



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 148% and 213% respectively were comfortably above the regulatory requirements of 70% and 100%. 92 calendar days’ data points were used in calculating the average figures. 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 94% 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 3Q2016

| | (In SGD'm) | Total Unweighted Value Average | Total Weighted Value Average |
|-----------------------------------|---|-----------------------------------|---------------------------------|
| HIGH-QUALITY LIQUID ASSETS | | | |
| 1 | Total high-quality liquid assets (HQLA) | | 45,062 |
| CASH OUTFLOWS | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 100,332 | 8,835 |
| 3 | Stable deposits | 20,089 | 1,004 |
| 4 | Less stable deposits | 80,243 | 7,831 |
| 5 | Unsecured wholesale funding, of which: | 90,356 | 47,361 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 14,412 | 3,400 |
| 7 | Non-operational deposits (all counterparties) | 71,731 | 39,748 |
| 8 | Unsecured debt | 4,212 | 4,212 |
| 9 | Secured wholesale funding | | 46 |
| 10 | Additional requirements, of which: | 31,848 | 6,326 |
| 11 | Outflows related to derivative exposures and other collateral requirements | 3,848 | 2,905 |
| 12 | Outflows related to loss of funding on debt products | - | - |
| 13 | Credit and liquidity facilities | 27,999 | 3,422 |
| 14 | Other contractual funding obligations | 2,972 | 2,972 |
| 15 | Other contingent funding obligations | 10,339 | 494 |
| 16 | TOTAL CASH OUTFLOWS | | 66,035 |
| CASH INFLOWS | | | |
| 17 | Secured lending (eg reverse repos) | 5,650 | 1,847 |
| 18 | Inflows from fully performing exposures | 40,196 | 30,240 |
| 19 | Other cash inflows | 4,173 | 3,395 |
| 20 | TOTAL CASH INFLOWS | 50,019 | 35,482 |
| Total Adjusted Value | | | |
| 21 | TOTAL HQLA | | 45,062 |
| 22 | TOTAL NET CASH OUTFLOWS | | 30,553 |
| 23 | LIQUIDITY COVERAGE RATIO (%) | | 148 |



GROUP SGD CURRENCY LCR for 3Q2016

| | (In SGD'm) | Total Unweighted Value Average | Total Weighted Value Average |
|-----------------------------------|---|-----------------------------------|---------------------------------|
| HIGH-QUALITY LIQUID ASSETS | | | |
| 1 | Total high-quality liquid assests (HQLA) | | 17,738 |
| CASH OUTFLOWS | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 69,586 | 6,067 |
| 3 | Stable deposits | 17,832 | 892 |
| 4 | Less stable deposits | 51,754 | 5,175 |
| 5 | Unsecured wholesale funding, of which: | 26,674 | 11,692 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 6,711 | 1,540 |
| 7 | Non-operational deposits (all counterparties) | 19,930 | 10,119 |
| 8 | Unsecured debt | 32 | 32 |
| 9 | Secured wholesale funding | | - |
| 10 | Additional requirements, of which: | 15,378 | 4,706 |
| 11 | Outflows related to derivative exposures and other collateral requirements | 3,513 | 3,513 |
| 12 | Outflows related to loss of funding on debt products | - | - |
| 13 | Credit and liquidity facilities | 11,865 | 1,193 |
| 14 | Other contractual funding obligations | 641 | 641 |
| 15 | Other contingent funding obligations | 313 | 66 |
| 16 | TOTAL CASH OUTFLOWS | | 23,171 |
| CASH INFLOWS | | | |
| 17 | Secured lending (eg reverse repos) | 923 | 32 |
| 18 | Inflows from fully performing exposures | 7,459 | 4,503 |
| 19 | Other cash inflows | 10,405 | 10,238 |
| 20 | TOTAL CASH INFLOWS | 18,788 | 14,773 |
| Total Adjusted Value | | | |
| 21 | TOTAL HQLA | | 17,738 |
| 22 | TOTAL NET CASH OUTFLOWS | | 8,398 |
| 23 | LIQUIDITY COVERAGE RATIO (%) | | 213 |