



## Liquidity Coverage Ratio

The Liquidity Coverage Ratio (“LCR”) ensures that a Bank has sufficient unencumbered high quality liquid assets (“HQLA”) to survive a significant stress scenario for the next 30 days. The Group’s LCR disclosure is as per MAS Notice 651 “Liquidity Coverage Ratio Disclosure”.

Quarterly average All Currency LCR and Singapore Dollar LCR of 146% and 251% respectively were comfortably above the regulatory requirements of 100%. 90 calendar days’ data points were used in calculating the average figures. Compared to 4Q2018, increase in All Currency LCR and SGD Dollar LCR was mainly due to higher HQLA. The main drivers of LCR are the net cumulative outflow driven mainly by deposit profile and the portfolio of high quality liquid asset which would cause some volatility on a day to day basis. The Group’s HQLA composition comprised 92%<sup>1</sup> Level 1 HQLA and the remaining in Level 2A and 2B HQLA. Deposit strategies are regularly discussed in Group ALCO with monitoring on deposit tenure, concentration and currency mismatch etc. The Group’s exposures to derivatives and potential collateral calls were relatively insignificant.

Daily liquidity management is centrally managed under Global Markets-Portfolio & Liquidity Management with regular discussion with Central Treasury and relevant Business Units. Liquidity limits and triggers were established to limit the Group’s liquidity exposure. Balance Sheet Risk Management oversees the liquidity risk management in the Group. Contingency funding plans are in place to identify potential liquidity crisis using a series of early warning indicators as well as crisis escalation process and related funding strategies.

**GROUP ALL CURRENCY LCR for 1Q2019**

|                                   | (In SGD'm)  | Total Unweighted Value<br>Average | Total Weighted Value<br>Average |
|-----------------------------------|---|-----------------------------------|---------------------------------|
| <b>HIGH-QUALITY LIQUID ASSETS</b> |   |                                   |                                 |
| 1                                 | Total high-quality liquid assets (HQLA)   |                                   | 60,256                          |
| <b>CASH OUTFLOWS</b>              |   |                                   |                                 |
| 2                                 | Retail deposits and deposits from small business customers, of which:                   | 115,210                           | 10,128                          |
| 3                                 | Stable deposits   | 22,931                            | 1,147                           |
| 4                                 | Less stable deposits  | 92,279                            | 8,982                           |
| 5                                 | Unsecured wholesale funding, of which:  | 107,591                           | 58,297                          |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 16,789                            | 3,989                           |
| 7                                 | Non-operational deposits (all counterparties)   | 85,692                            | 49,199                          |
| 8                                 | Unsecured debt  | 5,110                             | 5,110                           |
| 9                                 | Secured wholesale funding   |                                   | 173                             |
| 10                                | Additional requirements, of which:  | 34,955                            | 7,663                           |
| 11                                | Outflows related to derivative exposures and other collateral requirements              | 3,306                             | 2,831                           |
| 12                                | Outflows related to loss of funding on debt products                                    | -                                 | -                               |
| 13                                | Credit and liquidity facilities   | 31,649                            | 4,832                           |
| 14                                | Other contractual funding obligations   | 4,189                             | 4,189                           |
| 15                                | Other contingent funding obligations  | 11,373                            | 609                             |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>  |                                   | 81,060                          |
| <b>CASH INFLOWS</b>               |   |                                   |                                 |
| 17                                | Secured lending (eg reverse repos)  | 10,666                            | 4,834                           |
| 18                                | Inflows from fully performing exposures   | 46,143                            | 30,657                          |
| 19                                | Other cash inflows  | 4,947                             | 4,130                           |
| 20                                | <b>TOTAL CASH INFLOWS</b>   | 61,756                            | 39,621                          |
| Total Adjusted Value              |   |                                   |                                 |
| 21                                | <b>TOTAL HQLA</b>   |                                   | 60,256                          |
| 22                                | <b>TOTAL NET CASH OUTFLOWS</b>  |                                   | 41,439                          |
| 23                                | <b>LIQUIDITY COVERAGE RATIO (%)</b>   |                                   | 146                             |



## GROUP SGD CURRENCY LCR for 1Q2019

|                                   | (In SGD'm)  | Total Unweighted Value<br>Average | Total Weighted Value<br>Average |
|-----------------------------------|---|-----------------------------------|---------------------------------|
| <b>HIGH-QUALITY LIQUID ASSETS</b> |   |                                   |                                 |
| 1                                 | Total high-quality liquid assets (HQLA)   |                                   | 26,122                          |
| <b>CASH OUTFLOWS</b>              |   |                                   |                                 |
| 2                                 | Retail deposits and deposits from small business customers, of which:                   | 79,223                            | 6,898                           |
| 3                                 | Stable deposits   | 20,490                            | 1,025                           |
| 4                                 | Less stable deposits  | 58,733                            | 5,873                           |
| 5                                 | Unsecured wholesale funding, of which:  | 29,958                            | 13,217                          |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 8,089                             | 1,888                           |
| 7                                 | Non-operational deposits (all counterparties)   | 21,830                            | 11,291                          |
| 8                                 | Unsecured debt  | 39                                | 39                              |
| 9                                 | Secured wholesale funding   |                                   | -                               |
| 10                                | Additional requirements, of which:  | 18,411                            | 8,395                           |
| 11                                | Outflows related to derivative exposures and other collateral requirements              | 6,977                             | 6,975                           |
| 12                                | Outflows related to loss of funding on debt products                                    | -                                 | -                               |
| 13                                | Credit and liquidity facilities   | 11,434                            | 1,420                           |
| 14                                | Other contractual funding obligations   | 1,131                             | 1,131                           |
| 15                                | Other contingent funding obligations  | 85                                | 80                              |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>  |                                   | 29,721                          |
| <b>CASH INFLOWS</b>               |   |                                   |                                 |
| 17                                | Secured lending (eg reverse repos)  | 1,088                             | 25                              |
| 18                                | Inflows from fully performing exposures   | 11,414                            | 6,485                           |
| 19                                | Other cash inflows  | 12,768                            | 12,590                          |
| 20                                | <b>TOTAL CASH INFLOWS</b>   | 25,270                            | 19,100                          |
|                                   |   |                                   | Total Adjusted Value            |
| 21                                | <b>TOTAL HQLA</b>   |                                   | 26,122                          |
| 22                                | <b>TOTAL NET CASH OUTFLOWS</b>  |                                   | 10,662                          |
| 23                                | <b>LIQUIDITY COVERAGE RATIO (%)</b>   |                                   | 251                             |

<sup>1</sup>after LCR weighting