



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

LCR Public Disclosure  
Year ended 31 December 2020



## 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 each of the four preceding quarters.

First quarter 2020, the average all-currency and SGD LCR were 147% and 228% respectively.  
Second quarter 2020, the average all-currency and SGD LCR were 186% and 272% respectively.  
Third quarter 2020, the average all-currency and SGD LCR were 190% and 194% respectively.  
Fourth quarter 2020, the average all-currency and SGD LCR were 192% and 191% respectively.

The average all-currency and SGD LCR remained well above the regulatory minimums of 50% and 100% respectively.

### Comparing Second Quarter to First Quarter:

Improvements in average all-currency and SGD LCR largely represent shoring up of liquidity to support medium term asset growth plans.

### Comparing Third Quarter to Second Quarter:

Average all-currency LCR was largely flat while SGD LCR decreased due to increase in volume of derivatives.

### Comparing Fourth Quarter to Third Quarter:

Average all-currency and SGD LCR was largely flat as funding levels largely mirror deployment activities in the final quarter of the year.


**Table 1**  
**Average All-currency LCR<sup>i</sup> - Year 2020**

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
	91 data points		91 data points		92 data points		92 data points	
<b>HIGH-QUALITY LIQUID ASSETS</b>								
1 Total high-quality liquid assets (HQLA)		23,689		27,157		27,335		28,596
<b>CASH OUTFLOWS</b>								
2 Retail deposits and deposits from small business customers, of which:	36,515	3,417	37,644	3,511	36,235	3,357	35,095	3,238
3 Stable deposits	9,007	680	9,373	698	9,248	673	8,977	642
4 Less stable deposits	27,508	2,737	28,271	2,813	26,987	2,684	26,118	2,596
5 Unsecured wholesale funding, of which:	41,087	18,913	44,255	19,376	40,229	14,833	41,182	15,063
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	16,207	4,052	18,787	4,697	24,218	6,053	24,876	6,217
7 Non-operational deposits (all counterparties)	24,878	14,859	25,320	14,531	15,966	8,735	16,153	8,693
8 Unsecured debt	2	2	148	148	45	45	153	153
9 Secured wholesale funding		13		42		-		45
10 Additional requirements, of which:	6,345	1,274	5,837	1,108	6,579	1,214	6,511	1,073
11 Outflows related to derivative exposures and other collateral requirements	704	704	558	558	600	600	335	335
12 Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 Credit and liquidity facilities	5,641	570	5,279	550	5,979	614	6,176	738
14 Other contractual funding obligations	2,580	2,580	2,464	2,464	2,216	2,216	2,393	2,393
15 Other contingent funding obligations	7,150	214	6,350	191	5,933	178	6,086	183
<b>16 TOTAL CASH OUTFLOWS</b>		<b>26,411</b>		<b>26,692</b>		<b>21,798</b>		<b>21,995</b>
<b>CASH INFLOWS</b>								
17 Secured lending (eg reverse repos)	1,964	370	2,295	917	1,279	105	1,070	45
18 Inflows from fully performing exposures	14,179	9,129	15,261	10,420	11,184	6,832	10,885	6,731
19 Other cash inflows	2,584	776	2,264	720	2,046	485	1,739	317
<b>20 TOTAL CASH INFLOWS</b>	<b>18,727</b>	<b>10,275</b>	<b>19,820</b>	<b>12,057</b>	<b>14,509</b>	<b>7,422</b>	<b>13,694</b>	<b>7,093</b>
<b>21 TOTAL HQLA</b>		<b>23,689</b>		<b>27,157</b>		<b>27,335</b>		<b>28,596</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>		<b>16,136</b>		<b>14,635</b>		<b>14,376</b>		<b>14,902</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>		<b>147%</b>		<b>186%</b>		<b>190%</b>		<b>192%</b>


**Table: 2**  
**Average SGD LCR<sup>1</sup> - Year 2020**

SGD 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
	91 data points		91 data points		92 data points		92 data points	
<b>HIGH-QUALITY LIQUID ASSETS</b>								
1 Total high-quality liquid assets (HQLA)		18,352		20,506		22,055		23,881
<b>CASH OUTFLOWS</b>								
2 Retail deposits and deposits from small business customers, of which:	26,250	2,390	26,355	2,382	24,472	2,180	23,077	2,036
3 Stable deposits	9,007	680	9,373	698	9,248	673	8,977	642
4 Less stable deposits	17,243	1,710	16,982	1,684	15,224	1,507	14,100	1,394
5 Unsecured wholesale funding, of which:	12,776	5,981	12,832	5,710	12,354	5,163	13,232	5,697
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	5,280	1,320	5,668	1,417	6,731	1,681	6,896	1,722
7 Non-operational deposits (all counterparties)	7,496	4,661	7,157	4,286	5,623	3,482	6,329	3,968
8 Unsecured debt	-	-	7	7	-	-	7	7
9 Secured wholesale funding								
10 Additional requirements, of which:	10,082	8,185	11,695	9,457	16,724	14,084	18,272	15,299
11 Outflows related to derivative exposures and other collateral requirements	8,049	8,049	9,304	9,304	13,880	13,880	14,905	14,905
12 Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 Credit and liquidity facilities	2,033	136	2,391	153	2,844	204	3,367	394
14 Other contractual funding obligations	596	596	585	585	477	477	455	455
15 Other contingent funding obligations	498	15	500	15	476	14	464	14
<b>16 TOTAL CASH OUTFLOWS</b>		<b>17,167</b>		<b>18,149</b>		<b>21,918</b>		<b>23,501</b>
<b>CASH INFLOWS</b>								
17 Secured lending (eg reverse repos)	721	2	423	-	742	-	743	-
18 Inflows from fully performing exposures	1,901	1,268	3,534	2,977	1,466	951	1,028	516
19 Other cash inflows	8,138	7,850	7,897	7,633	9,814	9,576	10,747	10,464
<b>20 TOTAL CASH INFLOWS</b>	<b>10,760</b>	<b>9,120</b>	<b>11,854</b>	<b>10,610</b>	<b>12,022</b>	<b>10,527</b>	<b>12,518</b>	<b>10,980</b>
<b>21 TOTAL HQLA</b>		<b>18,352</b>		<b>20,506</b>		<b>22,055</b>		<b>23,881</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>		<b>8,047</b>		<b>7,539</b>		<b>11,391</b>		<b>12,521</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>		<b>228%</b>		<b>272%</b>		<b>194%</b>		<b>191%</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.

**Standard Chartered Bank (Singapore) Limited**

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