



Liquidity Coverage Ratio (LCR) Disclosure  
Quarter ended June 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 30 June 2020, the Country Group’s average weighted All-CCY HQLA was approximately S\$16,883 million, of which approximately 77% (around S\$13,039 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 153% to 137% while SGD LCR has decreased from 181% to 147%. The decreases in All-CCY LCR and SGD LCR are largely due to a rise in total net cash outflows ("NCO"). Total NCO increased from S\$11,162 million in 1Q FY2020 to S\$12,361 million in 2Q FY2020. Similarly, SGD NCO rose from S\$7,502 million in 1Q FY2020 to S\$8,913 million in 2Q FY2020.

## **3 QUANTITATIVE INFORMATION**

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

### 3.1 Country Group Average All-Currency LCR for Quarter 2, 2020

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

SGD Million		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		16,883
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	27,453	2,430
3	Stable deposits	6,308	315
4	Less stable deposits	21,144	2,114
5	Unsecured wholesale funding, of which:	16,239	11,274
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0
7	Non-operational deposits (all counterparties)	16,239	11,274
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	27,890	23,134
11	Outflows related to derivative exposures and other collateral requirements	23,155	22,385
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	4,736	749
14	Other contractual funding obligations	330	330
15	Other contingent funding obligations	1,293	38
16	<b>TOTAL CASH OUTFLOWS</b>		<b>37,206</b>
<b>CASH INFLOWS</b>			
17	Secured lending (e.g. reverse repos)	3,606	101
18	Inflows from fully performing exposures	2,726	2,317
19	Other cash inflows	22,570	22,427
20	<b>TOTAL CASH INFLOWS</b>	<b>28,902</b>	<b>24,844</b>
<b>TOTAL ADJUSTED VALUE</b>			
21	<b>TOTAL HQLA</b>		<b>16,883</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>12,361</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>137%</b>

### 3.2 Country Group Average SGD LCR for Quarter 2, 2020

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

SGD Million		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		13,039
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	25,936	2,278
3	Stable deposits	6,308	315
4	Less stable deposits	19,628	1,963
5	Unsecured wholesale funding, of which:	9,755	5,677
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0
7	Non-operational deposits (all counterparties)	9,755	5,677
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	25,024	21,181
11	Outflows related to derivative exposures and other collateral requirements	21,374	20,604
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	3,650	578
14	Other contractual funding obligations	274	274
15	Other contingent funding obligations	574	16
16	<b>TOTAL CASH OUTFLOWS</b>		<b>29,427</b>
<b>CASH INFLOWS</b>			
17	Secured lending (e.g. reverse repos)	2,328	0
18	Inflows from fully performing exposures	549	305
19	Other cash inflows	20,252	20,211
20	<b>TOTAL CASH INFLOWS</b>	<b>23,129</b>	<b>20,516</b>
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		<b>13,039</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>8,913</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>147%</b>