
OCBC Group
Second Quarter of 2016

Liquidity Coverage Ratio

For 2Q16, the average Singapore dollar (“SGD”) and all-currency liquidity coverage ratios (“LCR”) for the Group (excluding OCBC Wing Hang and OCBC Yangon branch which will be included in due course) were 273% and 130% respectively. Compared with 1Q16, the SGD LCR rose 14 percentage points, mainly as a result of an increase in central bank reserves. The all-currency LCR increased by 8 percentage points from higher sovereign bond holdings. Within 2Q16, the intra-period variances in LCR were due to movements in High Quality Liquid Assets (“HQLA”) and in wholesale funding activities.

The Group continued to focus on acquiring stable deposits and to maintain a mix of HQLA comprising mainly Level 1 central bank reserves and liquid sovereign bonds. The Asset & Liability Management Desk in Global Treasury manages the day-to-day liquidity needs of the Group, and is subject to liquidity limits and triggers that serve as risk control on the Group’s liquidity exposure.

Liquidity Coverage Ratio Quantitative Disclosure

The data presented in the quantitative disclosure are simple averages of daily observations over the quarter. For 2Q16, the number of data points in calculating the average figures is 91.

Average Group All-Currency LCR for 2Q16

Group - ALL Currency (\$\$'m)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		47,121
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	87,696	7,182
3	Stable deposits	31,757	1,588
4	Less stable deposits	55,939	5,594
5	Unsecured wholesale funding, of which:	93,482	48,689
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	23,263	5,661
7	Non-operational deposits (all counterparties)	60,955	33,766
8	Unsecured debt	9,263	9,263
9	Secured wholesale funding		312
10	Additional requirements, of which:	52,000	30,649
11	Outflows related to derivative exposures and other collateral requirements	27,912	27,912
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	24,088	2,737
14	Other contractual funding obligations	494	494
15	Other contingent funding obligations	9,620	289
16	TOTAL CASH OUTFLOWS		87,614
CASH INFLOWS			
17	Secured lending (eg reverse repos)	2,735	976
18	Inflows from fully performing exposures	34,150	20,690
19	Other cash inflows	29,537	29,504
20	TOTAL CASH INFLOWS	66,421	51,170
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		47,121
22	TOTAL NET CASH OUTFLOWS		36,444
23	LIQUIDITY COVERAGE RATIO		130%

Average Group SGD LCR for 2Q16

Group - SGD (\$\$'m)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		14,660
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	58,524	4,525
3	Stable deposits	26,552	1,328
4	Less stable deposits	31,972	3,197
5	Unsecured wholesale funding, of which:	23,935	9,453
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	10,199	2,494
7	Non-operational deposits (all counterparties)	13,731	6,953
8	Unsecured debt	6	6
9	Secured wholesale funding		-
10	Additional requirements, of which:	14,834	7,301
11	Outflows related to derivative exposures and other collateral requirements	6,592	6,592
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	8,242	709
14	Other contractual funding obligations	180	180
15	Other contingent funding obligations	1,972	59
16	TOTAL CASH OUTFLOWS		21,519
CASH INFLOWS			
17	Secured lending (eg reverse repos)	647	-
18	Inflows from fully performing exposures	6,537	3,651
19	Other cash inflows	17,850	17,843
20	TOTAL CASH INFLOWS	25,035	21,494
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		14,660
22	TOTAL NET CASH OUTFLOWS		5,380
23	LIQUIDITY COVERAGE RATIO		273%