Green Link Digital Bank Pte. Ltd.

Pillar 3 Disclosures
As at 31 December 2023

Contents

1. Introduction

Green Link Digital Bank Pte. Ltd. (the "Bank") is incorporated and domiciled in Singapore. The address of its registered office is 20 Pasir Panjang Road, #07-25-28 Mapletree Business City, Singapore 117439.

The Bank has been licensed by the Monetary Authority of Singapore to operate as a digital wholesale bank in Singapore. The Bank is principally engaged in the business of cash management, lending and supply chain finance, harnessing the digitally advanced systems capabilities and technical know-how of indirect shareholder companies.

The Bank's immediate holding corporation is Greenland Linklogis Group Holdings Pte. Ltd., incorporated in Singapore. The intermediate holding corporation is Greenland Financial Holdings Group Co., Ltd., incorporated in People's Republic of China, which holds an 80% interest in the Bank. The remaining 20% interest in the Bank is held by Linklogis Hong Kong Limited, incorporated in Hong Kong SAR, People's Republic of China. The Bank's ultimate holding corporation is Greenland Holdings Corporation Limited, incorporated in People's Republic of China.

This document presents the information of the Bank in accordance with Pillar 3 disclosure requirements under the Monetary Authority of Singapore "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" ("MAS Notice 637").

The Bank is applying the Standardised Approach to compute its risk-weighted assets.

The Bank is not identified by the Financial Stability Board to be a G-SIB, hence disclosure of G-SIB Indicators is not required. The Bank reports at the Solo level without the need for consolidation.

2. Key Metrics

S$ Million		(a) 31 Dec 2023	(b) 30 Sep 2023	(c) 30 Jun 2023	(d) 31 Mar 2023	(e) 31 Dec 2022
Available capital (amounts)						
1	CET1 capital	135	128	103	112	120
2	Tier 1 capital	135	128	103	112	120
3	Total capital	137	129	104	112	120
Risk weighted assets (amounts)						
4	Total RWA	252	158	105	78	68
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	53.53%	80.93%	98.43%	143.72%	174.42%
6	Tier 1 ratio (%)	53.53%	80.93%	98.43%	143.72%	174.42%
7	Total capital ratio (%)	54.30%	81.47%	98.95%	144.07%	174.66%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.13%	0.00%	0.00%	0.00%	0.00%
10	G-SIB and/or D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.63%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)[1]	46.30%	73.47%	90.95%	136.07%	166.42%
Leverage Ratio						
13	Total Leverage Ratio exposure measure	488	268	176	141	152
14	Leverage Ratio (%) (row 2 / row 13)	27.58%	47.57%	58.79%	79.24%	78.87%
Liquidity Coverage Ratio[2]						
15	Total High Quality Liquid Assets	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	Liquidity Coverage Ratio (%)	-	-	-	-	-
Net Stable Funding Ratio[2]						
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	Net Stable Funding Ratio (%)	-	-	-	-	-

(1) Regulatory minimum Common Equity Tier 1, Tier 1 and Total Capital of 4.5%, 6.0% & 8.0% respectively.

(2) The Bank complies with MLA (Minimum Liquid Assets) and is not required to apply LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio).

3. Composition of Capital

3.1. Composition of Regulatory Capital

		31 Dec 2023	
		(a)	(b)
	S$ Million	Amount	Reference to Section 3.2
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	210	A
2	Retained earnings	(64)	B
3	Accumulated other comprehensive income and other disclosed reserves	(0)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Minority interest that meets criteria for inclusion	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**146**	
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	-	
9	Intangible assets, net of associated deferred tax liability	-	
10	Deferred tax assets that rely on future profitability	11	C
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)	-	
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	-	
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	-	

S$ Million		31 Dec 2023 (a) Amount	(b) Reference to Section 3.2
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**	**11**	
29	**Common Equity Tier 1 capital (CET1)**	**135**	
Additional Tier 1 capital: instruments			
30	AT1 capital instruments and share premium (if applicable)	-	
31	of which: classified as equity under the Accounting Standards	-	
32	of which: classified as liabilities under the Accounting Standards	-	
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 capital before regulatory adjustments**	**-**	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
39	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)**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**135**	
Tier 2 capital: instruments and provisions			
46	Tier 2 capital instruments and share premium (if applicable)	-	
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
48	Tier 2 capital instruments issued by fully consolidated subsidiaries that meet criteria for inclusion	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	2	D1 + D2
51	**Tier 2 capital before regulatory adjustments**	**2**	
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: Monetary Authority of Singapore 11-116 amount previously designated for the 5% threshold but that no longer meets the conditions	-	

S$ Million		31 Dec 2023 (a) Amount	(b) Reference to Section 3.2
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)**	**2**	
59	**Total capital (TC = T1 + T2)**	**137**	
60	**Floor-adjusted total risk weighted assets**	**252**	
Capital ratios (as a percentage of floor-adjusted risk weighted assets)			
61	**Common Equity Tier 1 CAR**	53.53%	
62	**Tier 1 CAR**	53.53%	
63	**Total CAR**	54.30%	
64	Bank-specific buffer requirement	2.63%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank-specific countercyclical buffer requirement	0.13%	
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	0.00%	
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	46.30%	
National minima			
69	Minimum CET1 CAR	4.50%	
70	Minimum Tier 1 CAR	6.00%	
71	Minimum Total CAR	8.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Investments in ordinary shares, AT1 capital, Tier 2 capital and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
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)	2	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	

3.2. Reconciliation of Regulatory Capital to Balance Sheet

	31 Dec 2023	
S$ Million	**Balance sheet as per published financial statements**	**Reference to Section 3.1**
Assets		
Balances with central bank	12	
Balances and placements with banks	129	
Singapore Government treasury bills and securities	64	
of which: Allowances admitted as eligible Tier 2 Capital	0	D1
Other government treasury bills and securities	67	
Loans and advances to non-bank customers	162	
of which: Allowances admitted as eligible Tier 2 Capital	2	D2
Derivative financial assets	1	
Other debt securities	20	
Property, plant and equipment	27	
Other assets	4	
Deferred income tax assets	11	C
Total assets	**497**	
Liabilities		
Deposits of non-bank customers	337	
Derivative financial liabilities	0	
Other liabilities	14	
Total liabilities	**351**	
Equity		
Share capital	210	A
of which: amount eligible for CET1	210	
Accumulated losses	(64)	B
Fair value reserve	(0)	
Total equity	**146**	

3.3. Main Features of Regulatory Capital Instruments

1	Issuer	Green Link Digital Bank Pte. Ltd.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Singapore
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/group/group&solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)	S$ 210 million
9	Par value of instrument	NA
10	Accounting classification	Shareholders' equity
11	Original date of issuance	2 Dec 2021
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Discretionary dividend amount
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	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)	The most subordinated claim upon liquidation of the Bank (The Bank has not issued any other capital instrument)
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

4. Leverage Ratio

4.1. Leverage Ratio Summary Comparison Table

	Item	Amount (S$ million)
1	Total consolidated assets as per published financial statements	497
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4	Adjustment for derivative transactions	1
5	Adjustment for SFTs	-
6	Adjustment for off-balance sheet items	1
7	Other adjustments	(11)
8	**Exposure measure**	**488**

4.2. Leverage Ratio Common Disclosure Template

	Item	Amount (S$ million)	
		31 Dec 2023	30 Sep 2023
	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)	497	276
2	Asset amounts deducted in determining Tier 1 capital	(11)	(10)
3	**Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)**	**486**	**266**
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	1	0
5	Potential future exposure associated with all derivative transactions	0	0
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8	CCP leg of trade exposures excluded	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	**Total derivative exposure measures**	**1**	**0**
	SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	-	-
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	-	-
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	**Total SFT exposure measures**	**-**	**-**
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	1	2
18	Adjustments for calculation of exposure measures of off-balance sheet items	-	-
19	**Total exposure measures of off-balance sheet items**	**1**	**2**
	Capital and Total exposures		
20	**Tier 1 capital**	**135**	**128**
21	**Total exposures**	**488**	**268**
	Leverage ratio		
22	**Leverage ratio**	**27.58%**	**47.57%**

5. Linkages between Financial Statements and Regulatory Exposures

5.1. Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories

	31 Dec 2023					
	(a)	(b)	(c)	(d)	(e)	(f)
		Carrying amounts of items -				
S$ Million	**Carrying amounts as reported in balance sheet of published financial statements**	**subject to credit risk requirements**	**subject to CCR requirements**	**subject to securitisation framework**	**subject to market risk requirements**	**not subject to capital requirements or subject to deduction from regulatory capital**
Assets						
Balances with central bank	12	12	-	-	-	-
Balances and placements with banks	129	129	-	-	125	-
Singapore Government treasury bills and securities	64	64	-	-	-	-
Other government treasury bills and securities	67	67	-	-	67	-
Loans and advances to non-bank customers	162	162	-	-	101	-
Derivative financial assets	1	1	-	-	-	-
Other debt securities	20	20	-	-	16	-
Property, plant and equipment	27	27	-	-	-	-
Other assets	4	4	-	-	1	-
Deferred income tax assets	11	-	-	-	-	-
Total assets	**497**	**486**	**-**	**-**	**310**	**-**
Liabilities						
Deposits of non-bank customers	337	-	-	-	286	51
Derivative financial liabilities	0	-	-	-	-	0
Other liabilities	14	-	-	-	1	13
Total liabilities	**351**	**-**	**-**	**-**	**287**	**64**

5.2. Main Sources of Differences between Regulatory Exposure Amounts and Carrying Amounts in Financial Statements

		31 Dec 2023				
		(a)	(b)	(c)	(d)	(e)
			Items subject to -			
	S$ Million	Total	credit risk requirements	CCR requirements	securitisation framework	market risk requirements
1	Asset carrying amount under regulatory scope of consolidation (as per Section 5.1)	497	486	-	-	310
2	Liabilities carrying amount under regulatory scope of consolidation (as per Section 5.1)	351	-	-	-	287
3	Total net amount under regulatory scope of consolidation	146	486	-	-	23
4	Off-balance sheet amounts	-	1	-	-	-
5	Differences due to consideration of provisions	-	2	-	-	-
6	Other differences	-	-	-	-	-
7	**Exposure amounts considered for regulatory purposes**	**512**	**489**	**-**	**-**	**23**

5.3. Qualitative Disclosure of Differences between Carrying Amounts in Financial Statements and Regulatory Exposure Amounts

The differences between financial statements and regulatory exposure amounts are due to:

1. Off-balance sheet amounts include contingent liabilities and undrawn portions of committed facilities after application of credit conversion factors; and
2. The carrying values of assets in the financial statements are net of allowances while regulatory exposures under Standardised Approach are gross of allowances.

5.4. Prudent Valuation Adjustments

The Bank does not have any prudent valuation adjustment as all positions are liquid and have current market value with observable input values for valuation.

6. Geographical Distribution of Credit Exposures Used in the Countercyclical Capital Buffer

S$ Million	31 Dec 2023			
	(a)	(b)	(c)	(d)
Geographical breakdown	**Country-specific countercyclical buffer requirement (%)**	**RWA for private sector credit exposures used in the computation of the countercyclical buffer**	**Bank-specific countercyclical buffer requirement (%)**	**Countercyclical buffer amount**
Australia	1%	13		
Hong Kong	1%	15		
Others		185		
Total		**213**	**0.13%**	**0.33**

The countercyclical capital buffer is calculated as the weighted average of the buffers in effect in the jurisdictions to which banks have private sector credit exposures. The Bank attributes private sector credit exposures to jurisdictions based primarily on the jurisdiction of risk of each obligor or, if applicable, its guarantor. The determination of an obligor's jurisdiction of risk is based on the look-through approach taking into consideration factors such as the economic activity and availability of parental support.

7. Risk Management Approach

The Bank is committed to providing transparent and comprehensive information about its risk management practices. This Pillar 3 disclosure is designed to provide detailed information about the Bank's risk management framework, procedures and policies.

Risk Management Objectives

The primary objective of the Bank's risk management is to identify, assess, and mitigate risks to which the bank is exposed to. The Bank aims to ensure that its risk-taking activities are consistent with its risk appetite and the regulatory requirements.

Risk Categories

The Bank's risk categories include Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Technology & Cyber Risk, Money Laundering & Terrorism Financing Risk and Environmental Risk. Each of the risk is identified, assessed, and managed using appropriate risk management policies, procedures, tools and techniques.

Risk Management Governance

The Bank's risk management governance structure includes the Board of Directors (the "Board"), Board Risk Committee, and Risk Management Committees. The Board oversees the Bank's risk management limits and sets the risk appetite. The Board Risk Committee ("BRC") shall oversee the setup and operation of an independent risk management and internal control function to manage the Bank's risks on an enterprise-wide basis.

To facilitate the BRC's risk oversight, the Bank has constituted the following key management committees which serve as executive forums to discuss and implement the Bank's risk management:

Risk Management Committees

Enterprise Risk Management Committee	Assess the Bank's overall risk profile, provide reference for the development of risk management and internal control strategies and policies, and supervise the implementation of relevant strategies and policies.
Asset and Liability Committee	Assess and oversee the Bank's overall Balance Sheet Strategy and high-level directives formulated by the BRC are appropriately implemented.
Credit Risk Management Committee	Perform the role of risk oversight, framework development, policy and methodology formulation, and independent monitoring and reporting of key credit risk issues.
Operational Risk Management Committee	Ensure the effective management of operational risk throughout the Bank in line with internal policies and applicable regulatory requirements.
Technology and Cyber Risk Management Committee	Ensure the effective management of technology and cyber risk throughout the Bank in line with internal policies and applicable regulatory requirements.
Anti-Money Laundering/Combating the Financing of Terrorism Committee	Provides oversight of the policies and management activities relating to the Bank's money laundering/terrorist financing ("ML/TF") risks and deliberate on the relevant resources allocation plan in accordance with the international and domestic ML/TF risks situation.

The Bank has established a clear division of roles and responsibilities for risk management, in line with the three lines of defence model. This model comprises of the Business Units/Support Functions (the "First Line"), Independent Risk Control Functions (the "Second Line"), and Internal Audit (the "Third Line"). The purpose of the three lines of defence model is to create a strong risk and control environment by fostering collaboration between the lines.

8. Overview of Risk-Weighted Assets (RWA)

		(a)	(b)	(c)
		RWA		Minimum capital requirements[1]
S$ Million		31 Dec 2023	30 Sep 2023	31 Dec 2023
1	**Credit risk (excluding CCR)**	**241**	**150**	**19**
2	of which: Standardised Approach	241	150	19
3	of which: F-IRBA	-	-	-
4	of which: supervisory slotting approach	-	-	-
5	of which: A-IRBA		-	-
6	**CCR**	**1**	**-**	**-**
7	of which: SA-CCR	1	-	-
8	of which: CCR internal models method	-	-	-
9	of which: other CCR	-	-	-
9a	of which: CCP	-	-	-
10	CVA	0	**0**	**0**
11	Equity exposures under the simple risk weight method	-	-	-
11a	Equity exposures under the IMM	-	-	-
12	Equity investments in funds – look through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall back approach	-	-	-
14a	Equity investment in funds – partial use of an approach	-	-	-
15	Unsettled transactions	-	-	-
16	**Securitisation exposures in the banking book**	**-**	**-**	**-**
17	of which: SEC-IRBA	-	-	-
18	of which: SEC-ERBA, including IAA	-	-	-
19	of which: SEC-SA	-	-	-
20	**Market risk**	**0**	**1**	**0**
21	of which: SA(MR)	0	1	0
22	of which: IMA	-	-	-
23	**Operational risk**	**10**	**7**	**1**
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	**Total**	**252**	**158**	**20**

(1) Minimum capital requirements in this column correspond to 8.0% RWA in column (a), as per the minimum ratios set out in Annex 4 of “Basel III: A global regulatory framework for more resilient banks and banking systems” issued by the BCBS in December 2010 (revised June 2011).

9. Credit Risk

9.1. General Qualitative Disclosures on Credit Risk

Credit risk is defined as the risk that the Bank will encounter financial loss due to customers or counterparties failing to meet all or part of their obligations.

The dimensions of credit risk and the scope of its applications are defined in the Credit Risk Management Committee ("CRMC"). The CRMC, under the leadership of the Chief Risk Officer ("CRO"), supports the BRC and Enterprise Risk Management Committee ("ERMC") to perform the role of risk oversight, framework development, policy and methodology formulation, and independent monitoring and reporting of key credit risk issues to the Board.

The Credit Risk Management Policy set forth the principles by which the Bank conducts its credit risk management and control activities. This is supplemented by a number of operational procedures and guides to ensure consistency in identifying, assessing, reporting, measuring and controlling credit risk across the Bank. The operational procedures and guides are established to provide guidance in the formulation of the credit principles within the Credit Risk Management Policy and approved by the Chief Risk Officer ("CRO").

Credit risk is managed by understanding the Bank's corporate customers and through the use of statistical models and data analytics. The assignment of credit risk ratings and setting of lending limits are integral parts of the credit risk management process. The Bank has developed its own models while concurrently relying on external models such as external ratings agency.

Discretionary lending corporate borrowers and SCF corporate borrowers are assessed individually, and further reviewed and evaluated by experienced credit risk managers who consider relevant credit factors in the final determination of the borrower's risk. For smaller corporate borrowers, the Bank uses a programme-based approach to achieve a balanced management of risks and rewards using credit score models, credit bureau records as well as internally and externally available customer behaviour records. Credit applications are proposed by business units and independently assessed by credit risk managers.

For credit risk concentration, the Bank uses measurement tool and metrics for assessing both industry and name concentration. The Bank consistently identifies areas of concentration and monitors its potential implications using Key Risk Indicators ("KRIs"). These KRIs are monitored regularly and reported to CRMC members on a monthly basis at a minimum.

9.2. Credit Quality of Assets

		31 Dec 2023						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of			of which: allowances for standardised approach exposures			
	S$ Million	Defaulted exposures[1]	Non-defaulted exposures	Allowances and impairments	of which: specific allowances	of which: general allowances	of which: allowances for IRBA exposures	Net values (a + b - c)
1	Loans	5	163	6	4	2	-	162
2	Debt securities	-	151	0	-	0	-	151
3	Off-balance sheet exposures	-	-	-	-	-	-	-
4	**Total**	**5**	**314**	**6**	**4**	**2**	**-**	**313**

[1] A default by an obligor is deemed to have occurred when the obligor is assessed to be unlikely to pay its credit obligations in full or the obligor is past due for more than 89 days on its credit obligations to the Bank.

9.3. Changes in Stock of Defaulted Loans and Debt Securities

	S$ Million	Amount
1	Defaulted loans and debt securities at end of the previous semi annual reporting period	-
2	Loans and debt securities that have defaulted since the previous semi annual reporting period	5
3	Returned to non-defaulted status	-
4	Amounts written-off	-
5	Other changes	-
6	**Defaulted loans and debt securities at end of the semi-annual reporting period (1 + 2 - 3 - 4 ± 5)**	**5**

9.4. Additional Disclosures related to the Credit Quality of Assets

Credit exposures are categorised into one of the five following categories, according to the Bank's assessment of a borrower's ability to repay a credit facility and/or the repayment behaviour of the borrower.

Credit exposures are categorised as "Non-Impaired Loans" and "Impaired Loans".

MAS Credit Grade	Definition
Non-Impaired Loans	
Pass	This indicates that timely repayment of the outstanding asset is not in doubt. Repayment is prompt and the asset does not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower. The credit facilities may be further sub-categorised to Early Warning List and Watchlist for early care and account management purposes.
Special Mention	This indicates that the asset exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect repayment by the borrower at a future date, and warrant close attention or special monitoring.
Impaired Loans	
Substandard	This indicates that the asset exhibits definable weaknesses, either in respect of the business, cash flow or financial position of the borrower that may jeopardise repayment on existing terms.
Doubtful	This indicates that the outstanding asset exhibits more severe weaknesses than those in a "Substandard" credit facility, such that the prospect of full recovery of the outstanding asset is questionable and the prospect of a loss is high, but the exact amount remains undeterminable.
Loss	This indicates that the outstanding asset is not collectable and little to nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower generally.

Identification of Credit Impaired Loans

Classified credit refers to impaired credit facilities which are defaulted on repayment conduct or classified as "Substandard", "Doubtful" and "Loss" Credit Grades as stipulated in MAS Notice 612 Credit Files, Grading and Provisioning.

Estimation of Loss Allowance for Credit Impaired

The Bank performs credit reviews and assess the staging requirements under FRS 109, as well as grading requirements under MAS Notice 612.

Expected Credit Loss ("ECL") represents the present value of expected cash shortfalls over the residual term of a financial asset, guarantee or undrawn commitment. At initial recognition, allowance is required for ECL resulting from possible default events that may occur within the next 12 months ("12-month ECL"). In the event of a significant increase in credit risk, allowance is required for ECL resulting from possible default events over the expected life of the financial instrument ("lifetime ECL"). To determine if the credit risk of a financial instrument has increased significantly since initial recognition, the current risk of default at the reporting date should be compared with the risk of default at initial recognition.

Loans Restructuring

A loan is restructured when the Bank grants concession to a borrower because of deterioration in the financial position of the borrower or the inability of the borrower to meet the original repayment schedule. The Bank shall place a restructured loan on the appropriate classified grade (i.e. Substandard and below) depending on its assessment of the financial condition of the borrower and the ability of the borrower to repay based on the restructured terms.
The amount of impaired restructured credit exposures as at 31 December 2023 was S$0.2mn.

The following tables show the breakdown of credit risk exposures by geographical areas, industry and residual maturity.

Breakdown by Geography	Exposure (S$ million)	
	Non-impaired	Impaired
Singapore	287	5
Rest of the world	168	0
Total	**455**	**5**

Breakdown by Industry	Exposure (S$ million)	
	Non-impaired	Impaired
Government	143	0
General Commerce	69	0
Building & Construction	5	5
Bank	129	0
Financial institutions, investment & holding companies	73	0
Manufacturing	15	0
Transport, storage and communication	4	0
Professional & Private individuals	10	0
Others	7	0
Total	**455**	**5**

Breakdown by Residual Maturity	Exposure (S$ million)
Up to 1 year	388
More than 1 year	72
No specific maturity	0
Total	**460**

Ageing analysis of past due exposures	Exposure (S$ million)
Less than 30 days	2
30 to 89 days	1
Over 90 days	0
Total	**3**

9.5. Qualitative Disclosures related to CRM Techniques

The Bank employs various risk mitigation methods to manage credit risks. These techniques are described below.

Credit Risk Assessment
The Bank uses a comprehensive credit risk assessment process to evaluate the creditworthiness of borrowers. The process includes evaluation of the borrower's financial position, credit history, collaterals and other relevant factors. The Bank's approach when granting credit facilities is on the basis of capacity to repay rather than placing reliance on the credit risk mitigants.

Credit Monitoring
The Bank monitors the credit quality of its loan portfolios on an ongoing basis. The Bank's credit monitoring process is designed to identify deteriorating credit quality early and take appropriate actions to mitigate credit risk.

Credit Concentration Limits
The Bank establishes credit concentration limits to manage credit risk. Credit concentration limits are set for various loan types, industries, and borrower level to ensure that the Bank's loan portfolio is well-diversified. The Bank's credit concentration limits are regularly reviewed and updated to reflect changes in the credit environment.

Collateral Management
Collateral is taken to secure loans and reduce credit risk. The Bank's Credit Risk Management Procedures prescribes the list of acceptable collaterals, valuation method and frequency, applicable haircuts in order to be recognised as secured. Regular valuation of collateral is performed alongside regular analysis of collateral concentration. Recovery procedures are in place to assist with the disposal of collateral.

9.6. Overview of CRM Techniques

		31 Dec 2023				
		(a)	**(b)**	**(c)**	**(d)**	**(e)**
	S$ Million	**Exposures unsecured**	**Exposures secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Loans	164	4	4	-	-
2	Debt securities	151	-	-	-	-
3	**Total**	**315**	**4**	**4**	**-**	**-**
4	Of which: defaulted	5	-	-	-	-

9.7. Qualitative Disclosures on the use of external credit ratings under the SA(CR)

Credit exposures to sovereigns and banks under the Standardised Approach are risk-weighted using external ratings, subject to the regulatory prescribed risk weights by asset classes set out in MAS Notice 637. The Bank uses external rating from recognized credit rating agencies and recognizes the limitation of these ratings.

The approved External Credit Assessment Institutions ("ECAI") are Moody's Investors Service and Standard & Poor's ("S&P"). Where the SA(CR) exposure does not have an external rating, the exposure is treated as unrated. The Bank regularly monitors external ratings and agencies to ensure the continued appropriateness of these inputs.

9.8. SA(CR) and SA(EQ) - Credit Risk Exposure and CRM Effects

		31 Dec 2023					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
S$ Million		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes and others							
1	Cash items	-	-	-	-	-	0%
2	Central government and central bank	143	-	143	-	0	0%
3	PSE	-	-	-	-	-	0%
4	MDB	-	-	-	-	-	0%
5	Bank	130	1	130	1	29	22%
6	Corporate	163	0	163	0	160	98%
7	Regulatory retail	-	-	-	-	-	0%
8	Residential mortgage	-	-	-	-	-	0%
9	CRE	22	-	22	-	22	100%
10	Equity - SA(EQ)	-	-	-	-	-	0%
11	Past due exposures	0	-	0	-	0	0%
12	Higher-risk categories	-	-	-	-	-	0%
13	Other exposures	30	-	30	-	30	100%
14	**Total**	**488**	**1**	**488**	**1**	**241**	**49%**

9.9. SA(CR) and SA(EQ) – Exposures by Asset Classes and Risk Weights

	S$ Million	31 Dec 2023									
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Risk weight / **Asset classes and others**	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure amount (post-CCF and post-CRM)**
1	Cash items	-	-	-	-	-	-	-	-	-	-
2	Central government and central bank	143	-	-	-	-	-	-	-	-	143
3	PSE	-	-	-	-	-	-	-	-	-	-
4	MDB	-	-	-	-	-	-	-	-	-	-
5	Bank	-	-	121	-	10	-	-	-	-	131
6	Corporate	-	-	4	-	-	-	159	-	-	163
7	Regulatory retail	-	-	-	-	-	-	-	-	-	-
8	Residential mortgage	-	-	-	-	-	-	-	-	-	-
9	CRE	-	-	-	-	-	-	22	-	-	22
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	-	-
11	Past due exposures	-	-	-	-	-	-	-	0	-	0
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	30	-	-	30
14	**Total**	**143**	**-**	**125**	**-**	**10**	**-**	**211**	**0**	**-**	**489**

9.10. Internal Ratings-Based Approach (IRBA) Models

The Bank is applying the Standardised Approach to compute its risk-weighted assets. It does not use IRBA model.

10. Counterparty Credit Risk

10.1. Qualitative Disclosures related to CCR

Counterparty Credit Risk (“CCR”) [i.e. pre-settlement risk] is the risk that the counterparty in a trade will default before the settlement date, thereby prematurely ending the contract.

The Bank manages CCR through a combination of risk mitigation techniques, including collateral management, credit risk management and exposure limits.

Collateral Management
Collateral is taken to secure transactions and reduce the CCR. The Bank's collateral management process includes the valuation of collateral, monitoring of collaterals, and taking appropriate action in the event of collateral deterioration.

Credit Risk Management and Exposure Limits
The approval of credit limits and exposures to counterparties are subject to the Bank’s prevailing underwriting standards and credit policies. Similar to other credit applications, counterparties are assigned the appropriate risk ratings and the applications are subject to independent credit assessments.

The Bank actively monitors and manages the limits to ensure compliance to internal and regulatory requirements on single largest counterparty. The Bank also takes the necessary actions and reports on counterparties experiencing issues with excess management and settlement failure.

10.2. Analysis of CCR Exposure by Approach

		31 Dec 2023					
		(a)	(b)	(c)	(d)	(e)	(f)
	S$ Million	Replacement cost	Potential future exposure	Effective EPE	α used for computing regulatory EAD	EAD (post-CRM)	RWA
1	SA-CCR (for derivatives)	1	0			1	1
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					-	-
5	VaR for SFTs					-	-
6	**Total**						**1**

10.3. CVA Risk Capital Requirements

		31 Dec 2023	
		(a)	(b)
	S$ Million	EAD (post-CRM)	RWA
	Total portfolios subject to the 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 the Standardised CVA capital requirement	1	0
4	**Total portfolios subject to the CVA risk capital requirement**	**1**	**0**

10.4. Standardised Approach - CCR Exposures by Portfolio and Risk Weights

S$ Million	31 Dec 2023								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Asset classes / **Risk weight**	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Central government and central bank	-	-	-	-	-	-	-	-	-
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	-	1	-	-	-	-	1
Corporate	-	-	-	-	-	-	-	-	-
Regulatory retail	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**1**

10.5. Composition of Collateral for CCR Exposure

	31 Dec 2023					
	(a)	(b)	(c)	(d)	(e)	(f)
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
S$ Million	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

10.6. Credit Derivative Exposures

The Bank does not have any credit derivative exposures.

10.7. Exposures to Central Counterparties

The Bank does not have any exposures to central counterparties.

10.8. IRBA - CCR Exposures by Portfolio and PD Range

The Bank does not have any CCR exposures.

10.9. RWA Flow Statements under the CCR Internal Models Method

The Bank does not have any CCR exposures.

11. Securitisation

The Bank does not have any securitisation.

12. Market Risk

12.1. Qualitative Disclosures related to Market Risk

Market risk is defined as the potential loss from movement in market prices, in particular, changes in interest rates, foreign exchange rates, credit spreads, and equity and commodity prices. As of 31 December 2023, the bank does not have a trading book and the market risk exposures were raised from Banking Book. The primary market risk types for bank includes interest rate risk, foreign exchange rate risk, and credit spread risk. Interest rate risk in the banking book arises from loans, deposits and treasury activities including High Quality Liquid Assets(“HQLA”) and corporate bonds and notes. Credit spread risk is associated with corporate bonds and notes. Foreign exchange risk stems from currency mismatches in assets including treasury activities denominated in foreign currencies and liabilities.

To mitigate market risk, the bank has established market risk framework, policies, and procedures to identify, measure, monitor, report and mitigate the associated risk. A set of market risk metrics are put in place to ensure the market risk exposures are in line with strategic objectives and are within Risk Appetite limit(s) set by the Board. The ALCO oversees the balance sheet composition and strategy and provides oversight on market risk management for the bank. The ERMC provides additional oversight on the market risk framework, policies, and Risk Metrics.

Treasury is the risk-taking department that manages the Bank's overall market risk exposure within risk appetite limits and risk metrics (“Limits”). Reporting to the CRO, the Risk Management Department (“RMD”) is responsible for maintaining the market risk framework, policies and procedures to ensure sound market risk management practices. RMD also independently monitors market risk profiles and compliance with internal policies and limits.

The bank adopts Standardized Approach for calculation of regulatory market risk capital. The bank uses historical VaR with a 95 percent confidence internal over a one-day holding period to control its market risk exposures from Treasury activities.

12.2. Market Risk under Standardised Approach

S$ Million		31 Dec 2023 RWA
	Products excluding options	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	0
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	**Securitisation**	**-**
9	**Total**	**0**

12.3 Internal Model Approach (IMA)

The Bank is applying the Standardised Approach to compute its risk-weighted assets. It does not use internal model.

13. Operational Risk

Operational Risk is defined as the potential loss from inadequate or failed internal processes, actions, or omissions of persons, systems, and from external events, including legal and compliance risks. This definition excludes strategic and reputational risk.

The Bank has established the Operational Risk Framework which set up a consistent approach towards managing operational risk in the Bank, and ensure the risks are managed in alignment with the risk appetite approved by the Board. The framework is further supported with policies and procedures which enable the Bank in the identification, assessment and mitigation of risks. Some of the tools utilised include Risk and Control Self-Assessment ("RCSA"), Key Risk Indicators ("KRI") and Operational Risk Event ("ORE").

The Bank has also assigned clear roles and responsibilities for the management of operational risk in accordance with the three lines of defence model. This comprises of Business Units/Support Functions ("First Line"), Independent Risk Control Functions ("Second Line") and Internal Audit ("Third Line"). The three lines of defence model is established to create robust risk and control environment through strong collaboration between the lines.

14. IRRBB Risk Management Objectives and Policies

Interest Rate Risk in the Banking Book ("IRRBB") is defined as the potential for a reduction in earnings or economic value due to movements in interest rates on banking book assets, liabilities, and off-balance sheet items. The risk arises from differences in the re-pricing profile, interest rate basis, and optionality of these exposures.

As of 31 December 2023, there is no hedging transaction performed to hedge IRRBB. Policies, system and processes are in place to monitor and control IRRBB. The bank measures IRRBB from both economic value and earnings perspective and Risk Metric is set on Delta Economical Value of Equity ("EVE"). IRRBB measures are reported to Asset & Liability Committee ("ALCO") monthly.

Key IRRBB behavioural assumptions are maintained by RMD and approved by ALCO. Given limited period of historical data, the behavioural assumptions are derived based on considerations of risk mitigations in products, industry practice, and expert judgement. The IRRBB assumption is subject to be reviewed based on the bank's latest financial positions and its adaptability in adjusting rates in response to market interest rate changes.

The maximum impact of EVE changes across the interest rate shock scenarios was at S$2.09mn under Short Rate up scenario, compared to at S$0.2mn from the previous period. The increase in EVE was mainly driven by the increased loans over the period.

15. Remuneration

15.1. Remuneration Policy

Governance

The Bank's remuneration governance model aims to ensure that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and ensuring appropriate disclosures in line with regulatory requirements.

The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

1. A remuneration framework for the Bank’s key management personnel; and
2. Specific remuneration packages for each director as well as for the key management personnel.

The Board seeks to ensure that the Remuneration Policy (the "Policy") is in line with the Bank’s strategic objectives, as well as the Bank’s Code of Business Conduct and Ethics and does not give rise to conflicts between the Bank’s objectives and the interests of its employees.

In order to ensure that the Policy does not create incentives for excessive risk-taking behaviour, relevant job control functions are involved in the design of the Policy and provide inputs on performance evaluation and remuneration outcomes. The RC seeks inputs from the BRC and ensures that remuneration practices do not create incentives for excessive or inappropriate risk-taking behaviour.

The RC oversees the design of the Policy and pays sustained attention to the operation of the Policy that covers all employees of the Bank to ensure that the Policy operates as intended, with particular attention to key management personnel and other employees whose actions may have a material impact on the risk exposure of the Bank (the “Material Risk Takers” or MRTs).

The RC ensures that senior management exercise active oversight and monitor the implementation and effectiveness of the Policy. Remuneration outcomes, risk measurements and risk outcomes are reviewed regularly for consistency with the intentions of the Policy.

The Policy is maintained and updated by the Human Resources Department. The RC reviews and submits the Policy at least annually to the Board for approval. Once approved, the Policy is formally adopted by the Human Resources ("HR") Department, in accordance with applicable local legal and regulatory requirements.

Remuneration Policy

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Bank, taking into account the Bank’s strategic objectives.

A significant and appropriate proportion of key management personnel’s remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Bank.

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

Remuneration is appropriate to attract, retain and motivate the executive directors to provide good stewardship of the Bank and key management personnel to successfully manage the Bank for the long term.

For employees in control job functions, their performance and remuneration will be determined independently of the business functions, and the performance measures are determined in accordance with their role, so as not to compromise their independence.

Performance and Risk Considerations

The Bank adopts a strong pay-for-performance culture with emphasis on performance, ethics, disciplined risk management and compliance-centric behaviour. Centre to performance evaluation is a balanced scorecard which will be agreed with the RC and the Board at the beginning of the year and the achievement will be tracked and reported to the Board at each Board meeting. The Bank's scorecard is the CEO's scorecard and the Key Performance Indicators ("KPIs") contained in this scorecard will be cascaded down to the management levels and Heads of Department ("HODs") to formulate their own scorecards to be aligned with the Bank/CEO's scorecard. The management levels and HODs will in turn cascade their own KPIs to their respective teams. Every staff's performance will be measured against their respective scorecards or KPIs in determining their achievements for the year.

The Balanced Scorecard comprises a number of KPIs, which are agreed upfront with the RC and the Board as key focus areas for the Bank in the new year. These KPIs can be grouped under Financial KPIs (e.g. revenue, expenses, net profits after tax) and Non-Financial KPIs (e.g. risk and controls, service level improvements, technology implementation) and each KPI has its own weightage that will be taken into consideration in the assessment of the Bank's overall performance. For KPIs which can be counted/tracked in their assessment, there is a calibrated scoring, which would also be agreed with the RC and the Board upfront so as to remove any possible element of subjectivity when making the assessment. Some KPIs cannot be counted/tracked and these tend to be more subjective in assessment and hence difficult to calibrate. These will be self-assessed by management according to performance/achievement of these objectives and discussed with RC and the Board at appraisal time.

Inputs will be sought from independent control functions, such as risk, compliance and internal audit, on an employee's performance evaluation, such as compliance breaches, adherence to suitability guidelines, grievances and disciplinary matters and overall effectiveness in managing risks. This helps to ensure that conduct indicators are appropriately reflected in performance appraisals and remuneration outcomes, alongside the performance and values ratings coming out of the individual performance appraisal process.

Variable Remuneration

The variable pay pool is derived from a combination of a bottom-up and top-down approach. It is underpinned by the Bank's aim to drive a pay-for-performance culture which is aligned to its risk framework.

Process	Details
Determining Total Variable Pay Pool	• A function of our overall balanced scorecard. The scorecard includes substantial risk and control metrics designed and evaluated by the control functions. Control functions therefore have a direct role in determining the size of the variable pay pool
Allocating Pool to Various Units	• Pool allocation takes into account the relative performance of each unit against their balanced scorecard as evaluated by the CEO • CRO, CFO and Head of HR are consulted in the allocation process
Determining Individual Award	• Unit heads cascade their allocated pool to their teams/ individuals • Individual variable pay determined based on performance against goals and behaviours as well as GLDB values • Employees with disciplinary warning meted out may have their variable pay impacted

Deferred Remuneration

Plan Objectives	Details
• Foster a culture that aligns employees' interests with shareholders • Help in talent retention • Risk Control	• For Material Risk Takers, depending on corporate rank, deferral periods of between 3-4 years with deferral amounts between 40-50%. This will apply from 2022 onwards • Deferred awards will lapse immediately upon termination of employment (including resignation), except in the event of ill health, injury, disability, redundancy, retirement, death or at the discretion of the RC • Special Award is sometimes awarded as part of talent retention

Vesting Schedule	Malus of Unvested Awards and Clawback of Vested Awards
For Material Risk Takers, depending on corporate rank, deferral periods of between 3-4 years with deferral amounts between 40-50%. Please refer Appendix 2 for deferral mechanism	Malus and/ or Clawback will be triggered by • Material violation of risk limits • Material losses due to negligent risk-taking or inappropriate individual behaviour • Material restatement of GLDB's financials due to inaccurate performance measures • Misconduct or fraud
	In addition, when a Material Risk Taker leaves the Bank (either resignation, termination or otherwise), an audit will be conducted on that individual and if any significant wrong-doing were to be uncovered, malus and/ or clawback will also be triggered. Vested and unvested awards are subject to clawback within four years from the date of grant, subject to RC always having the discretion to extend the clawback period beyond four years, if deemed necessary for very significant wrong-doings.

15.2. Remuneration Awarded during the Financial Year

			31 Dec 2023	
			(a)	(b)
			Senior management	Other material risk-takers
1	Fixed remuneration	Number of employees	4	9
2		Total fixed remuneration (row 3 + row 5 + row 7)	88.58%	90.50%
3		of which: cash-based	88.58%	90.50%
4		of which: deferred	-	-
5		of which: shares and other share-linked instruments	-	-
6		of which: deferred	-	-
7		of which: other forms of remuneration	-	-
8		of which: deferred	-	-
9	Variable remuneration	Number of employees	4	9
10		Total variable remuneration (row 11 + row 13 + row 15)	11.42%	9.50%
11		of which: cash-based	11.42%	9.50%
12		of which: deferred	5.46%	3.80%
13		of which: shares and other share-linked instruments	-	-
14		of which: deferred	-	-
15		of which: other forms of remuneration	-	-
16		of which: deferred	-	-
17	Total remuneration (row 2 + row 10)		100.00%	100.00%

15.3. Special Payments

		31 Dec 2023					
		Guaranteed bonuses		Sign-on awards		Severance payments	
		Number of employees	Total amount (S$ million)	Number of employees	Total amount (S$ million)	Number of employees	Total amount (S$ million)
1	Senior management	-	-	-	-	-	-
2	Other material risk-takers	-	-	-	-	-	-

15.4. Deferred Remuneration

		(a)	(b)	(c)	(d)	(e)
		31 Dec 2023				
	S$ Million	Total outstanding deferred remuneration	of which: total outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustments	Total amendments during the year due to ex post explicit adjustments	Total amendments during the year due to ex post implicit adjustments	Total deferred remuneration paid out in the financial year
1	Senior management	100%	-	-	-	22%
2	Cash	100%	-	-	-	22%
3	Shares	-	-	-	-	-
4	Share-linked instruments	-	-	-	-	-
5	Other	-	-	-	-	-
6	Other material risk-takers	100%	-	-	-	-
7	Cash	100%	-	-	-	-
8	Shares	-	-	-	-	-
9	Share-linked instruments	-	-	-	-	-
10	Other	-	-	-	-	-

16. Attestation

The Pillar 3 disclosures as at 31 December 2023 have been prepared in accordance with the internal controls processes approved by Green Link Digital Bank Pte. Ltd. Board of Directors.

Melvin Teo
Chief Executive Officer