

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 127% and 220% respectively were comfortably above the regulatory requirements of 90% and 100%. 92 calendar days’ data points were used in calculating the average figures. Compared to 3Q2018, decrease in All Currency LCR and SGD Dollar LCR was mainly due to lower inflows within 30days from performing exposures. 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 91%¹ 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 GMIM-PLM 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 4Q2018

	(In SGD'm)	Total Unweighted Value Average	Total Weighted Value Average
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		49,847
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	112,948	9,925
3	Stable deposits	22,424	1,121
4	Less stable deposits	90,524	8,803
5	Unsecured wholesale funding, of which:	107,239	57,335
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	15,960	3,781
7	Non-operational deposits (all counterparties)	87,750	50,025
8	Unsecured debt	3,530	3,530
9	Secured wholesale funding		198
10	Additional requirements, of which:	34,260	7,747
11	Outflows related to derivative exposures and other collateral requirements	3,754	3,082
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	30,506	4,665
14	Other contractual funding obligations	4,197	4,197
15	Other contingent funding obligations	15,157	715
16	TOTAL CASH OUTFLOWS		80,118
CASH INFLOWS			
17	Secured lending (eg reverse repos)	9,416	3,845
18	Inflows from fully performing exposures	48,064	32,704
19	Other cash inflows	5,303	4,460
20	TOTAL CASH INFLOWS	62,783	41,009
Total Adjusted Value			
21	TOTAL HQLA		49,847
22	TOTAL NET CASH OUTFLOWS		39,109
23	LIQUIDITY COVERAGE RATIO (%)		127



GROUP SGD CURRENCY LCR for 4Q2018

	(In SGD'm)	Total Unweighted Value Average	Total Weighted Value Average
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		16,890
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	77,891	6,784
3	Stable deposits	20,109	1,005
4	Less stable deposits	57,782	5,778
5	Unsecured wholesale funding, of which:	28,110	12,236
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	7,297	1,689
7	Non-operational deposits (all counterparties)	20,750	10,484
8	Unsecured debt	63	63
9	Secured wholesale funding		-
10	Additional requirements, of which:	17,716	7,834
11	Outflows related to derivative exposures and other collateral requirements	6,445	6,445
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	11,271	1,390
14	Other contractual funding obligations	1,121	1,121
15	Other contingent funding obligations	112	76
16	TOTAL CASH OUTFLOWS		28,051
CASH INFLOWS			
17	Secured lending (eg reverse repos)	1,070	19
18	Inflows from fully performing exposures	12,322	7,538
19	Other cash inflows	15,075	14,889
20	TOTAL CASH INFLOWS	28,468	22,446
			Total Adjusted Value
21	TOTAL HQLA		16,890
22	TOTAL NET CASH OUTFLOWS		7,816
23	LIQUIDITY COVERAGE RATIO (%)		220

¹after LCR weighting