

# **Liquidity Coverage Ratio Disclosure**

**For the quarter ended September 2019**



## 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 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 templates in the following two pages set 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 that has 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 3, 2019  
(Number of data points used for the calculation : 92 )

Group – ALL Currency (in S\$ millions)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		19,646
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	39,319	3,187
3	Stable deposits	10,053	274
4	Less stable deposits	29,266	2,913
5	Unsecured wholesale funding, of which:	34,874	19,258
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	13,654	3,393
7	Non-operational deposits (all counterparties)	21,220	15,865
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	4,233	1,574
11	Outflows related to derivative exposures and other collateral requirements	1,003	1,003
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	3,230	572
14	Other contractual funding obligations	403	403
15	Other contingent funding obligations	1,883	56
16	<b>TOTAL CASH OUTFLOWS</b>		24,479
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	148	0
18	Inflows from fully performing exposures	16,511	11,806
19	Other cash inflows	716	1,047
20	<b>TOTAL CASH INFLOWS</b>	17,374	12,852
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		19,646
22	<b>TOTAL NET CASH OUTFLOWS</b>		11,627
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		171%

Country Average SGD-Currency LCR for Quarter 3, 2019  
 (Number of data points used for the calculation : 92 )

Group – SGD Currency (in S\$ millions)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		14,631
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	15,783	1,158
3	Stable deposits	6,811	274
4	Less stable deposits	8,972	884
5	Unsecured wholesale funding, of which:	9,200	5,210
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,390	827
7	Non-operational deposits (all counterparties)	5,810	4,383
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	11,757	11,106
11	Outflows related to derivative exposures and other collateral requirements	11,038	11,038
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	719	68
14	Other contractual funding obligations	9	9
15	Other contingent funding obligations	363	11
16	<b>TOTAL CASH OUTFLOWS</b>		17,493
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	148	0
18	Inflows from fully performing exposures	2,195	1,547
19	Other cash inflows	7,966	7,955
20	<b>TOTAL CASH INFLOWS</b>	10,309	9,501
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		14,631
22	<b>TOTAL NET CASH OUTFLOWS</b>		7,992
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		189%

## **Main Drivers and Changes in LCR**

Citi average All-Ccy LCR and SGD-Ccy LCR for 2019 third quarter were 171% and 189% respectively as compared to 200% and 208% in the previous quarter. Decrease in All-Ccy LCR mainly attributed to decrease in HQLA and increase in Financial Institutions Deposits as intercompany placements increase in the longer tenors. SGD-Ccy LCR decrease in the third quarter driven by decrease in HQLA, coupled with decrease in 30-days SGD Derivatives inflow exposures though quarter-on-quarter movement in total outstanding exposures amount is minimal.

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 September 2019, Citi's average weighted All-Ccy HQLA was approximately \$19.6 billion, of which almost three-quarter (around \$14.6 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.