

Liquidity Coverage Ratio Disclosure

For the quarter ended December 2018



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 the estimated net outflows assuming a stressed 30-day period. The estimated net outflows are 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 and closely monitored so that it remains 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 4, 2018
(Number of data points used for the calculation : 92)

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)		20,940
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	35,436	2,993
3	Stable deposits	7,530	210
4	Less stable deposits	27,907	2,783
5	Unsecured wholesale funding, of which:	35,512	19,041
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	14,428	3,593
7	Non-operational deposits (all counterparties)	21,083	15,448
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	5,129	1,468
11	Outflows related to derivative exposures and other collateral requirements	957	957
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	4,171	511
14	Other contractual funding obligations	504	504
15	Other contingent funding obligations	1,730	52
16	TOTAL CASH OUTFLOWS		24,058
CASH INFLOWS			
17	Secured lending (eg reverse repos)	408	0
18	Inflows from fully performing exposures	16,624	12,384
19	Other cash inflows	1,345	948
20	TOTAL CASH INFLOWS	18,377	13,332
		TOTAL ADJUSTED VALUE	
21	TOTAL HQLA		20,917
22	TOTAL NET CASH OUTFLOWS		10,726
23	LIQUIDITY COVERAGE RATIO (%)		196%

Country Average SGD-Currency LCR for Quarter 4, 2018

(Number of data points used for the calculation : 92)

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)		14,594
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	14,148	1,119
3	Stable deposits	4,989	210
4	Less stable deposits	9,159	908
5	Unsecured wholesale funding, of which:	8,944	4,999
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,418	840
7	Non-operational deposits (all counterparties)	5,526	4,159
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	15,208	14,295
11	Outflows related to derivative exposures and other collateral requirements	14,198	14,198
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	1,011	97
14	Other contractual funding obligations	12	12
15	Other contingent funding obligations	341	10
16	TOTAL CASH OUTFLOWS		20,434
CASH INFLOWS			
17	Secured lending (eg reverse repos)	408	0
18	Inflows from fully performing exposures	1,957	1,359
19	Other cash inflows	11,581	11,573
20	TOTAL CASH INFLOWS	13,947	12,932
		TOTAL ADJUSTED VALUE	
21	TOTAL HQLA		14,594
22	TOTAL NET CASH OUTFLOWS		7,501
23	LIQUIDITY COVERAGE RATIO (%)		206%

Main Drivers and Changes in LCR

Citi average All-Ccy LCR and SGD-Ccy LCR for 2018 fourth quarter were 196% and 206% respectively as compared to 178% and 175% in the previous quarter. The increase in All-Ccy LCR is mainly attributable to an increase in Third Party Corporate Deposits and in return placed as short-term through intercompany. SGD-Ccy LCR increase in the fourth quarter was largely due to fall in short-term SGD Derivatives exposures leading to a drop in net outflows.

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 December 2018, Citi's average weighted All-Ccy HQLA was approximately \$20.9 billion, of which slightly over two-thirds (around \$14.5 billion) of the average weighted HQLA was in SGD-Ccy. These assets primarily consisted of Level 1 assets which would comprise cash, balances placed 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.