

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

LCR Public Disclosure  
Year ended 31 December 2017

## Liquidity Coverage Ratio

The purpose of this disclosure is to provide the information pursuant to MAS Notice 651 “Liquidity Coverage Ratio Disclosure” This supplements the disclosure in the Risk Management sections as well as related information in the Notes to the Financial Statements. This public disclosure should be read in conjunction with the Bank’s Financial Statements as of 31 December 2017.

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 Bank had 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 had been notified by the authorities 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.

For further details on the Bank’s liquidity risk management please refer to the financial statements

### 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 smaller proportion 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, the Bank's 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 predominately 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 outflows.

### **Quantitative Disclosure**

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

In the first quarter of 2017, the average all-currency and SGD LCR were 229% and 188% respectively. The average LCRs saw slight decreases through to the second quarter with all-currency and SGD LCR averages of 228% and 158% respectively.

Average third quarter all-currency and SGD LCR decreased to 211% and 154%. Fourth quarter all-currency and SGD LCR were 179% and 173% respectively.

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

#### Comparing First to Second quarter:

All-currency LCR remained relatively flat as increase in bond holdings with central banks were offset by decreased inflows from placements with banks and other financial institutions.

SGD LCR declined mainly owing to increase in outflows from non-operational wholesale funding and SGD derivative outflows partly offset by increase in bond holdings with central banks.

#### Comparing Second to Third quarter:

All-currency LCR declined mainly due to decrease in bond holdings with central banks.

SGD LCR declined on the back of decreased bond holdings with central banks partly offset by decrease in SGD derivative outflows.

#### Comparing Third to Fourth quarter:

All-currency LCR decreased mainly due to decreased bond holdings with central banks and increase in non-operational wholesale funding.

SGD LCR increased on the back of higher inflows from SGD derivatives. This was partly offset by decrease in bond holdings with central banks.

**Table: 1**  
**Average All-currency LCR<sup>1</sup> – Year 2017**

ALL Currency LCR (in SGD millions)	1st Quarter Average		2nd Quarter Average		3rd Quarter Average		4th Quarter Average	
	UNWEIGHTED	WEIGHTED VALUE	UNWEIGHTED	WEIGHTED VALUE	UNWEIGHTED	WEIGHTED VALUE	UNWEIGHTED	WEIGHTED VALUE
	90 data points		92 data points		92 data points		91 data points	
<b>HIGH-QUALITY LIQUID ASSETS</b>								
1 Total high-quality liquid assets (HQLA)		7,517		7,757		7,088		6,502
<b>CASH OUTFLOWS</b>								
2 Retail deposits and deposits from small business customers, of which:	25,733	2,378	25,618	2,359	25,210	2,316	24,730	2,265
3 Stable deposits	7,007	505	7,103	508	7,017	497	6,832	475
4 Less stable deposits	18,726	1,873	18,515	1,851	18,193	1,819	17,898	1,790
5 Unsecured wholesale funding, of which:	3,007	1,348	2,956	1,120	3,051	1,194	3,300	1,338
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,153	288	1,318	329	1,343	336	1,377	344
7 Non-operational deposits (all counterparties)	1,854	1,060	1,638	791	1,708	858	1,923	994
8 Unsecured debt	-	-	-	-	-	-	-	-
9 Secured wholesale funding	-	-	-	-	-	-	-	-
10 Additional requirements, of which:	1,662	89	1,615	89	1,604	112	1,764	108
11 Outflows related to derivative exposures and other collateral requirements	6	6	9	9	33	33	21	21
12 Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 Credit and liquidity facilities	1,656	83	1,606	80	1,571	79	1,743	87
14 Other contractual funding obligations	376	376	456	456	431	431	498	498
15 Other contingent funding obligations	265	8	279	8	242	7	261	8
16 TOTAL CASH OUTFLOWS		4,199		4,032		4,060		4,217
<b>CASH INFLOWS</b>								
17 Secured lending (eg reverse repos)	33	14	24	7	338	48	122	13
18 Inflows from fully performing exposures	1,144	856	838	552	860	608	787	514
19 Other cash inflows	154	41	284	77	144	43	169	58
20 TOTAL CASH INFLOWS	1,331	911	1,146	636	1,342	699	1,078	585
21 TOTAL HQLA		7,517		7,757		7,088		6,502
22 TOTAL NET CASH OUTFLOWS		3,288		3,396		3,361		3,632
23 LIQUIDITY COVERAGE RATIO (%)		229%		228%		211%		179%

**Table: 2**  
**Average SGD LCR<sup>1</sup> – Year 2017**

SGD LCR (in SGD millions)	1st Quarter Average		2nd Quarter Average		3rd Quarter Average		4th Quarter Average	
	UNWEIGHTED	WEIGHTED VALUE						
	90 data points		92 data points		92 data points		91 data points	
<b>HIGH-QUALITY LIQUID ASSETS</b>								
1 Total high-quality liquid assets (HQLA)		5,976		6,330		5,191		5,009
<b>CASH OUTFLOWS</b>								
2 Retail deposits and deposits from small business customers, of which:	21,533	1,958	21,472	1,945	21,085	1,904	20,575	1,849
3 Stable deposits	7,007	505	7,104	508	7,017	497	6,832	475
4 Less stable deposits	14,526	1,453	14,368	1,437	14,068	1,407	13,743	1,374
5 Unsecured wholesale funding, of which:	1,694	642	2,276	1,088	2,301	1,098	2,335	1,036
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	733	183	877	219	874	218	899	225
7 Non-operational deposits (all counterparties)	961	459	1,399	869	1,427	880	1,436	811
8 Unsecured debt	-	-	-	-	-	-	-	-
9 Secured wholesale funding	-	-	-	-	-	-	-	-
10 Additional requirements, of which:	2,163	591	2,334	810	1,762	270	1,994	339
11 Outflows related to derivative exposures and other collateral requirements	508	508	730	730	191	191	252	252
12 Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 Credit and liquidity facilities	1,655	83	1,604	80	1,571	79	1,742	87
14 Other contractual funding obligations	194	194	323	323	258	258	351	351
15 Other contingent funding obligations	85	3	80	2	71	2	70	2
16 <b>TOTAL CASH OUTFLOWS</b>		<b>3,388</b>		<b>4,168</b>		<b>3,532</b>		<b>3,577</b>
<b>CASH INFLOWS</b>								
17 Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-
18 Inflows from fully performing exposures	303	167	271	138	286	144	298	150
19 Other cash inflows	151	49	212	32	118	28	608	531
20 <b>TOTAL CASH INFLOWS</b>	<b>454</b>	<b>216</b>	<b>483</b>	<b>170</b>	<b>404</b>	<b>172</b>	<b>906</b>	<b>681</b>
21 <b>TOTAL HQLA</b>		<b>5,976</b>		<b>6,330</b>		<b>5,191</b>		<b>5,009</b>
22 <b>TOTAL NET CASH OUTFLOWS</b>		<b>3,172</b>		<b>3,998</b>		<b>3,360</b>		<b>2,896</b>
23 <b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>188%</b>		<b>158%</b>		<b>154%</b>		<b>173%</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 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.