

Citibank Singapore Limited
Registration Number: 200309485K

Pillar 3 Disclosures
As at 31 March 2020

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1. Overview of key prudential metrics, risk management and RWA

1.1 Overview of RWA

For the purpose of calculating the risk-weighted assets (“RWA”), CSL applies the Standardized Approach (“SA”) for Credit Risk and Market Risk; Basic Indicator Approach (“BIA”) for Operational Risk.

As at 31 March 2020, the total RWA was \$19.31bn as compared to \$17.75bn in the prior quarter. The increase was mainly driven by higher Credit RWA, Market RWA and Operational RWA. The following table provides further breakdown of the RWA:

reported in S\$million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31-Mar-20	31-Dec-19	31-Mar-20
1	Credit risk (excluding CCR)	16,230	14,779	1,623
2	<i>of which: Standardised Approach</i>	16,230	14,779	1,623
3	<i>of which: F-IRBA</i>	-	-	-
4	<i>of which: supervisory slotting approach</i>			
5	<i>of which: A-IRBA</i>			
6	CCR	67	43	7
7	<i>of which: SA-CCR/CEM</i>	67	43	7
8	<i>of which: CCR Internal Models Method</i>	-	-	-
9	<i>of which: other CCR</i>	-	-	-
9a	<i>of which: CCP</i>			
10	CVA	7	3	1
11	Equity exposures under the simple risk weight method			
11a	Equity exposures under the IMM			
12	Equity investments in funds – look through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall back approach	-	-	-
14a	Equity investments in funds – partial use of an approach	-	-	-
15	Unsettled transactions	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	<i>of which: SEC-IRBA</i>	-	-	-
18	<i>of which: SEC-ERBA, including IAA</i>	-	-	-
19	<i>of which: SEC-SA</i>	-	-	-
20	Market risk	53	33	5
21	<i>of which: SA(MR)</i>	53	33	5
22	<i>of which: IMA</i>	-	-	-
23	Operational risk	2,949	2,891	295
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total	19,307	17,748	1,931

1.2 Key Metrics

The following disclosures are prepared in accordance with Table 11-1A of MAS Notice 637.

<i>reported in S\$million</i>		(a)	(b)	(c)	(d)	(e)
		31-Mar-20 #	31-Dec-19	30-Sep-19 #	30-Jun-19 #	31-Mar-19 #
	Available capital (amounts)					
1	CET1 capital	3,328	3,328	3,357	3,357	3,356
2	Tier 1 capital	3,328	3,328	3,357	3,357	3,356
3	Total capital	3,395	3,393	3,428	3,430	3,431
	Risk weighted assets (amounts)					
4	Total RWA	19,307	17,748	18,159	17,524	16,266
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	17.24%	18.75%	18.49%	19.16%	20.63%
6	Tier 1 ratio (%)	17.24%	18.75%	18.49%	19.16%	20.63%
7	Total capital ratio (%)	17.59%	19.12%	18.88%	19.57%	21.10%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	0.017%	0.033%	0.041%	0.044%	0.041%
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.517%	2.533%	2.541%	2.544%	2.541%
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	7.59%	9.12%	8.88%	9.57%	11.10%
	Leverage Ratio					
13	Total Leverage Ratio exposure measure	48,288	42,396	44,683	43,665	40,260
14	Leverage Ratio (%) (row 2 / row 13)	6.89%	7.85%	7.51%	7.69%	8.34%
	Liquidity Coverage Ratio					
15	Total High Quality Liquid Assets	9,331	8,073	4,903	7,082	8,201
16	Total net cash outflow	967	949	912	856	873
17	Liquidity Coverage Ratio (%)	964.96%	849.97%	537.40%	827.05%	938.86%
	Net Stable Funding Ratio					
18	Total available stable funding	39,447	37,852	37,572	36,194	34,318
19	Total required stable funding	22,271	23,704	23,352	22,762	21,283
20	Net Stable Funding Ratio (%)	177.10%	159.68%	160.89%	159.01%	161.25%

#Unaudited figures

2. Leverage Ratio

2.1 Leverage Ratio Summary Comparison Table

The following disclosures are prepared in accordance with Table 11F-1 of MAS Notice 637.

	Item	S\$million
		31-Mar-20
1	Total consolidated assets as per financial statements	45,685
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4	Adjustment for derivative transactions	44
5	Adjustment for SFTs	-
6	Adjustment for off-balance sheet items	2,596
7	Other adjustments	(36)
8	Exposure measure	48,288

2.2 Leverage Ratio Common Disclosure Template

The following disclosures are prepared in accordance with Table 11G-1 of MAS Notice 637.

Item	S\$million	
	31-Mar-20	31-Dec-19
Exposure measures of on-balance sheet items		
1 On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	45,561	41,039
2 Asset amounts deducted in determining Tier 1 capital	-	-
3 Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	45,561	41,039
Derivative exposure measures		
4 Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	87	40
5 Potential future exposure associated with all derivative transactions	44	43
6 Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7 Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8 CCP leg of trade exposures excluded	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-
10 Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11 Total derivative exposure measures	131	83
SFT exposure measures		
12 Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	-	-
13 Eligible netting of cash payables and cash receivables	-	-
14 SFT counterparty exposures	-	-
15 SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16 Total SFT exposure measures	-	-
Exposure measures of off-balance sheet items		
17 Off-balance sheet items at notional amount	14,071	12,130
18 Adjustments for calculation of exposure measures of offbalance sheet items	(11,475)	(10,856)
19 Total exposure measures of off-balance sheet items	2,596	1,274
Capital and Total exposures		
20 Tier 1 capital	3,328	3,328
21 Total exposures	48,288	42,396
Leverage ratio		
22 Leverage ratio	6.89%	7.85%

3. Liquidity Coverage Ratio Disclosure

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 1, 2020
 (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)		23,244
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	42,123	3,446
3	Stable deposits	10,203	266
4	Less stable deposits	31,920	3,179
5	Unsecured wholesale funding, of which:	35,664	18,826
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	14,308	3,557
7	Non-operational deposits (all counterparties)	21,356	15,269
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	4,405	1,440
11	Outflows related to derivative exposures and other collateral requirements	863	863
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	3,542	577
14	Other contractual funding obligations	428	428
15	Other contingent funding obligations	1,906	57
16	TOTAL CASH OUTFLOWS		24,197
CASH INFLOWS			
17	Secured lending (eg reverse repos)	131	0
18	Inflows from fully performing exposures	19,289	14,378
19	Other cash inflows	1,289	934
20	TOTAL CASH INFLOWS	20,709	15,312
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		23,244
22	TOTAL NET CASH OUTFLOWS		8,885
23	LIQUIDITY COVERAGE RATIO (%)		266%

Country Average SGD-Currency LCR for Quarter 1, 2020
 (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)		16,810
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	15,583	1,158
3	Stable deposits	6,533	266
4	Less stable deposits	9,049	892
5	Unsecured wholesale funding, of which:	9,333	5,143
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,427	837
7	Non-operational deposits (all counterparties)	5,906	4,306
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	13,170	12,504
11	Outflows related to derivative exposures and other collateral requirements	12,431	12,431
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	738	72
14	Other contractual funding obligations	6	6
15	Other contingent funding obligations	374	11
16	TOTAL CASH OUTFLOWS		18,822
CASH INFLOWS			
17	Secured lending (eg reverse repos)	131	0
18	Inflows from fully performing exposures	2,370	1,787
19	Other cash inflows	10,676	10,667
20	TOTAL CASH INFLOWS	13,178	12,454
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		16,810
22	TOTAL NET CASH OUTFLOWS		6,368
23	LIQUIDITY COVERAGE RATIO (%)		271%

Main Drivers and Changes in LCR

Citi average All-Ccy LCR and SGD-Ccy LCR for 2020 first quarter were 266% and 271% respectively as compared to 189% and 197% in the previous quarter. Increase in All-Ccy LCR mainly due to buildup of HQLA holdings on SGD Govies, coupled with increase in 30-days short-term intercompany placements quarter-on-quarter. SGD-Ccy LCR rose in the first quarter largely driven by increase in HQLA on SGD Govies, and higher 30-days SGD Derivatives inflow exposures though quarter-on-quarter movement in total outstanding 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 March 2020, Citi's average weighted All-Ccy HQLA was approximately \$23.2 billion, of which almost three-quarter (\$16.8 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.