# Liquidity Coverage Ratio Disclosure

## For the quarter ended June 2018

**Liquidity Coverage Ratio ("LCR") and the Disclosure Template**

The Monetary Authority of Singapore ("MAS") had designated Citibank Singapore ("Citi") as a Domestic Systemically Important Bank ("D-SIB") in Singapore, and is thus subjected to the MAS Notice 649 Liquidity Coverage Ratio ("LCR") framework with effect from 01 January 2016. The MAS has also granted Citi the approval to comply with this Notice on a country-level group basis (consisting of Citibank N.A. Singapore branch, Citibank Singapore Limited, and Citicorp Investment Bank (Singapore) Limited).

The LCR framework is designed such that adequate levels of unencumbered High Quality Liquid Assets ("HQLA") are maintained to meet its liquidity needs under an acute 30 calendar day stress scenario. The LCR is calculated by dividing HQLA by estimated net outflows assuming a stressed 30-day period, with the net outflows determined by applying prescribed factors to various categories of liabilities, such as deposits, unsecured and secured wholesale borrowings, unused lending commitments and other derivatives-related exposures. The outflows are partially offset by assumed inflows from assets maturing within 30 days. Similar to outflows, the inflows are calculated based on prescribed factors applied to various assets categories, such as loans, unsecured and secured wholesale lending. As a measurement, Citi is required to maintain daily LCR ratio on ALL-Currency ("All-Ccy") and SGD-Currency ("SGD-Ccy") level to be above 50% and 100% respectively. For cautionary measure, Citi has, based on observed movements, set internal LCR triggers as forewarning of breaching the regulatory ratios in addition to the LCR being actively managed, as well as closely monitored, to ensure that it is within the ratio requirement.

The following disclosure is made pursuant to the MAS Notice 651 – LCR Disclosure, and in compliance with the requirements set out in the MAS Notice 649 at country-level group basis.

The disclosure template below sets forth Citi's average HQLA, cash outflows, cash inflows, and the resulting LCR for the period indicated. The "Total Unweighted Value" column represents quarterly average balances for each category of the LCR calculation which have not been adjusted by the respective LCR factors. The "Total Weighted Value" column represents the unweighted average amounts multiplied by the respective LCR factor for each category of the LCR calculation, as prescribed by the regulatory requirements.

Country Average All-Currency LCR for Quarter 2, 2018
*(Number of data points used for the calculation : 91 )*

| | Group – ALL Currency (in S$ millions) | TOTAL UNWEIGHTED VALUE (average) | TOTAL WEIGHTED VALUE (average) |
|---|---|---|---|
| **HIGH-QUALITY LIQUID ASSETS** | | | |
| 1 | Total high-quality liquid assets (HQLA) | | 21,607 |
| **CASH OUTFLOWS** | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 35,532 | 3,022 |
| 3 | Stable deposits | 7,324 | 210 |
| 4 | Less stable deposits | 28,208 | 2,812 |
| 5 | Unsecured wholesale funding, of which: | 37,128 | 20,714 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 15,262 | 3,800 |
| 7 | Non-operational deposits (all counterparties) | 21,866 | 16,914 |
| 8 | Unsecured debt | 0 | 0 |
| 9 | Secured wholesale funding | | 0 |
| 10 | Additional requirements, of which: | 3,142 | 1,032 |
| 11 | Outflows related to derivative exposures and other collateral requirements | 739 | 739 |
| 12 | Outflows related to loss of funding on debt products | 0 | 0 |
| 13 | Credit and liquidity facilities | 2,403 | 293 |
| 14 | Other contractual funding obligations | 463 | 463 |
| 15 | Other contingent funding obligations | 1,693 | 51 |
| 16 | **TOTAL CASH OUTFLOWS** | | 25,281 |
| **CASH INFLOWS** | | | |
| 17 | Secured lending (eg reverse repos) | 352 | 0 |
| 18 | Inflows from fully performing exposures | 14,980 | 10,579 |
| 19 | Other cash inflows | 1,392 | 661 |
| 20 | **TOTAL CASH INFLOWS** | 16,724 | 11,239 |
| | | | TOTAL ADJUSTED VALUE |
| 21 | **TOTAL HQLA** | | 21,441 |
| 22 | **TOTAL NET CASH OUTFLOWS** | | 14,042 |
| 23 | **LIQUIDITY COVERAGE RATIO (%)** | | 153% |

Country Average SGD-Currency LCR for Quarter 2, 2018

*(Number of data points used for the calculation : 91 )*

| Group – SGD Currency (in S$ millions) | | TOTAL UNWEIGHTED VALUE (average) | TOTAL WEIGHTED VALUE (average) |
|---|---|---|---|
| **HIGH-QUALITY LIQUID ASSETS** | | | |
| 1 | Total high-quality liquid assets (HQLA) | | 14,557 |
| **CASH OUTFLOWS** | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 14,704 | 1,151 |
| 3 | Stable deposits | 5,206 | 210 |
| 4 | Less stable deposits | 9,498 | 941 |
| 5 | Unsecured wholesale funding, of which: | 8,730 | 4,619 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 3,778 | 929 |
| 7 | Non-operational deposits (all counterparties) | 4,952 | 3,690 |
| 8 | Unsecured debt | 0 | 0 |
| 9 | Secured wholesale funding | | 0 |
| 10 | Additional requirements, of which: | 14,209 | 13,437 |
| 11 | Outflows related to derivative exposures and other collateral requirements | 13,368 | 13,368 |
| 12 | Outflows related to loss of funding on debt products | 0 | 0 |
| 13 | Credit and liquidity facilities | 841 | 69 |
| 14 | Other contractual funding obligations | 1 | 1 |
| 15 | Other contingent funding obligations | 341 | 10 |
| 16 | **TOTAL CASH OUTFLOWS** | | 19,219 |
| **CASH INFLOWS** | | | |
| 17 | Secured lending (eg reverse repos) | 352 | 0 |
| 18 | Inflows from fully performing exposures | 1,902 | 1,248 |
| 19 | Other cash inflows | 10,942 | 10,934 |
| 20 | **TOTAL CASH INFLOWS** | 13,196 | 12,183 |
| | | | TOTAL ADJUSTED VALUE |
| 21 | **TOTAL HQLA** | | 14,557 |
| 22 | **TOTAL NET CASH OUTFLOWS** | | 7,036 |
| 23 | **LIQUIDITY COVERAGE RATIO (%)** | | 213% |

## Main Drivers and Changes in LCR

Citi average All-Ccy LCR and SGD-Ccy LCR ratios for 2018 second quarter were 153% and 213% respectively – an increase from 134% and 199% in the previous quarter. The higher All-Ccy LCR ratio was partly driven by the reduction in Non-Bank Financial Institutions Deposits and a slight fall in 3rd party loans, coupled with existing Intercompany term placements moving to within 30-days maturity. The decrease in HQLA on a quarter-on-quarter basis was mainly attributed to lower SGD placements with the Central Bank as the fund was channeled to business as usual activities. The resulting implication was a total net outflow decrease much more than HQLA and improved the All-Ccy LCR ratio. SGD-Ccy LCR ratio continued to rise in the second quarter mainly due to decreases in both HQLA, as a result of a reduction in the SGD placements with the Central Bank, and Net Outflows arising from an increase in short-term SGD derivatives inflow exposure.

Citi continues to maintain a higher ratio than the regulatory requirement by focusing on maintaining a stable balance sheet structure.

## Composition of HQLA

As of June 2018, Citi's average weighted All-Ccy HQLA was approximately $21.6 billion, of which slightly over two-thirds (around $14.5 billion) of the average weighted HQLA was in SGD-Ccy. These assets primarily consisted of Level 1 assets which would comprise cash, balances with Central Banks and highly rated Sovereign debts.

## Liquidity Risk Management Function

Citi manages liquidity risk through a global standardized risk governance framework that includes Citigroup global liquidity risk management policy. The policy establishes standards for defining, measuring, limiting and reporting liquidity risk to ensure the transparency and comparability of liquidity risk-taking activities. The policy also requires establishment of an appropriate risk appetite. The Citigroup Treasurer and the Treasury Chief Risk Officer ("CRO") oversee the policy. Citigroup's independent Risk function is responsible for governance of liquidity risk management and provides analytical challenge to the firm's liquidity risk management framework. Citi Singapore ALCO convene on a monthly basis and serves as the primary governance committee on the management of Citi's balance sheet and liquidity.