

## 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 142% and 235% 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 2Q2018, there is no significant movement in average All Currency LCR. Increase in average 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 91%<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 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 3Q2018**

	(In SGD'm)	Total Unweighted Value Average	Total Weighted Value Average
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		45,706
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	111,435	9,782
3	Stable deposits	22,233	1,112
4	Less stable deposits	89,202	8,670
5	Unsecured wholesale funding, of which:	106,420	57,847
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	15,751	3,733
7	Non-operational deposits (all counterparties)	86,583	50,028
8	Unsecured debt	4,086	4,086
9	Secured wholesale funding		152
10	Additional requirements, of which:	33,050	7,403
11	Outflows related to derivative exposures and other collateral requirements	3,552	2,937
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	29,498	4,466
14	Other contractual funding obligations	4,394	4,394
15	Other contingent funding obligations	15,531	700
16	<b>TOTAL CASH OUTFLOWS</b>		80,278
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	11,226	4,633
18	Inflows from fully performing exposures	53,189	38,316
19	Other cash inflows	5,821	4,945
20	<b>TOTAL CASH INFLOWS</b>	70,237	47,893
Total Adjusted Value			
21	<b>TOTAL HQLA</b>		45,706
22	<b>TOTAL NET CASH OUTFLOWS</b>		32,385
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		142



## GROUP SGD CURRENCY LCR for 3Q2018

	(In SGD'm)	Total Unweighted Value Average	Total Weighted Value Average
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		14,969
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	77,296	6,731
3	Stable deposits	19,966	998
4	Less stable deposits	57,330	5,733
5	Unsecured wholesale funding, of which:	28,151	12,091
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	7,491	1,739
7	Non-operational deposits (all counterparties)	20,387	10,079
8	Unsecured debt	273	273
9	Secured wholesale funding		-
10	Additional requirements, of which:	15,155	5,591
11	Outflows related to derivative exposures and other collateral requirements	4,347	4,347
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	10,809	1,245
14	Other contractual funding obligations	1,076	1,076
15	Other contingent funding obligations	143	75
16	<b>TOTAL CASH OUTFLOWS</b>		25,565
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	1,408	14
18	Inflows from fully performing exposures	15,765	11,239
19	Other cash inflows	11,842	11,665
20	<b>TOTAL CASH INFLOWS</b>	29,014	22,918
			Total Adjusted Value
21	<b>TOTAL HQLA</b>		14,969
22	<b>TOTAL NET CASH OUTFLOWS</b>		6,391
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		235

<sup>1</sup>after LCR weighting