

# **Liquidity Coverage Ratio Disclosure**

**For the quarter ended September 2020**



## 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, 2020  
 (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)		27,089
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	44,434	3,773
3	Stable deposits	9,254	267
4	Less stable deposits	35,179	3,506
5	Unsecured wholesale funding, of which:	39,405	19,944
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	16,000	3,981
7	Non-operational deposits (all counterparties)	23,405	15,964
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	5,752	1,637
11	Outflows related to derivative exposures and other collateral requirements	916	916
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	4,837	722
14	Other contractual funding obligations	512	512
15	Other contingent funding obligations	2,042	61
16	<b>TOTAL CASH OUTFLOWS</b>		25,928
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	437	0
18	Inflows from fully performing exposures	22,536	18,272
19	Other cash inflows	1,253	846
20	<b>TOTAL CASH INFLOWS</b>	24,226	19,118
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		27,089
22	<b>TOTAL NET CASH OUTFLOWS</b>		6,810
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		377%

Country Average SGD-Currency LCR for Quarter 3, 2020  
 (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)		17,916
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	16,175	1,241
3	Stable deposits	6,323	267
4	Less stable deposits	9,852	973
5	Unsecured wholesale funding, of which:	11,105	6,056
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	4,137	1,015
7	Non-operational deposits (all counterparties)	6,968	5,042
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	15,911	14,358
11	Outflows related to derivative exposures and other collateral requirements	14,239	14,239
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	1,672	119
14	Other contractual funding obligations	5	5
15	Other contingent funding obligations	382	11
16	<b>TOTAL CASH OUTFLOWS</b>		21,672
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	437	0
18	Inflows from fully performing exposures	1,723	1,197
19	Other cash inflows	13,356	13,353
20	<b>TOTAL CASH INFLOWS</b>	15,517	14,549
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		17,916
22	<b>TOTAL NET CASH OUTFLOWS</b>		7,122
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		259%

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

Citi average All-Ccy LCR and SGD-Ccy LCR for 2020 third quarter were 377% and 259% respectively as compared to 338% and 362% in the previous quarter. Increase in All-Ccy LCR was driven by growth in Retail and Small Business Deposits with the funds mainly allocated to HQLA holdings, coupled with some placed in the 30-days short-term intercompany deals. SGD-Ccy LCR dropped to 259% largely attributed to higher short-term SGD Derivatives outflow exposures though quarter-on-quarter movement in total outstanding All-Ccy exposures had been relatively 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 2020, Citi's average weighted All-Ccy HQLA was approximately \$27.1 billion, of which two-thirds (\$17.9 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.