



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 147% and 312% respectively were comfortably above the regulatory requirements of 100%. 91 calendar days’ data points were used in calculating the average figures. Compared to 1Q2019, there is no significant movement in All Currency LCR. Higher SGD Dollar LCR was mainly due to lower net cash outflows. 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 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 2Q2019

	(In SGD'm)	Total Unweighted Value Average	Total Weighted Value Average
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		58,528
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	118,035	10,107
3	Stable deposits	28,618	1,431
4	Less stable deposits	89,417	8,676
5	Unsecured wholesale funding, of which:	107,558	57,070
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	16,550	3,888
7	Non-operational deposits (all counterparties)	85,898	48,072
8	Unsecured debt	5,110	5,110
9	Secured wholesale funding		170
10	Additional requirements, of which:	36,015	7,418
11	Outflows related to derivative exposures and other collateral requirements	2,710	2,337
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	33,304	5,082
14	Other contractual funding obligations	4,156	4,156
15	Other contingent funding obligations	12,575	667
16	TOTAL CASH OUTFLOWS		79,588
CASH INFLOWS			
17	Secured lending (eg reverse repos)	12,033	5,053
18	Inflows from fully performing exposures	47,297	30,550
19	Other cash inflows	4,966	4,112
20	TOTAL CASH INFLOWS	64,297	39,715
Total Adjusted Value			
21	TOTAL HQLA		58,528
22	TOTAL NET CASH OUTFLOWS		39,873
23	LIQUIDITY COVERAGE RATIO (%)		147



GROUP SGD CURRENCY LCR for 2Q2019

	(In SGD'm)	Total Unweighted Value Average	Total Weighted Value Average
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		22,855
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	81,105	6,801
3	Stable deposits	26,182	1,309
4	Less stable deposits	54,922	5,492
5	Unsecured wholesale funding, of which:	28,683	12,413
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	7,439	1,685
7	Non-operational deposits (all counterparties)	21,160	10,644
8	Unsecured debt	84	84
9	Secured wholesale funding		-
10	Additional requirements, of which:	18,553	7,049
11	Outflows related to derivative exposures and other collateral requirements	5,356	5,356
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	13,198	1,694
14	Other contractual funding obligations	1,116	1,116
15	Other contingent funding obligations	94	86
16	TOTAL CASH OUTFLOWS		27,465
CASH INFLOWS			
17	Secured lending (eg reverse repos)	774	11
18	Inflows from fully performing exposures	12,032	6,806
19	Other cash inflows	14,415	14,227
20	TOTAL CASH INFLOWS	27,221	21,043
			Total Adjusted Value
21	TOTAL HQLA		22,855
22	TOTAL NET CASH OUTFLOWS		7,388
23	LIQUIDITY COVERAGE RATIO (%)		312

¹after LCR weighting