



Liquidity Coverage Ratio (LCR) Disclosure  
Quarter ended December 2020

Maybank Singapore Limited

Incorporated in Singapore

Company Registration Number: 201804195C

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## **1 LIQUIDITY COVERAGE RATIO (“LCR”) DISCLOSURE**

The Monetary Authority of Singapore (“MAS”) has designated Maybank Singapore Limited (“MSL”) as a Domestic Systemically Important Bank (“D-SIB”) in Singapore since 2015. MSL is subject to the reporting of MAS Notice 649 Liquidity Coverage Ratio on a Country Group basis (consisting of Malayan Banking Berhad, Singapore Branch and Maybank Singapore Limited) and is required to maintain at all times a Singapore Dollar (“SGD” or “S\$”) LCR of 100% and an all-currency (“All-CCY”) LCR of 50%.

The purpose of this disclosure is to release relevant quantitative and qualitative information pursuant to MAS Notice 651 Liquidity Coverage Ratio Disclosure.

## **2 QUALITATIVE INFORMATION**

### **2.1 Liquidity Risk Management**

Daily liquidity is centrally managed by Global Markets in conjunction with relevant Business Units. Risk Management conducts daily liquidity stress tests and has established a set of internal triggers to monitor the liquidity position at Country Group level. This information, coupled with other market and balance sheet information, is submitted to the Asset and Liability Committee (“ALCO”) for deliberation and decision on funding and liquidity strategy. A Contingency Funding Plan has been developed to provide guidance on the type of management actions that can be taken in times of liquidity crisis.

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

As of 31 December 2020, the Country Group’s average weighted All-CCY HQLA were approximately S\$22,400 million, of which approximately 84% (around S\$18,776 million) was denominated in SGD. HQLA consisted primarily of Level 1 assets such as central bank reserves and securities issued by central banks and governments. These assets can be easily liquidated through outright sales or Repurchase (“Repo”) arrangements to meet any unexpected liquidity requirements.

### **2.3 Sources of Funding**

The primary sources of funding include customer deposits (current accounts and savings accounts as well as term deposits) and interbank deposits. Sources of liquidity are regularly reviewed to maintain diversification.

## **2.4 Derivative Exposures**

The Country Group's derivative exposures arise mainly from foreign exchange swaps and interest rate swaps which are marked to market on a daily basis.

## **2.5 Currency Mismatch**

The Country Group's operations are predominantly denominated in SGD. Assets and liabilities are match-funded with the same currency where possible. As part of the funding strategy, the Country Group may utilise the swap markets to support funding needs and loan demands across different currencies.

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

Compared to the previous quarter, average All-CCY LCR has decreased from 188% to 179% while SGD LCR has increased from 199% to 209%. The decrease in All-CCY LCR is largely due to a rise in total net cash outflows ("NCO"), while the increase in SGD LCR is largely due to a rise in HQLA. Total NCO rose from S\$11,412 million in 3Q FY2020 to S\$12,595 million in 4Q FY2020, largely coming from increased wholesale funding. In comparison, SGD HQLA rose from S\$16,940 million in 2Q FY2020 to S\$18,776 million in 4Q FY2020.

## **3 QUANTITATIVE INFORMATION**

The data presented in the following tables are simple averages of daily observations over the previous quarter ended December 2020.

### 3.1 Country Group Average All-Currency LCR for Quarter 4, 2020

(Number of data points used for the calculation: 92)

| SGD Million                       |   | TOTAL UNWEIGHTED VALUE (average) | TOTAL WEIGHTED VALUE (average) |
|-----------------------------------|---|----------------------------------|--------------------------------|
| <b>HIGH-QUALITY LIQUID ASSETS</b> |   |                                  |                                |
| 1                                 | Total high-quality liquid assets (HQLA)   |                                  | 22,400                         |
| <b>CASH OUTFLOWS</b>              |   |                                  |                                |
| 2                                 | Retail deposits and deposits from small business customers, of which:                   | 27,968                           | 2,490                          |
| 3                                 | Stable deposits   | 6,126                            | 306                            |
| 4                                 | Less stable deposits  | 21,842                           | 2,184                          |
| 5                                 | Unsecured wholesale funding, of which:  | 16,276                           | 10,810                         |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 0                                | 0                              |
| 7                                 | Non-operational deposits (all counterparties)   | 16,276                           | 10,810                         |
| 8                                 | Unsecured debt  | 0                                | 0                              |
| 9                                 | Secured wholesale funding   |                                  | 0                              |
| 10                                | Additional requirements, of which:  | 25,883                           | 21,346                         |
| 11                                | Outflows related to derivative exposures and other collateral requirements              | 21,558                           | 20,788                         |
| 12                                | Outflows related to loss of funding on debt products                                    | 0                                | 0                              |
| 13                                | Credit and liquidity facilities   | 4,325                            | 559                            |
| 14                                | Other contractual funding obligations   | 457                              | 457                            |
| 15                                | Other contingent funding obligations  | 1,039                            | 31                             |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>  |                                  | <b>35,136</b>                  |
| <b>CASH INFLOWS</b>               |   |                                  |                                |
| 17                                | Secured lending (e.g. reverse repos)  | 3,107                            | 77                             |
| 18                                | Inflows from fully performing exposures   | 1,936                            | 1,650                          |
| 19                                | Other cash inflows  | 20,903                           | 20,814                         |
| 20                                | <b>TOTAL CASH INFLOWS</b>   | <b>25,946</b>                    | <b>22,541</b>                  |
| <b>TOTAL ADJUSTED VALUE</b>       |   |                                  |                                |
| 21                                | <b>TOTAL HQLA</b>   |                                  | <b>22,400</b>                  |
| 22                                | <b>TOTAL NET CASH OUTFLOWS</b>  |                                  | <b>12,595</b>                  |
| 23                                | <b>LIQUIDITY COVERAGE RATIO (%)</b>   |                                  | <b>179%</b>                    |

### 3.2 Country Group Average SGD LCR for Quarter 4, 2020

(Number of data points used for the calculation: 92)

| SGD Million                       |   | TOTAL UNWEIGHTED VALUE (average) | TOTAL WEIGHTED VALUE (average) |
|-----------------------------------|---|----------------------------------|--------------------------------|
| <b>HIGH-QUALITY LIQUID ASSETS</b> |   |                                  |                                |
| 1                                 | Total high-quality liquid assets (HQLA)   |                                  | 18,776                         |
| <b>CASH OUTFLOWS</b>              |   |                                  |                                |
| 2                                 | Retail deposits and deposits from small business customers, of which:                   | 26,476                           | 2,341                          |
| 3                                 | Stable deposits   | 6,126                            | 306                            |
| 4                                 | Less stable deposits  | 20,350                           | 2,035                          |
| 5                                 | Unsecured wholesale funding, of which:  | 10,680                           | 6,065                          |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 0                                | 0                              |
| 7                                 | Non-operational deposits (all counterparties)   | 10,680                           | 6,065                          |
| 8                                 | Unsecured debt  | 0                                | 0                              |
| 9                                 | Secured wholesale funding   |                                  | 0                              |
| 10                                | Additional requirements, of which:  | 23,824                           | 20,052                         |
| 11                                | Outflows related to derivative exposures and other collateral requirements              | 20,437                           | 19,667                         |
| 12                                | Outflows related to loss of funding on debt products                                    | 0                                | 0                              |
| 13                                | Credit and liquidity facilities   | 3,386                            | 385                            |
| 14                                | Other contractual funding obligations   | 408                              | 408                            |
| 15                                | Other contingent funding obligations  | 511                              | 15                             |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>  |                                  | <b>28,881</b>                  |
| <b>CASH INFLOWS</b>               |   |                                  |                                |
| 17                                | Secured lending (e.g. reverse repos)  | 1,851                            | 0                              |
| 18                                | Inflows from fully performing exposures   | 468                              | 279                            |
| 19                                | Other cash inflows  | 19,419                           | 19,408                         |
| 20                                | <b>TOTAL CASH INFLOWS</b>   | <b>21,738</b>                    | <b>19,687</b>                  |
|                                   |   |                                  | <b>TOTAL ADJUSTED VALUE</b>    |
| 21                                | <b>TOTAL HQLA</b>   |                                  | <b>18,776</b>                  |
| 22                                | <b>TOTAL NET CASH OUTFLOWS</b>  |                                  | <b>9,206</b>                   |
| 23                                | <b>LIQUIDITY COVERAGE RATIO (%)</b>   |                                  | <b>209%</b>                    |