Average LGD ^{2/} (%)	Average Maturity ^{4/} (In years)	RWA (S\$ million)	RWA Density ^{5/} (%)
Sovereign							
PD Range							
0.00 to < 0.15	4,620	0.00%	6	23%	0.1	#	0%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	-	-	-	-	-	-	NA
0.50 to < 0.75	-	-	-	-	-	-	NA
0.75 to < 2.50	-	-	-	-	-	-	NA
2.50 to < 10.00	-	-	-	-	-	-	NA
10.00 to < 100.00	-	-	-	-	-	-	NA
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	4,620	0.00%	6	23%	0.1	#	0%
Bank							
PD Range							
0.00 to < 0.15	4,017	0.04%	132	34%	0.8	389	10%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	75	0.37%	5	42%	0.7	41	54%
0.50 to < 0.75	272	0.54%	9	45%	0.6	182	67%
0.75 to < 2.50	3	1.90%	4	25%	0.3	1	49%
2.50 to < 10.00	#	3.20%	1	45%	0.0	#	106%
10.00 to < 100.00	3	11.10%	5	45%	0.6	6	202%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	4,370	0.09%	156	35%	0.7	619	14%
Corporate							
PD Range							
0.00 to < 0.15	2,581	0.10%	171	36%	1.7	613	24%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	255	0.37%	78	45%	2.1	171	67%
0.50 to < 0.75	216	0.54%	82	37%	2.9	158	73%
0.75 to < 2.50	384	1.28%	103	19%	1.0	171	44%
2.50 to < 10.00	200	4.07%	22	45%	3.1	311	155%
10.00 to < 100.00	2	11.10%	34	45%	1.7	5	217%
100.00 (Default)	42	100.00%	2	45%	4.2	-	0%
Sub-total	3,680	1.63%	492	36%	1.8	1,429	39%

12.5 Counterparty Credit Risk Exposures under Foundation Internal Ratings-Based Approach (F-IRBA)
 (continued)

	30 Jun 2020						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD ^{1/} (S\$ million)	Average PD ^{2/} (%)	Number of Obligors ^{3/}	Average LGD ^{2/} (%)	Average Maturity ^{4/} (In years)	RWA (S\$ million)	RWA Density ^{5/} (%)
Corporate (IPRE)							
PD Range							
0.00 to < 0.15	28	0.14%	4	45%	1.6	8	30%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	97	0.37%	15	45%	3.2	69	72%
0.50 to < 0.75	129	0.54%	23	45%	3.2	111	85%
0.75 to < 2.50	84	1.28%	39	45%	2.3	86	103%
2.50 to < 10.00	5	3.20%	2	45%	1.7	7	155%
10.00 to < 100.00	-	-	-	-	-	-	NA
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	343	0.68%	83	45%	2.8	281	82%
Corporate Small Business							
PD Range							
0.00 to < 0.15	26	0.10%	27	45%	4.8	11	44%
0.15 to < 0.25	#	0.18%	8	45%	0.2	#	17%
0.25 to < 0.50	#	0.37%	10	45%	0.2	#	32%
0.50 to < 0.75	36	0.54%	32	45%	0.2	22	59%
0.75 to < 2.50	2	1.39%	57	45%	1.9	2	86%
2.50 to < 10.00	2	3.31%	15	45%	2.3	2	110%
10.00 to < 100.00	#	32.37%	18	45%	0.4	#	130%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	66	0.50%	167	45%	2.1	37	56%
Total (all portfolios)	13,079	0.51%	904	31%	0.9	2,366	18%

12.5 Counterparty Credit Risk Exposures under Foundation Internal Ratings-Based Approach (F-IRBA)
 (continued)

	31 Dec 2019						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD ^{1/} (S\$ million)	Average PD ^{2/} (%)	Number of Obligors ^{3/}	Average LGD ^{2/} (%)	Average Maturity ^{4/} (In years)	RWA (S\$ million)	RWA Density ^{5/} (%)
Sovereign							
PD Range							
0.00 to < 0.15	2,000	0.00%	7	42%	0.1	1	0%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	-	-	-	-	-	-	NA
0.50 to < 0.75	-	-	-	-	-	-	NA
0.75 to < 2.50	-	-	-	-	-	-	NA
2.50 to < 10.00	-	-	-	-	-	-	NA
10.00 to < 100.00	-	-	-	-	-	-	NA
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	2,000	0.00%	7	42%	0.1	1	0%
Bank							
PD Range							
0.00 to < 0.15	3,562	0.05%	133	32%	0.8	357	10%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	140	0.37%	5	45%	0.7	79	56%
0.50 to < 0.75	214	0.54%	9	45%	0.7	147	69%
0.75 to < 2.50	1	1.90%	3	0%	0.2	-	0%
2.50 to < 10.00	#	3.25%	2	45%	0.0	#	107%
10.00 to < 100.00	#	11.10%	3	45%	0.0	#	212%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	3,917	0.09%	155	33%	0.8	583	15%
Corporate							
PD Range							
0.00 to < 0.15	1,653	0.09%	177	39%	2.0	414	25%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	452	0.37%	67	19%	1.0	132	29%
0.50 to < 0.75	155	0.54%	76	17%	0.9	46	29%
0.75 to < 2.50	244	1.61%	96	45%	2.3	270	111%
2.50 to < 10.00	35	6.16%	20	45%	2.8	61	175%
10.00 to < 100.00	#	11.13%	32	45%	3.0	1	219%
100.00 (Default)	34	100.00%	1	45%	4.7	-	0%
Sub-total	2,573	1.73%	469	35%	1.8	924	36%

12.5 Counterparty Credit Risk Exposures under Foundation Internal Ratings-Based Approach (F-IRBA) (continued)

	31 Dec 2019						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD ^{1/} (S\$ million)	Average PD ^{2/} (%)	Number of Obligors ^{3/}	Average LGD ^{2/} (%)	Average Maturity ^{4/} (In years)	RWA (S\$ million)	RWA Density ^{5/} (%)
Corporate (IPRE)							
PD Range							
0.00 to < 0.15	33	0.14%	7	45%	2.4	12	37%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	23	0.37%	12	45%	3.2	16	72%
0.50 to < 0.75	60	0.54%	25	45%	3.4	53	88%
0.75 to < 2.50	41	1.37%	38	45%	2.1	43	104%
2.50 to < 10.00	#	3.20%	2	45%	1.5	#	125%
10.00 to < 100.00	-	-	-	-	-	-	NA
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	157	0.65%	84	45%	2.8	124	79%
Corporate Small Business							
PD Range							
0.00 to < 0.15	15	0.10%	35	45%	4.7	6	43%
0.15 to < 0.25	#	0.17%	8	45%	0.2	#	16%
0.25 to < 0.50	1	0.37%	21	45%	1.2	1	44%
0.50 to < 0.75	131	0.54%	33	45%	0.0	77	59%
0.75 to < 2.50	1	1.34%	51	45%	0.9	1	73%
2.50 to < 10.00	1	3.64%	17	45%	2.5	1	116%
10.00 to < 100.00	#	17.17%	14	45%	0.6	#	154%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	149	0.55%	179	45%	0.5	86	58%
Total (all portfolios)	8,796	0.57%	894	36%	1.0	1,718	20%

^{1/} EAD refers to the amount relevant for capital requirements calculation, after taking into account the effects of CRM

^{2/} Refers to the PD and LGD associated with each obligor grade, weighted by EAD

^{3/} Number of obligors refers to the number of counterparties

^{4/} Refers to the effective maturity of the exposures to the obligor in years, weighted by EAD

^{5/} Total RWA divided by the exposures post-CRM

Represents amounts of less than \$0.5 million

12.6 Counterparty Credit Risk Exposures under Advanced Internal Ratings-Based Approach (A-IRBA)

The table below represents the parameters used in the calculation of capital for the Group's portfolio, which are subjected to the CCR requirements under the A-IRBA by asset classes.

There was no CCR exposure within the other prescribed asset classes (Sovereign, Banks and Corporate Small Business) under A-IRBA as at 30 June 2020.

	30 Jun 2020						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD ^{1/} (S\$ million)	Average PD ^{2/} (%)	Number of Obligors ^{3/}	Average LGD ^{2/} (%)	Average Maturity ^{4/} (In years)	RWA (S\$ million)	RWA Density ^{5/} (%)
Corporate							
PD Range							
0.00 to < 0.15	7	0.05%	47	1%	0.9	#	0%
0.15 to < 0.25	8	0.20%	69	3%	0.7	#	2%
0.25 to < 0.50	-	-	-	-	-	-	NA
0.50 to < 0.75	21	0.50%	45	4%	0.7	1	5%
0.75 to < 2.50	16	1.39%	47	8%	2.0	3	21%
2.50 to < 10.00	5	5.00%	23	5%	0.5	1	15%
10.00 to < 100.00	43	15.85%	96	18%	3.0	42	97%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	100	7.43%	327	10%	1.9	47	47%
Total (all portfolios)	100	7.43%	327	10%	1.9	47	47%
	31 Dec 2019						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD ^{1/} (S\$ million)	Average PD ^{2/} (%)	Number of Obligors ^{3/}	Average LGD ^{2/} (%)	Average Maturity ^{4/} (In years)	RWA (S\$ million)	RWA Density ^{5/} (%)
Corporate							
PD Range							
0.00 to < 0.15	6	0.05%	38	7%	1.6	#	2%
0.15 to < 0.25	14	0.20%	67	7%	0.5	1	4%
0.25 to < 0.50	-	-	-	-	-	-	NA
0.50 to < 0.75	12	0.50%	34	8%	1.0	1	10%
0.75 to < 2.50	23	1.24%	45	7%	1.2	3	14%
2.50 to < 10.00	17	5.00%	34	11%	1.6	6	37%
10.00 to < 100.00	38	15.77%	106	18%	2.6	37	96%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	110	6.57%	324	11%	1.6	48	44%
Total (all portfolios)	110	6.57%	324	11%	1.6	48	44%

^{1/} EAD refers to the amount relevant for capital requirements calculation, after taking into account the effects of CRM

^{2/} Refers to the PD and LGD associated with each obligor grade, weighted by EAD

^{3/} Number of obligors refers to the number of accounts

^{4/} Refers to the maturity of the exposures to the obligor in years, weighted by EAD

^{5/} Total RWA divided by the exposures post-CRM

Represents amounts of less than \$0.5 million

12.7 Composition of Collateral for Counterparty Credit Risk Exposures

The table below represents all the types of collateral posted or received by the Group to support or reduce its CCR exposures related to derivatives or securities financing transactions (SFTs), including transactions cleared through Central Counterparties (CCP).

		30 Jun 2020										
		(a)		(b)		(c)		(d)		(e)		(f)
		Collateral used in derivative transactions				Collateral used in SFTs ^{1/}						
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received		Fair value of collateral posted				
S\$ million		Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	
1	Cash	-	1,975	115	-	3,925	-	3,145	-	-	2,486	
2	Debt	-	839	-	-	147	-	1,875	-	-	4,039	
3	Equity	-	462	-	-	-	-	-	-	-	-	
4	Others ^{3/}	-	525	-	-	-	-	-	-	-	-	
5	Total	-	3,801	115	-	4,072	-	5,020	-	-	6,525	

		31 Dec 2019										
		(a)		(b)		(c)		(d)		(e)		(f)
		Collateral used in derivative transactions				Collateral used in SFTs ^{1/}						
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received		Fair value of collateral posted				
S\$ million		Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	Segregated ^{2/}	Unsegregated	
1	Cash	-	2,054	106	-	2,053	-	1,630	-	-	2,576	
2	Debt	-	1,361	-	-	46	-	2,197	-	-	2,119	
3	Equity	-	1,035	-	-	-	-	-	-	-	-	
4	Others ^{3/}	-	868	-	-	-	-	-	-	-	-	
5	Total	-	5,318	106	-	2,099	-	3,827	-	-	4,695	

^{1/} Refers to Securities Financing Transaction (i.e. Repos and Reverse Repos)

^{2/} Refers to collateral held in a bankruptcy remote manner

^{3/} Includes collateral not reported in the other categories

12.8 Credit Derivative Exposures

The table below presents the Group's exposure to credit derivatives by what had been bought or sold.

The increase in notional for credit derivatives during the first half of 2020 was mainly driven by higher single-name credit default swaps and index credit default swaps.

S\$ million	30 Jun 2020		31 Dec 2019		
	(a)	(b)	(a)	(b)	
	Protection Bought	Protection Sold	Protection Bought	Protection Sold	
Notional					
1	Single-name credit default swaps	2,681	1,392	1,570	1,363
2	Index credit default swaps	827	847	560	533
3	Other credit derivatives	260	166	282	157
4	Total notional	3,768	2,405	2,412	2,053
Fair values					
5	Positive fair value (asset)	40	34	7	40
6	Negative fair value (liability)	33	39	40	7

13. SECURITISATION EXPOSURES

The Group has limited exposure to asset-backed securities and collateralised debt obligations and are not active in securitisation activities. As at 30 June 2020, there was no securitisation and re-securitisation exposure in the banking and trading books.

14. MARKET RISK TYPE UNDER STANDARDISED APPROACH

During the first half of 2020, the decrease in Market RWA was mainly due to a change in MRWA computation methodology for Interest rate risk.

30 Jun 2020	
Market Risk by Standardised Approach	(a)
S\$ million	RWA
Notional	
1 Interest rate risk (general and specific)	3,413
2 Equity risk (general and specific)	710
3 Foreign exchange risk	5,890
4 Commodity risk	10
Options	
5 Simplified approach	-
6 Delta-plus method	455
7 Scenario approach	345
8 Securitisation	-
9 Total	10,823

31 Dec 2019	
Market Risk by Standardised Approach	(a)
S\$ million	RWA
Notional	
1 Interest rate risk (general and specific)	7,266
2 Equity risk (general and specific)	684
3 Foreign exchange risk	6,358
4 Commodity risk	17
Options	
5 Simplified approach	-
6 Delta-plus method	320
7 Scenario approach	106
8 Securitisation	-
9 Total	14,751

There is no Market Risk exposure under Internal Model Approach as at 30 June 2020.

15. INTEREST RATE RISK IN THE BANKING BOOK

Qualitative disclosures related to Interest Rate Risk in the Banking Book, including a description of its nature and key assumptions made by the Group, can be found in the Risk Management chapter and Notes to the Financial Statements of the Annual Report.

Based on a 100 bp parallel rise in yield curves on the Group's exposure to major currencies i.e. Singapore Dollar, US Dollar, Hong Kong Dollar and Malaysian Ringgit, net interest income is estimated to increase by S\$792 million, or approximately +12.7% of reported net interest income (on an annualised basis). The corresponding impact from a 100 bp decrease is an estimated reduction of S\$791 million in net interest income, or approximately -12.7% of reported net interest income (on an annualised basis).

16. LIQUIDITY COVERAGE RATIO

OCBC Group (the "Group") has been subjected to the Liquidity Coverage Ratio ("LCR") requirements under the Monetary Authority of Singapore ("MAS") Notice 649 effective from 1 Jan 2015. As at 1 January 2019, the Group is required to maintain daily all-currency and Singapore dollar ("SGD") LCR of at least 100% on an ongoing basis.

LCR ensures that a Bank maintains an adequate level of unencumbered high-quality liquid assets ("HQLA") that can be quickly and easily converted into cash to meet any liquidity needs for a 30-calendar day liquidity stress scenario.

The following quarterly disclosures are made pursuant to the MAS Notice 651 "Liquidity Coverage Ratio Disclosure".

For 2Q20, the average SGD and all-currency LCR for the Group were 284% and 127% respectively. Compared to 1Q20, the average SGD LCR decreased by 22 percentage points from a decrease in HQLA. The average all-currency LCR was lower by 24 percentage points mainly due to an increase in net cash outflows from unsecured wholesale funding.

The Group continues to focus on acquiring stable deposits and on maintaining a mix of HQLA comprising mainly of Level 1 central bank reserves and liquid sovereign bonds. The Asset & Liability Management Desk in Global Treasury manages the day-to-day liquidity needs of the Group, and is subject to liquidity limits and triggers that serve as risk control on the Group's liquidity exposure.

16. Liquidity Coverage Ratio (continued)

Average Group All Currency LCR for 2Q20

The data presented in the quantitative disclosure are simple averages of daily observations over the quarter. For 2Q20, the number of data points in calculating the average figures is 91.

Group - ALL Currency (\$m)		Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		53,730
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	146,499	12,319
3	Stable deposits	46,606	2,330
4	Less stable deposits	99,893	9,989
5	Unsecured wholesale funding, of which:	116,089	55,185
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	33,000	7,965
7	Non-operational deposits (all counterparties)	76,243	40,375
8	Unsecured debt	6,845	6,845
9	Secured wholesale funding		182
10	Additional requirements, of which:	57,051	34,628
11	Outflows related to derivative exposures and other collateral requirements	31,821	31,697
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	25,230	2,931
14	Other contractual funding obligations	1,131	1,131
15	Other contingent funding obligations	13,393	402
16	TOTAL CASH OUTFLOWS		103,847
CASH INFLOWS			
17	Secured lending (eg reverse repos)	1,987	190
18	Inflows from fully performing exposures	49,379	30,172
19	Other cash inflows	31,304	31,248
20	TOTAL CASH INFLOWS	82,671	61,610
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		53,730
22	TOTAL NET CASH OUTFLOWS		42,236
23	LIQUIDITY COVERAGE RATIO (%)		127

16. Liquidity Coverage Ratio (continued)

Average Group SGD LCR for 2Q20

The data presented in the quantitative disclosure are simple averages of daily observations over the quarter. For 2Q20, the number of data points in calculating the average figures is 91.

Group - SGD (\$m)		Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		22,119
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	79,270	5,999
3	Stable deposits	38,570	1,928
4	Less stable deposits	40,700	4,070
5	Unsecured wholesale funding, of which:	23,083	8,822
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,700	2,343
7	Non-operational deposits (all counterparties)	13,380	6,476
8	Unsecured debt	3	3
9	Secured wholesale funding		-
10	Additional requirements, of which:	23,522	15,985
11	Outflows related to derivative exposures and other collateral requirements	15,217	15,217
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	8,305	768
14	Other contractual funding obligations	549	549
15	Other contingent funding obligations	1,974	59
16	TOTAL CASH OUTFLOWS		31,414
CASH INFLOWS			
17	Secured lending (eg reverse repos)	769	-
18	Inflows from fully performing exposures	5,683	3,239
19	Other cash inflows	23,039	23,034
20	TOTAL CASH INFLOWS	29,491	26,273
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		22,119
22	TOTAL NET CASH OUTFLOWS		7,854
23	LIQUIDITY COVERAGE RATIO (%)		284

17. NET STABLE FUNDING RATIO

OCBC Group (the “Group”) has been subjected to the Net Stable Funding Ratio (“NSFR”) requirements under the Monetary Authority of Singapore (“MAS”) Notice 652 effective from 1 Jan 2018. The Group is required to maintain an all-currency NSFR of at least 100% on an ongoing basis.

NSFR ensures that the Group maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It aims to promote resilience over a longer time horizon by funding its activities with more stable sources of funding on an ongoing basis.

The following semi-annual disclosures are made pursuant to the MAS Notice 653 “Net Stable Funding Ratio Disclosure”.

MAS has introduced adjustments to lower the required stable funding (“RSF”) factors for all loans to non-financial corporates, retail customers and small business customers, that have a residual maturity of less than six months, from 50% to 25%, for the period between 8 April 2020 and 30 September 2021 (both dates inclusive). The adjustments will be gradually phased back from 25% to 50% by 1 April 2022.

As at 30 June 2020, the all-currency NSFR for the Group was 119%. Compared to 31 March 2020, the all-currency NSFR increased by 11 percentage points, mainly driven by the lower RSF factors from the abovementioned adjustments.

The Group continues to maintain a stable funding structure to support its asset growth. Funding strategies have been put in place to provide effective diversification and stability in funding sources across tenors, products and geographies. Liquidity limits and triggers serve as risk control on the Group’s funding and liquidity exposure.

17. Net Stable Funding Ratio (continued)
Group All-Currency NSFR as at 30 Jun 2020

Group - ALL Currency (S\$m)		Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to <1 yr	≥ 1yr	
ASF Item						
1	Capital:	41,635	499	-	2,216	44,350
2	<i>Regulatory capital</i>	41,635	499	-	2,216	44,350
3	<i>Other capital instruments</i>	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	109,316	43,017	3,425	250	142,820
5	<i>Stable deposits</i>	42,500	5,205	42	1	45,361
6	<i>Less stable deposits</i>	66,816	37,813	3,383	249	97,459
7	Wholesale funding:	72,125	100,994	7,422	7,725	66,368
8	<i>Operational deposits</i>	33,250	3	-	-	16,626
9	<i>Other wholesale funding</i>	38,876	100,991	7,422	7,725	49,742
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	5,218		17,403		218
12	<i>NSFR derivative liabilities</i>			13,498		
13	<i>All other liabilities and equity not included in the above categories</i>	5,218	3,688	-	218	218
14	Total ASF					253,755
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					6,276
16	Deposits held at other financial institutions for operational purposes	35	-	-	-	18
17	Performing loans and securities:	15,107	111,092	24,271	169,783	184,563
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	636	-	-	64
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	7,031	21,539	3,425	3,322	10,326
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>	7,592	74,349	13,312	98,020	114,238
21	<i>With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk</i>	-	-	-	-	-
22	<i>Performing residential mortgages, of which:</i>	-	1,705	1,579	58,827	41,803
23	<i>With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk</i>	-	1,488	1,394	55,508	38,828
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	483	12,863	5,954	9,614	18,133
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	13,305		38,132		21,010
27	<i>Physical trade commodities, including gold</i>	-				-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>			586		498
29	<i>NSFR derivative assets</i>			16,057		2,559
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>			16,074		804
31	<i>All other assets not included in the above categories</i>	13,305	2,581	301	2,534	17,150
32	Off-balance sheet items			203,823		1,369
33	Total RSF					213,236
34	Net Stable Funding Ratio (%)					119

17. Net Stable Funding Ratio (continued)
Group All-Currency NSFR as at 31 Mar 2020

Group - ALL Currency (S\$m)		Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to <1 yr	≥ 1yr	
ASF Item						
1	Capital:	41,563	499	-	2,546	44,608
2	<i>Regulatory capital</i>	41,563	499	-	2,546	44,608
3	<i>Other capital instruments</i>	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	101,498	46,611	2,490	319	138,152
5	<i>Stable deposits</i>	40,493	5,354	32	0	43,585
6	<i>Less stable deposits</i>	61,005	41,258	2,458	319	94,567
7	Wholesale funding:	66,878	118,748	7,188	9,019	68,818
8	<i>Operational deposits</i>	32,473	40	-	-	16,256
9	<i>Other wholesale funding</i>	34,406	118,708	7,188	9,019	52,561
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	4,671		18,219		251
12	<i>NSFR derivative liabilities</i>			14,388		
13	<i>All other liabilities and equity not included in the above categories</i>	4,671	3,538	43	251	251
14	Total ASF					251,828
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					5,787
16	Deposits held at other financial institutions for operational purposes	59	-	-	-	30
17	Performing loans and securities:	18,090	117,094	25,523	167,995	203,022
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	1,144	-	-	114
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	9,194	24,918	4,289	3,592	11,696
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>	8,437	78,462	12,882	96,815	132,375
21	<i>With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk</i>	-	-	-	-	-
22	<i>Performing residential mortgages, of which:</i>	-	1,683	1,483	57,634	41,035
23	<i>With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk</i>	-	1,537	1,368	56,103	39,599
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	459	10,887	6,869	9,954	17,801
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	13,129		43,503		22,252
27	<i>Physical trade commodities, including gold</i>	-				-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>			617		525
29	<i>NSFR derivative assets</i>			18,454		4,067
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>			18,840		942
31	<i>All other assets not included in the above categories</i>	13,129	3,021	57	2,513	16,719
32	Off-balance sheet items			276,757		1,233
33	Total RSF					232,323
34	Net Stable Funding Ratio (%)					108