Oversea-Chinese Banking Corporation Limited

Pillar 3 Disclosures
(OCBC Group – As at 30 June 2017)

OCBC Bank

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 2017, 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”)

For qualitative description of the Group’s capital and risk management objectives and policies, and disclosures on remuneration, please refer to the Capital Management, Risk Management and Corporate Governance sections of the 2016 Annual Report.

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:

- Subsidiaries that carry out insurance business are excluded from regulatory consolidation and are treated as investments in unconsolidated major stake companies that are financial institutions. 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 2017, the subsidiaries that carry out insurance business are as follows:
  - The Great Eastern Life Assurance Company Limited and its insurance entities
  - The Overseas Assurance Corporation Limited and its insurance entities

- As at 30 June 2017, the total equity of these insurance subsidiaries was S$7 billion and total assets were S$73 billion.

Disclosures on the Group’s reconciliation of regulatory capital and regulatory capital position can be found in Section 4 of this document.

3. CAPITAL ADEQUACY

Disclosures on the Group’s capital adequacy ratios and the capital positions for the Group’s significant banking subsidiaries as at 30 June 2017 are presented in the Capital Adequacy Ratios section of the Second Quarter 2017 Financial Results (http://www.ocbc.com/group/investors/index.html).

Terms and conditions and main features of capital instruments can be found under the Capital and Regulatory Disclosures sections of the Bank’s Investor Relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).

Disclosures on the Group’s leverage ratio are presented in the Leverage Ratio section of the Second Quarter 2017 Financial Results (http://www.ocbc.com/group/investors/index.html) and under the Capital and Regulatory Disclosures section of the Bank’s Investor Relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).

4. COMPOSITON OF CAPITAL

4.1 Reconciliation of Regulatory Capital

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	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Cross Reference to Section 4.2
EQUITY			
Share capital	15,106		
of which: Paid-up ordinary shares		14,106	a
of which: Transitional: Ineligible AT1 capital instruments		1,448	b
Other equity instruments	499	499	c
Reserves:			
Capital reserves	323		
Fair value reserves	330		
Revenue reserves	21,765		
Total reserves	**22,418**		
of which: Retained earnings		21,735	d
of which: Accumulated other comprehensive income and other disclosed reserves		662	e
Non-controlling interests	2,692		
of which: Transitional: Ineligible AT1 capital instruments		949	f
of which: Minority interest that meets criteria for inclusion in CET1 Capital		209	g
of which: Minority interest that meets criteria for inclusion in AT1 Capital		30	h
Valuation adjustments	-	-	
Total equity	**40,715**		
LIABILITIES			
Deposits of non-bank customers	264,421		
Deposits and balances of banks	11,734		
Due to associates	212		
Trading portfolio liabilities	507		
Derivative payables	5,433		
Other liabilities	5,851		
Current tax	1,007		
Deferred tax	1,565		
of which: Associated with intangible assets		65	i
Debt issued	31,331		
of which: AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion		61	j
of which: T2 capital instruments		2,802	k
of which: Transitional: Ineligible T2 capital instruments		1,930	l
of which: T2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion		162	m
Life assurance fund liabilities	66,825		
Total liabilities	**388,886**		
Total equity and liabilities	**429,601**		
ASSETS			
Cash and placements with central banks	15,244		
Singapore government treasury bills and securities	10,436		
Other government treasury bills and securities	16,189		
Placements with and loans to banks	44,850		
Loans and bills receivable	225,355		
of which: Eligible provision for inclusion in T2 Capital subject to cap in respect of exposures under SA and IRBA		930	n
Debt and equity securities	24,586		
of which: Indirect investments in own Tier 2 instruments		0	o
of which: Investments in unconsolidated major stake financial institutions		6,545	p
of which: Investments in unconsolidated non major stake financial institutions		1,317	q
Derivative and forward securities in unconsolidated non major stake financial institutions		5	r
Assets pledged	2,176		
Assets held for sale	35		
of which: Investments in unconsolidated major stake financial institutions		33	s
Derivative receivables	5,982		
Other assets	5,576		
Deferred tax	189		
of which: Deferred tax assets before netting		292	t
Associates and joint ventures	2,439		
of which: Investments in unconsolidated major stake financial institutions		2,275	u
Property, plant and equipment	3,407		
Investment properties	973		
Goodwill and intangible assets	5,291		
of which: Goodwill		4,518	v
of which: Intangible assets		773	w
Life assurance fund investment assets	66,873		
Total assets	**429,601**		

4.2 Regulatory Capital Position

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		Amount	Amount subject to Pre-Basel III Treatment	Cross Reference to Section 4.1
	Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	14,106		a
2	Retained earnings	21,735		d
3	Accumulated other comprehensive income and other disclosed reserves	662		e
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	209	(22)	g
6	**Common Equity Tier 1 capital before regulatory adjustments**	36,713		
	Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	-		
8	Goodwill, net of associated deferred tax liability	3,615	904	v
9	Intangible assets, net of associated deferred tax liability	566	142	w-i
10	Deferred tax assets that rely on future profitability	234	58	t
11	Cash flow hedge reserve	-	-	
12	Shortfall of TEP relative to EL under IRBA	-	-	
13	Increase in equity capital resulting from securitisation transactions	-	-	
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	-	-	
15	Defined benefit pension fund assets, net of associated deferred tax liability	-		
16	Investments in own shares	-		
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-		
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-		
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	4,499	1,125	(p+s+u) - 3,230[1]
20	Mortgage servicing rights (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold	-		
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-		
24	of which: mortgage servicing rights			
25	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments	-		
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-	-	
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	-	
26C	Any other items which the Authority may specify	-	-	
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**	8,913		
29	**Common Equity Tier 1 capital (CET1)**	27,800		
	Additional Tier 1 capital: instruments			
30	AT1 capital instruments and share premium (if applicable)	499		c
31	of which: classified as equity under the Accounting Standards	499		
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)	2,397		(b+f)[2]
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	91		h+j
35	of which: instruments issued by subsidiaries subject to phase out	61		j
36	**Additional Tier 1 capital before regulatory adjustments**	2,988		
	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	1,104		
41A	Regulatory adjustments applied to AT1 Capital in respect of amounts subject to pre-Basel III treatment	1,104		
	of which: Goodwill, net of associated deferred tax liability	904		
	of which: Intangible assets, net of associated deferred tax liability	142		
	of which: Deferred tax assets that rely on future profitability	58		
	of which: Cash flow hedge reserve	-		
	of which: Increase in equity capital resulting from securitisation transactions	-		
	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	-		
	of which: Shortfall of TEP relative to EL under IRBA	-		
	of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-		
	of which: Capital deficits in subsidiaries and associates that are regulated financial institutions	-		
	of which: Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	-		
	of which: Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	-		
41B	Any other items 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**	1,104		
44	**Additional Tier 1 capital (AT1)**	1,884		
45	**Tier 1 capital (T1 = CET1 + AT1)**	29,684		

4.2 Regulatory Capital Position (Continued)

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		Amount	Amount subject to Pre-Basel III Treatment	Cross Reference to Section 4.1
	Tier 2 capital: instruments and provisions			
46	Tier 2 capital instruments and share premium (if applicable)	2,802		k
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	1,930		l[2]
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	162		m
49	of which: instruments issued by subsidiaries subject to phase out	145		
50	Provisions	930		n
51	**Tier 2 capital before regulatory adjustments**	5,825		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	0		o
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-		
54	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-		
55	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	-	
56	National specific regulatory adjustments	1,125		
56A	Any other items which the Authority may specify	-		
56B	Regulatory adjustments applied to Tier 2 Capital in respect of amounts subject to pre-Basel III treatment	1,125		
	of which: Shortfall of TEP relative to EL under IRBA	-		
	of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-		
	of which: Capital deficits in subsidiaries and associates that are regulated financial institutions	-		
	of which: Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	1,125		
	of which: Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	-		
57	**Total regulatory adjustments to Tier 2 capital**	1,125		
58	**Tier 2 capital (T2)**	4,700		
59	**Total capital (TC = T1 + T2)**	34,384		
60	**Floor–adjusted total risk weighted assets (after incorporating the floor adjustment set out in Table 11-3A(m))**	212,527		
	Capital ratios (as a percentage of floor-adjusted risk weighted assets)			
61	**Common Equity Tier 1 CAR**	13.0%		
62	**Tier 1 CAR**	13.9%		
63	**Total CAR**	16.1%		
64	Bank-specific buffer requirement	7.9%		
65	of which: capital conservation buffer requirement	1.25%		
66	of which: bank specific countercyclical buffer requirement	0.1%		Refer to note[3]
67	of which: G-SIB buffer requirement (if applicable)	-		
68	Common Equity Tier 1 available to meet buffers	6.1%		
	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 of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	1,322		q+r
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	3,230		Refer to note[1]
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)			
	Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	772		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	691		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	239		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	621		
	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	2,477		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	151		
84	Current cap on T2 instruments subject to phase out arrangements	2,246		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	136		

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)

2/ Under Basel III transitional arrangements, outstanding Additional Tier 1 and Tier 2 capital instruments that do not meet the requirements are gradually phased out. Fixing the base at the nominal amount of such instruments outstanding at 1 January 2013, the recognition shall be capped at 90% in 2013, with the cap reducing by 10 percentage points in each subsequent year. To the extent a capital instrument is redeemed or amortised after 1 January 2013, the nominal amount serving as the base is not reduced

3/ The effective country-specific countercyclical buffer requirement for Hong Kong and Sweden was 1.25%. The weighting applicable for Hong Kong and Sweden were 11.7% and less than 0.1% respectively

5. CREDIT QUALITY

5.1 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 obligation to the Group.

		(a)	(b)	(c)	(d)
		Gross carrying amount of [1/]			
	S$ million	Defaulted exposures	Non-defaulted exposures	Impairment allowances	Net Values [2/] (a + b - c)
1	Loans and bills receivable	2,859	225,946	(2,938)	225,867
2	Debt securities	38	22,452	(2)	22,488
3	Off-balance sheet exposures	23	9,617	(4)	9,636
4	**Total**	**2,920**	**258,015**	**(2,944)**	**257,991**

[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

5.2 Changes in Stock of Defaulted Loans and Bills Receivable, and Debt Securities

The table below identifies the changes in defaulted loans and bills receivable as well as 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 bills receivable, and debt securities in first half of 2017 was mainly driven by new defaulted loans and bills receivable that was partially offset by write-offs and recoveries.

	S$ million	(a) Amount outstanding
1	**Defaulted loans and bills receivable, and debt securities as at 31 December 2016**	2,863
2	Loans and bills receivable, and debt securities that have defaulted in first half of 2017	839
3	Return to non-defaulted status	(160)
4	Amounts written-off	(262)
5	Other changes [1/]	(383)
6	**Defaulted loans and bills receivable, and debt securities as at 30 June 2017 (1 + 2 - 3 - 4 ± 5)**	**2,897**

[1/] Other changes comprise foreign exchange, increase in existing defaulted loans and bills receivable, and recoveries

6. OVERVIEW OF RISK WEIGHTED ASSETS ("RWA")

The table below provides an overview of the Group's total RWA, breakdown by the approaches with which the RWA are computed, as stipulated by MAS Notice 637.

The higher total RWA between March 2017 and June 2017 was largely attributed to:

- Standardised Approach for Credit and Equity exposures, driven by increase in loans booked in subsidiaries such as Bank of Singapore and OCBC NISP
- IRB Approach for Credit and Equity exposures, mainly due to higher loans and slight deterioration in credit quality for selected wholesale portfolios
- Market Risk mainly due to higher Interest rate risk

		(a)	(b)	(c)
		RWA		Minimal Capital Requirements [1/]
	S$ million	Jun-17	Mar-17	Jun-17
1	Credit Risk (excluding Counterparty Credit Risk)	153,171	149,343	15,317
2	Of which: Standardised Approach for Credit and Equity exposures	54,816	52,860	5,482
3	Of which: IRB Approach for Credit and Equity exposures [2/]	98,355	96,483	9,835
4	Credit Risk: Counterparty Credit Risk	4,711	4,428	471
5	Of which: Current Exposure Method [3/]	4,711	4,428	471
6	Of which: Internal Models Method	-	-	-
7	Equity exposures under Simple Risk Weight Method	5,724	5,072	572
8	Equity investments in funds - Look Through Approach	-	-	-
9	Equity investments in funds - Mandate-Based Approach	-	-	-
10	Equity investments in funds - Fall Back Approach	3,449	3,852	345
10a	Equity investments in funds - Partial Use of an Approach	-	-	-
11	Unsettled Transactions	#	1	#
12	Securitisation exposures in banking book	-	-	-
13	Of which: Ratings-Based and Internal Assessment Methods	-	-	-
14	Of which: Supervisory Formula	-	-	-
15	Of which: Standardised Approach	-	-	-
16	Market Risk	24,015	23,202	2,402
17	Of which: Standardised Approach	24,015	23,202	2,402
18	Of which: Internal Models Approach	-	-	-
19	Operational Risk	13,382	13,326	1,338
20	Of which: Basic Indicator Approach	2,518	2,437	252
21	Of which: Standardised Approach	10,864	10,889	1,086
22	Of which: Advanced Measurement Approach	-	-	-
23	Credit RWA pursuant to paragraph 6.1.3(p)(iii) [4/]	8,075	8,000	808
24	Floor Adjustment	-	-	-
25	**Total**	**212,527**	**207,224**	**21,253**

[1/] Minimum capital requirements are calculated at 10% of RWA

[2/] Refers to Equity exposures under the Probability of Default ("PD")/Loss Given Default ("LGD") Method

[3/] CCR RWA includes RWA attributed to Credit Valuation Adjustments ("CVA") and Central Counterparties ("CCP")

[4/] 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)

represents amounts less than $0.5 million

7. CREDIT EXPOSURES UNDER STANDARDISED AND IRB APPROACH

7.1 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.

The increase in exposures and RWA during the first half of 2017 was led by increase in exposures booked in Bank of Singapore. The RWA density remained stable during the first half of 2017.

		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM [1/]		Exposures post-CCF and post-CRM [2/]			
	S$ million	On-Balance Sheet	Off-Balance Sheet	On-Balance Sheet	Off-Balance Sheet	RWA	RWA Density [3/]
	Asset Class						
1	Cash Items	872	-	872	-	8	1%
2	Sovereign	34,766	269	34,979	57	1,294	4%
3	PSE	457	59	925	#	222	24%
4	MDB	34	50	98	#	-	0%
5	Bank	6,301	46	6,316	45	2,783	44%
6	Corporate	25,565	25,937	18,859	1,549	19,498	96%
7	Regulatory Retail	5,764	3,153	5,368	72	4,080	75%
8	Residential Mortgage	13,088	2	12,737	#	4,826	38%
9	Commercial Real Estate	10,793	1,658	10,584	148	10,736	100%
10	Equity exposures	-	-	-	-	-	NA
11	Past Due exposures	98	-	97	-	125	129%
12	Higher risk exposures	-	-	-	-	-	NA
13	Others [4/]	18,352	27,785	11,102	142	11,244	100%
14	**Total**	**116,090**	**58,959**	**101,937**	**2,013**	**54,816**	**53%**

[1/] This refers to the regulatory exposure amount (net of impairment allowances and write offs where applicable) before the Credit Conversion Factor ("CCF") for off-balance sheet exposures and the recognised Credit Risk Mitigation ("CRM") are applied

[2/] This is the net credit equivalent amount, after taking into account the effects of CCFs and CRM

[3/] Total RWA divided by the exposures post-CCF and post-CRM

[4/] Includes other exposures not included in the above asset classes, such as fixed assets

Represents amounts less than $0.5 million

7.2 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 with level of risk attributed to each exposure.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		Risk Weight									
	S$ million	0%	10%	20%	35%	50%	75%	100%	150%	Others	**Total EAD [1/]**
	Asset Class										
1	Cash Items	831	-	41	-	-	-	-	-	-	872
2	Sovereign	32,501	-	1,409	-	226	-	899	-	-	35,035
3	PSE	34	-	776	-	96	-	19	-	-	925
4	MDB	98	-	-	-	-	-	-	-	-	98
5	Bank	-	-	1,355	-	4,988	-	18	-	-	6,361
6	Corporate	-	-	292	-	1,355	-	18,758	3	-	20,408
7	Regulatory Retail	-	-	-	-	-	5,440	-	-	-	5,440
8	Residential Mortgage	-	-	-	12,030	-	368	340	-	-	12,738
9	Commercial Real Estate	-	-	-	-	-	-	10,725	7	-	10,732
10	Equity exposures	-	-	-	-	-	-	-	-	-	-
11	Past Due exposures	-	-	-	-	-	-	40	57	-	97
12	Higher risk exposures	-	-	-	-	-	-	-	-	-	-
13	Others [2/]	-	-	-	-	-	-	11,244	-	-	11,244
14	**Total**	**33,464**	**-**	**3,873**	**12,030**	**6,665**	**5,808**	**42,043**	**67**	**-**	**103,950**

[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 assets

7.3 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 RWA density across the asset classes were generally stable during the first half of 2017, with the increase in the RWA largely driven by increase in loans booked. Nevertheless, the RWA density for wholesale portfolios increased slightly during the period as internal ratings for specific customers were downgraded as part of the regular internal review process.

	(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	Average LGD [4/] (%)	Average Maturity [5/] (In years)	RWA (S$ million)	RWA Density [6/] (%)	Expected Losses (S$ million)	TEP [7/] (S$ million)
Bank	(S$ million)											
PD Range												
0.00 to < 0.15	40,608	1,763	18%	41,721	0.05%	388	45%	0.9	5,743	14%	10	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	3,091	88	29%	4,407	0.37%	55	45%	0.9	2,557	58%	7	
0.50 to < 0.75	3,278	22	20%	3,379	0.54%	28	45%	0.5	2,284	68%	8	
0.75 to < 2.50	840	109	75%	921	1.12%	16	45%	0.8	919	100%	5	
2.50 to < 10.00	164	14	49%	107	5.87%	15	44%	0.4	150	141%	3	
10.00 to < 100.00	8	41	-	8	11.10%	7	45%	1.0	19	226%	#	
100.00 (Default)	#	-	-	#	100.00%	1	45%	1.0	-	0%	#	
Sub-total	**47,989**	**2,037**	**21%**	**50,543**	**0.14%**	**510**	**45%**	**0.9**	**11,672**	**23%**	**33**	**163**
Corporate												
PD Range												
0.00 to < 0.15	31,578	23,764	21%	36,600	0.09%	608	44%	2.4	10,197	28%	14	
0.15 to < 0.25	1	3	1%	1	0.20%	1	45%	3.4	1	56%	#	
0.25 to < 0.50	10,401	11,999	25%	13,407	0.37%	343	44%	1.9	7,507	56%	22	
0.50 to < 0.75	7,921	8,512	15%	9,052	0.54%	400	43%	1.8	5,895	65%	21	
0.75 to < 2.50	10,323	9,465	12%	10,336	1.46%	666	43%	1.8	9,787	95%	64	
2.50 to < 10.00	5,848	3,607	24%	5,836	5.10%	290	41%	2.3	8,417	144%	125	
10.00 to < 100.00	1,718	744	13%	1,666	11.89%	173	41%	3.1	3,390	203%	79	
100.00 (Default)	1,116	21	46%	1,126	100.00%	68	44%	2.3	-	0%	493	
Sub-total	**68,906**	**58,115**	**20%**	**78,024**	**2.44%**	**2,549**	**43%**	**2.2**	**45,194**	**58%**	**818**	**972**
Corporate (IPRE)												
PD Range												
0.00 to < 0.15	1,173	94	73%	1,241	0.14%	9	45%	3.9	630	51%	-	
0.15 to < 0.25	-	-	-	-	-	-	-	-	-	NA	-	
0.25 to < 0.50	3,643	677	60%	4,050	0.37%	33	45%	2.3	2,504	62%	7	
0.50 to < 0.75	6,051	810	56%	6,506	0.54%	81	45%	2.1	4,615	71%	16	
0.75 to < 2.50	10,320	3,092	66%	12,338	1.39%	222	45%	2.4	13,221	107%	77	
2.50 to < 10.00	1,710	399	35%	1,849	4.14%	122	45%	2.3	2,691	146%	34	
10.00 to < 100.00	213	56	69%	252	11.36%	17	45%	1.4	505	201%	13	
100.00 (Default)	71	-	-	71	100.00%	4	45%	3.2	-	0%	32	
Sub-total	**23,181**	**5,128**	**61%**	**26,307**	**1.52%**	**488**	**45%**	**2.4**	**24,166**	**92%**	**179**	**354**

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

Corporate Small Business	(a) On-Balance Sheet [1/] (S$ million)	(b) Off-Balance Sheet [2/] (S$ million)	(c) Average CCF (%)	(d) EAD [3/] (S$ million)	(e) Average PD [4/] (%)	(f) Number of Obligors	(g) Average LGD [4/] (%)	(h) Average Maturity [5/] (In years)	(i) RWA (S$ million)	(j) RWA Density [6/] (%)	(k) Expected Losses (S$ million)	(l) TEP [7/] (S$ million)
PD Range												
0.00 to < 0.15	325	587	11%	389	0.13%	354	42%	2.9	128	33%	#	
0.15 to < 0.25	494	135	15%	514	0.16%	790	38%	4.3	206	40%	#	
0.25 to < 0.50	581	829	10%	660	0.37%	305	38%	3.0	323	49%	2	
0.50 to < 0.75	499	713	13%	590	0.53%	490	40%	2.1	312	53%	2	
0.75 to < 2.50	2,414	1,803	10%	2,545	1.48%	6,679	37%	1.9	1,833	72%	14	
2.50 to < 10.00	2,149	911	11%	2,231	4.79%	668	37%	2.2	2,372	106%	40	
10.00 to < 100.00	461	117	11%	474	16.29%	381	37%	2.0	815	172%	30	
100.00 (Default)	816	2	62%	808	100.00%	70	45%	1.8	-	0%	364	
Sub-total	**7,739**	**5,097**	**11%**	**8,211**	**12.63%**	**9,737**	**39%**	**2.3**	**5,989**	**73%**	**452**	**184**
Total (all portfolios)	**147,815**	**70,377**	**22%**	**163,085**	**2.09%**	**13,284**	**44%**	**1.8**	**87,021**	**53%**	**1,482**	**1,673**

[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/] Refers to the effective maturity of the exposures to the obligor in years, weighted by EAD
[6/] Total RWA divided by the exposures post-CCF and post-CRM
[7/] Refers to the total eligible provisions attributed to the respective portfolios
Represents amounts less than $0.5 million

7.4 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, which had been generally stable during the first half of 2017.

	(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	Average LGD [4/] (%)	Average Maturity [5/] (In years)	RWA (S$ million)	RWA Density [6/] (%)	Expected Losses (S$ million)	TEP [7/] (S$ million)
Residential Mortgage	(S$ million)											
PD Range												
0.00 to < 0.15	2,217	713	67%	2,697	0.06%	11,054	10%		43	2%	#	
0.15 to < 0.25	11,910	870	74%	12,551	0.15%	35,157	11%		456	4%	3	
0.25 to < 0.50	11,783	928	65%	12,385	0.25%	44,474	11%		664	5%	3	
0.50 to < 0.75	13,870	735	70%	14,385	0.50%	50,293	11%		1,284	9%	8	
0.75 to < 2.50	7,721	699	69%	8,204	1.03%	38,929	11%		1,240	15%	9	
2.50 to < 10.00	3,225	201	78%	3,382	3.85%	10,639	11%		1,088	32%	15	
10.00 to < 100.00	1,100	19	93%	1,118	23.35%	7,239	12%		713	64%	30	
100.00 (Default)	422	8	0%	422	100.00%	2,905	14%		340	81%	53	
Sub-total	**52,248**	**4,173**	**69%**	**55,144**	**1.85%**	**200,690**	**11%**		**5,828**	**11%**	**121**	**136**
Qualifying Revolving Retail												
PD Range												
0.00 to < 0.15	576	5,625	45%	3,123	0.06%	550,037	80%		102	3%	1	
0.15 to < 0.25	29	916	53%	511	0.17%	98,897	84%		42	8%	1	
0.25 to < 0.50	225	921	43%	626	0.29%	119,752	80%		76	12%	1	
0.50 to < 0.75	296	735	46%	635	0.59%	92,182	78%		133	21%	3	
0.75 to < 2.50	310	553	60%	640	1.48%	91,604	82%		285	45%	8	
2.50 to < 10.00	317	234	67%	473	5.05%	66,647	83%		501	106%	20	
10.00 to < 100.00	103	55	67%	139	24.24%	19,682	84%		312	223%	29	
100.00 (Default)	25	-	0%	25	100.00%	3,900	82%		-	0%	25	
Sub-total	**1,881**	**9,039**	**47%**	**6,172**	**1.63%**	**1,042,701**	**81%**		**1,451**	**24%**	**88**	**45**
Retail Small Business												
PD Range												
0.00 to < 0.15	285	263	58%	435	0.10%	5,770	26%		30	7%	#	
0.15 to < 0.25	1,410	530	47%	1,658	0.17%	12,958	33%		218	13%	2	
0.25 to < 0.50	327	36	56%	347	0.35%	1,989	35%		76	22%	#	
0.50 to < 0.75	591	40	63%	616	0.50%	5,919	38%		179	29%	1	
0.75 to < 2.50	918	78	68%	971	1.15%	11,039	42%		464	48%	5	
2.50 to < 10.00	600	32	74%	624	4.36%	10,593	45%		425	68%	12	
10.00 to < 100.00	368	15	83%	381	26.97%	5,565	47%		384	101%	47	
100.00 (Default)	161	6	0%	161	100.00%	2,441	55%		239	148%	65	
Sub-total	**4,660**	**1,000**	**53%**	**5,193**	**5.97%**	**56,274**	**38%**		**2,015**	**39%**	**132**	**94**

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

Other Retail	(a) On-Balance Sheet [1/] (S$ million)	(b) Off-Balance Sheet [2/] (S$ million)	(c) Average CCF (%)	(d) EAD [3/] (S$ million)	(e) Average PD [4/] (%)	(f) Number of Obligors	(g) Average LGD [4/] (%)	(h) Average Maturity [5/] (In years)	(i) RWA (S$ million)	(j) RWA Density [6/] (%)	(k) Expected Losses (S$ million)	(l) TEP [7/] (S$ million)
PD Range												
0.00 to < 0.15	6	23	52%	18	0.06%	120	80%		2	14%	#	
0.15 to < 0.25	1,207	134	58%	1,285	0.16%	21,859	16%		76	6%	#	
0.25 to < 0.50	277	43	67%	306	0.32%	4,610	16%		29	9%	#	
0.50 to < 0.75	303	38	75%	332	0.51%	3,912	30%		77	23%	1	
0.75 to < 2.50	422	38	85%	454	1.22%	3,207	25%		130	29%	1	
2.50 to < 10.00	123	9	86%	131	4.75%	1,212	31%		63	48%	2	
10.00 to < 100.00	47	6	82%	51	17.89%	573	32%		36	70%	3	
100.00 (Default)	20	1	0%	20	100.00%	271	38%		46	228%	6	
Sub-total	**2,405**	**292**	**66%**	**2,597**	**1.77%**	**35,764**	**21%**		**459**	**18%**	**13**	**12**
Total (all portfolios)	**61,194**	**14,504**	**55%**	**69,106**	**2.14%**	**1,335,429**	**19%**		**9,753**	**14%**	**354**	**287**

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/ Refers to the effective maturity of the exposures to the obligor in years; not applicable for portfolios under the IRB treatment of Retail asset classes (A-IRB)
6/ Total RWA divided by the exposures post-CCF and post-CRM
7/ Refers to the total eligible provisions attributed to the respective portfolios
Represents amounts less than $0.5 million

7.5 Effect on RWA of Credit Derivatives used as CRM

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

8. SPECIALISED LENDING AND EQUITY EXPOSURES

8.1 Specialised Lending Exposures 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)					**EAD** [3]					
Regulatory Categories	Remaining Maturities	On-Balance Sheet [1]	Off-Balance Sheet [2]	Risk Weight (%)	PF	OF	CF	Total	RWA	Expected Losses
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		781	1,564	115%	924	139	165	1,228	1,498	34
Weak		31	-	250%	-	31	-	31	83	3
Default		56	-	-	30	50	11	91	-	45
Total		**868**	**1,564**		**954**	**220**	**176**	**1,350**	**1,581**	**82**

[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

8.2. Equity Exposures under Simple Risk Weight Method

The table below represents the parameters used for the determination of capital requirements for the Group's equity exposures using the Simple Risk Weight method.

The increase in RWA during the first half of 2017 was mainly due to an increase in exchange-traded equity exposures.

Equity Exposures (S$ million)	On-Balance Sheet	Off-Balance Sheet	Risk Weight (%)	EAD [1]	RWA
Exchange-Traded Equity Exposures	1,426	-	300%	1,426	4,535
Other Equity Exposures	281	-	400%	281	1,189
Total	**1,707**	**-**		**1,707**	**5,724**

[1] EAD refers to the amount relevant for capital requirements calculated by taking into account the effects of CCFs and CRM

9. COUNTERPARTY CREDIT RISK

9.1 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 represent 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").

		(a)	(b)	(c)	(d)	(e)	(f)
	Counterparty Credit Risk Exposure by Approach (S$ million)	Replacement Cost	Potential Future Exposure	Effective EPE	Alpha factor (α)	EAD [1/]	RWA
1	CEM (For derivatives)	4,295	6,153			5,253	2,131
2	CCR Internal models method (For derivatives and SFTs)			-		-	-
3	FC(SA) for SFTs					-	-
4	FC(CA) for SFTs					5,278	279
5	VaR for SFTs					-	-
6	**Total**						**2,410**

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

9.2 CVA Risk Capital Charge

The Credit Valuation Adjustment ("CVA") is made to the mark-to-market valuation of OTC derivatives, for which these are calculated under the Standardised Approach for the Group.

		(a)	(b)
	S$ million	EAD [1/]	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	4,786	1,837
4	**Total portfolios subject to the CVA risk capital requirement**	**4,786**	**1,837**

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

9.3 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 subjected to the CCR requirements under the Standardised Approach by asset classes.

The increase in total EAD during the first half of 2017 was driven by higher repo exposures to sovereign (largely 0% risk weight).

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Risk Weight								Total EAD [1/]
S$ million	0%	10%	20%	50%	75%	100%	150%	Others	
Asset Class									
Sovereign	1,987	-	8	4	-	#	-	-	1,999
PSE	-	-	1	-	-	-	-	-	1
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	102	16	-	-	-	-	118
Corporate	-	-	3	#	-	359	-	-	362
Regulatory Retail	-	-	-	-	-	-	-	-	-
Others [2/]	-	-	-	-	-	77	-	-	77
Total	**1,987**	**-**	**114**	**20**	**-**	**436**	**-**	**-**	**2,557**

[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 less than $0.5 million

9.4 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 subjected to the CCR requirements under the F-IRBA, by asset classes of the counterparties.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Bank	EAD [1/] (S$ million)	Average PD [2/] (%)	Number of Obligors	Average LGD [2/] (%)	Average Maturity [3/] (In years)	RWA (S$ million)	RWA Density [4/] (%)
PD Range							
0.00 to < 0.15	3,519	0.05%	248	31%	0.9	374	11%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	44	0.37%	10	45%	0.6	24	55%
0.50 to < 0.75	1,601	0.54%	14	2%	0.1	55	3%
0.75 to < 2.50	189	1.11%	4	26%	0.0	74	39%
2.50 to < 10.00	-	-	-	-	-	-	NA
10.00 to < 100.00	#	11.10%	10	45%	0.0	#	212%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	**5,353**	**0.24%**	**286**	**23%**	**0.6**	**527**	**10%**
Corporate							
PD Range							
0.00 to < 0.15	938	0.09%	148	42%	2.3	254	27%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	734	0.37%	78	13%	0.9	141	19%
0.50 to < 0.75	95	0.54%	52	45%	2.0	71	74%
0.75 to < 2.50	101	1.71%	84	45%	3.0	123	122%
2.50 to < 10.00	103	3.29%	28	45%	3.7	161	156%
10.00 to < 100.00	155	11.10%	42	45%	3.6	350	226%
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	**2,126**	**1.24%**	**432**	**33%**	**2.0**	**1,100**	**52%**
Corporate (IPRE)							
PD Range							
0.00 to < 0.15	22	0.14%	4	45%	3.7	11	49%
0.15 to < 0.25	-	-	-	-	-	-	NA
0.25 to < 0.50	24	0.37%	14	45%	2.5	15	65%
0.50 to < 0.75	21	0.54%	14	45%	2.2	17	80%
0.75 to < 2.50	41	1.20%	22	45%	2.5	42	103%
2.50 to < 10.00	3	4.27%	7	45%	1.6	4	138%
10.00 to < 100.00	-	-	-	-	-	-	NA
100.00 (Default)	-	-	-	-	-	-	NA
Sub-total	**111**	**0.76%**	**61**	**45%**	**2.7**	**89**	**81%**

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

Corporate Small Business	(a) EAD [1/] (S$ million)	(b) Average PD [2/] (%)	(c) Number of Obligors	(d) Average LGD [2/] (%)	(e) Average Maturity [3/] (In years)	(f) RWA (S$ million)	(g) RWA Density [4/] (%)
PD Range							
0.00 to < 0.15	2	0.14%	27	45%	0.4	#	18%
0.15 to < 0.25	#	0.15%	4	45%	0.2	#	15%
0.25 to < 0.50	4	0.37%	28	45%	3.3	3	63%
0.50 to < 0.75	321	0.54%	34	36%	0.0	152	48%
0.75 to < 2.50	7	1.24%	62	45%	1.1	5	76%
2.50 to < 10.00	10	6.13%	33	45%	1.2	15	148%
10.00 to < 100.00	#	11.10%	6	45%	0.7	1	169%
100.00 (Default)	#	100.00%	1	45%	0.0	-	0%
Sub-total	**344**	**0.74%**	**195**	**37%**	**0.1**	**176**	**51%**
Total (all portfolios)	**7,934**	**0.54%**	**974**	**26%**	**1.0**	**1,892**	**24%**

[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/] Refers to the effective maturity of the exposures to the obligor in years, weighted by EAD
[4/] Total RWA divided by the exposures post-CRM
Represents amounts less than $0.5 million

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

There is no CCR exposure within the prescribed asset classes (Sovereign, Banks, Corporates and Corporate small business) under A-IRBA as at 30 June 2017.

9.6 Credit Derivative Exposures

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

The decrease in credit derivatives in protection bought and protection sold during the first half of 2017 was mainly driven by lower single-name credit default swaps and index credit default swaps.

		(a)	(b)
	S$ million	Protection Bought	Protection Sold
	Notional		
1	Single-name credit default swaps	4,727	4,297
2	Index credit default swaps	1,669	1,640
3	Other credit derivatives	328	126
4	**Total notional**	**6,724**	**6,063**
	Fair values		
5	Positive fair value (asset)	4	70
6	Negative fair value (liability)	72	4
7	**Total fair values**	**76**	**74**

10. SECURITISATION EXPOSURES

There is no securitisation and re-securitisation exposure in the banking and trading books as at 30 June 2017.

11. MARKET RISK

11.1 Market Risk Type under Standardised Approach

During the first half of 2017, the increase in Market Risk RWA was driven mainly by higher Interest Rate and Foreign Exchange risk.

	Market Risk by Standardised Approach S$ million	(a) RWA
	Notional	
1	Interest rate risk (general and specific)	11,472
2	Equity risk (general and specific)	476
3	Foreign exchange risk	11,794
4	Commodity risk	10
	Options	
5	Simplified approach	-
6	Delta-plus method	242
7	Scenario approach	21
8	Securitisation	-
9	**Total**	**24,015**

There is no Market Risk exposure under Internal Model Approach as at 30 June 2017.

12. INTEREST RATE RISK IN THE BANKING BOOK

A description of the nature of interest rate risk in the banking book and key assumptions made by the Group can be found in Note 39.3 in the Notes to the Financial Statements of the 2016 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$574 million, or approximately +10.9% of reported net interest income (on an annualised basis). The corresponding impact from a 100 bp decrease is an estimated reduction of S$478 million in net interest income, or approximately -9.1% of reported net interest income (on an annualised basis).