

**Standard Chartered Bank (Singapore) Limited**  
**Registration Number: 201224747C**

LCR Public Disclosure  
Quarter ended 30 September 2018

## Liquidity Coverage Ratio

The Liquidity Coverage Ratio (“LCR”) ensures that Standard Chartered Bank (Singapore) Limited (the “Bank”) maintains sufficient unencumbered High Quality Liquid Assets (“HQLA”) to survive a significant liquidity stress scenario over a 30-day horizon. The purpose of this disclosure is to provide the information pursuant to MAS Notice 651 “Liquidity Coverage Ratio Disclosure”.

The Bank has been subjected to the LCR requirements under the MAS Notice 649 “Minimum Liquid Assets and Liquidity Coverage Ratio” from 1 Jan 2016. Under MAS 649, the Bank which has been notified by the Authority as a Domestic Systemically Important Bank (“DSIB”) is required to maintain an all-currency LCR requirement of 50% and Singapore Dollar LCR requirement of 100%.

### Liquidity Management

Daily liquidity management is carried out by the Treasury Markets (“TM”) desk who regulates the day to day liquidity needs of the Bank.

Funding is managed centrally in the country. As such, funding decisions of the Bank are considered in concert with the operations of the Standard Chartered Bank Singapore Branch. Such decisions shall take into account regulatory requirements while ensuring flexibility in managing liquidity and the pool of liquid assets.

Funding and liquidity management strategies are regularly discussed during Asset and Liability Committee (“ALCO”) meeting. Such discussions include analysis on deposit momentum and tenure, funding gaps and concentration, monitoring of short and long-term liquidity ratios (including LCR). The Bank utilises internal Management Action Triggers (“MATs”) which act as early warning indicators and safeguards to ensure sufficient liquidity buffers at all times. The Bank also has in place contingency funding plans that identify specific management action that can be invoked in times of liquidity crisis.

### Composition of High Quality Liquid Assets (“HQLA”)

The Bank holds a diversified portfolio of HQLA that are available to meet the liquidity needs under stress scenarios. The HQLA comprise primarily of Level 1 securities in cash and central bank reserves, bonds issued by central banks and high rated supranational entities. Such Level 1 securities do not have any attached haircuts in the portfolio of HQLA.

SCBSL has a small portion of holdings in Level 2 securities. Level 2A securities comprise of statutory board securities and covered bonds issued by financial institutions. Level 2B securities comprise Residential Mortgage Backed Securities (“RMBS”). Level 2A and 2B securities are subject to weights of 85% and 75% respectively as prescribed by the LCR rules.

### Funding Sources

The Bank holds a funding base that is driven by Current and Savings Account “CASA” and term deposits from retail and high net worth customers. This is complemented by wholesale funding from operational and non-operational deposits held with commercial clients of the Bank.

Given the Bank’s funding sources, its LCR is sensitive to changes in (a) balance sheet movements resulting from retail and commercial loan/deposits activities as well as intra-group borrowing and lending (b) maturity movements in the balance sheet and balances falling into and out of the 30-day tenor. LCR is also to a lesser extent sensitive to HQLA movements driven by changes in balances with central banks and bond holdings with supranational entities and statutory boards.

### Currency Mismatch

The Bank predominantly operates in the Singapore Currency consistent with its operating location. Excess funds are swapped and the Bank may utilise swap markets to support currency needs and loan demand.

### Derivative Exposures and Potential Collateral Calls

Derivative flows comprise mainly of foreign exchange flows driven by swaps, forwards and spot transactions. Such derivative positions are marked-to-market and collaterals are posted to and received from margined counterparties. Such collateral posted/received are utilised in the computation of net cash outflows.

## **Quantitative Disclosure**

The data presented in the quantitative disclosure (Table 1 & 2 below) are simple averages of daily observations over the preceding quarter.

In the third quarter of 2018, the average all-currency and SGD LCR were 254% and 230% respectively. The average LCRs saw improvement compared to the preceding second quarter with all-currency and SGD LCR averages increase of 37% and 18% respectively.

In the preceding quarter, the all-currency and SGD LCR remained well above the regulatory minimums of 50% and 100% respectively.

### Comparing Third Quarter to Preceding Quarter:

All-currency LCR improved due to increase in sovereign debt securities.

SGD LCR increased on the back of increase in sovereign debt securities, MCB reserve balances with MAS and inflows from inter-group placements with Standard Chartered, Singapore Branch. This was partly offset by decrease in inflows from SGD derivatives.

**Table: 1**  
**Average All-Currency LCR<sup>1</sup> for the quarter ended 30 September 2018**

ALL Currency LCR (in SGD millions)		3rd Quarter Average	
		UNWEIGHTED	WEIGHTED VALUE
		92 data points	
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)	-	5,422
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	26,417	2,435
3	Stable deposits	6,796	473
4	Less stable deposits	19,621	1,962
5	Unsecured wholesale funding, of which:	3,427	1,357
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,486	371
7	Non-operational deposits (all counterparties)	1,941	986
8	Unsecured debt	-	-
9	Secured wholesale funding	-	1
10	Additional requirements, of which:	1,202	109
11	Outflows related to derivative exposures and other collateral requirements	52	52
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	1,150	57
14	Other contractual funding obligations	357	357
15	Other contingent funding obligations	342	10
16	<b>TOTAL CASH OUTFLOWS</b>	<b>-</b>	<b>4,269</b>
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	411	19
18	Inflows from fully performing exposures	2,295	2,007
19	Other cash inflows	245	105
20	<b>TOTAL CASH INFLOWS</b>	<b>2,951</b>	<b>2,131</b>
21	<b>TOTAL HQLA</b>		<b>5,422</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>2,138</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>254%</b>

**Table: 2**  
**Average SGD-Currency LCR<sup>1</sup> for the quarter ended 30 September 2018**

SGD LCR (in SGD millions)		3rd Quarter Average	
		UNWEIGHTED	WEIGHTED VALUE
		92 data points	
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)	-	4,342
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	22,034	1,997
3	Stable deposits	6,795	473
4	Less stable deposits	15,239	1,524
5	Unsecured wholesale funding, of which:	2,069	719
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	946	237
7	Non-operational deposits (all counterparties)	1,123	482
8	Unsecured debt	-	-
9	Secured wholesale funding	-	1
10	Additional requirements, of which:	1,509	423
11	Outflows related to derivative exposures and other collateral requirements	366	366
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	1,143	57
14	Other contractual funding obligations	201	201
15	Other contingent funding obligations	61	2
16	<b>TOTAL CASH OUTFLOWS</b>	<b>-</b>	<b>3,343</b>
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	262	18
18	Inflows from fully performing exposures	1,166	1,022
19	Other cash inflows	511	412
20	<b>TOTAL CASH INFLOWS</b>	<b>1,939</b>	<b>1,452</b>
21	<b>TOTAL HQLA</b>		<b>4,342</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>1,891</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>230%</b>

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a) The unweighted amounts refer to cash flows due or callable within 30 days.

b) The LCR is computed as an average of observations of LCR during the quarter. This may not be equal to an LCR computed with the average values of HQLA and net daily cash outflows disclosed in the table.

c) Total net cash outflows may not be equal to the total cash outflows minus total cash inflows as the cap on inflows is binding. Cash inflows may be netted against cash outflows up to an aggregate cap of 75% of total cash outflows.