

OCBC Group
Fourth Quarter of 2016

Liquidity Coverage Ratio

For 4Q16, the average Singapore dollar (“SGD”) and all-currency liquidity coverage ratios (“LCR”) for the Group (excluding OCBC Wing Hang which will be included in due course) were 284% and 145% respectively. Compared to 3Q16, the SGD LCR was higher by 13 percentage points from the increase in central bank reserves. The all-currency LCR increased by 12 percentage points with a more stable funding base and the liquidity buffer maintained amidst market uncertainties in 4Q16.

The Group continued to focus on acquiring stable deposits and to maintain a mix of High Quality Liquid Assets 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 4Q16, the number of data points in calculating the average figures is 92.

Average Group All-Currency LCR for 4Q16

Group - ALL Currency (S\$m)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		43,872
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	102,737	8,480
3	Stable deposits	35,878	1,794
4	Less stable deposits	66,858	6,686
5	Unsecured wholesale funding, of which:	87,768	43,948
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	22,863	5,564
7	Non-operational deposits (all counterparties)	58,235	31,714
8	Unsecured debt	6,669	6,669
9	Secured wholesale funding		298
10	Additional requirements, of which:	53,118	32,102
11	Outflows related to derivative exposures and other collateral requirements	29,554	29,554
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	23,564	2,548
14	Other contractual funding obligations	642	642
15	Other contingent funding obligations	11,276	338
16	TOTAL CASH OUTFLOWS		85,808
CASH INFLOWS			
17	Secured lending (eg reverse repos)	3,526	1,174
18	Inflows from fully performing exposures	41,074	23,600
19	Other cash inflows	30,814	30,777
20	TOTAL CASH INFLOWS	75,413	55,551
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		43,872
22	TOTAL NET CASH OUTFLOWS		30,257
23	LIQUIDITY COVERAGE RATIO		145%

Average Group SGD LCR for 4Q16

Group - SGD (\$\$'m)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		15,253
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	60,229	4,672
3	Stable deposits	27,011	1,351
4	Less stable deposits	33,218	3,322
5	Unsecured wholesale funding, of which:	24,224	9,445
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,892	2,417
7	Non-operational deposits (all counterparties)	14,327	7,023
8	Unsecured debt	5	5
9	Secured wholesale funding		-
10	Additional requirements, of which:	14,582	7,026
11	Outflows related to derivative exposures and other collateral requirements	6,322	6,322
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	8,260	704
14	Other contractual funding obligations	309	309
15	Other contingent funding obligations	1,925	58
16	TOTAL CASH OUTFLOWS		21,510
CASH INFLOWS			
17	Secured lending (eg reverse repos)	1,037	1
18	Inflows from fully performing exposures	7,753	4,090
19	Other cash inflows	18,579	18,573
20	TOTAL CASH INFLOWS	27,369	22,664
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		15,253
22	TOTAL NET CASH OUTFLOWS		5,377
23	LIQUIDITY COVERAGE RATIO		284%