

I. Liquidity Risk Management Framework

The Malayan Banking Berhad Group (“the Group”) has established risk framework and policies to provide guidance in managing different types of risk (including liquidity risk) across the Group. The framework and policies are benchmarked against industry leading practices and regulatory requirements and reviewed annually to ensure relevance with the current market environment and business structure.

The liquidity risk policy provides the guiding principles and liquidity risk measurement techniques as well as balance sheet risk measures to drive the desired liquidity profile and funding levels. Liquidity risk exposures is managed with limits and tools such as liquidity gap analysis, maximum cumulative outflow, early warning signals, liquidity coverage ratio and monthly stress testing. In addition, balance sheet risk measures shapes the assets and liabilities profile to achieve the desired balance sheet state for a healthy liquidity profile as well as sets the targets for funding through deposits, wholesale borrowing / swaps and medium term funding.

The liquidity positions of the Group are monitored regularly against established limits, and actively deliberated at the Asset Liability Management Committee (“ALCO”), Executive Risk Committee (“ERC”) and Risk Management Committee (“RMC”).

For the operations of Hong Kong Branch, there is a Liquidity and Funding Policy which encompasses information on aspects of the local liquidity risk policies, positions and controls.

Hong Kong Branch is required to comply with both liquidity requirements of Group and the local statutory and banking regulator’s requirements.

The ALCO team of Hong Kong Branch is responsible to ensure compliance with the guidelines or policies set by the Hong Kong Monetary Authority and Group. Liquidity is managed on a daily basis by the Branch’s treasury functions.

To manage liquidity risk, Hong Kong Branch adopts the following key measures:

- Maintain adequate liquidity and liquidity cushion in the form of holdings of unencumbered and high quality liquid assets that can be easily and quickly converted to cash, or to use as collateral for repo transactions to meet financial obligations under normal and stress conditions. Internal liquidity ratio and Loan-To-Deposit ratio are set to manage and monitor the Branch liquidity position.
- Have secure, stable and medium/long term funds through issuance of negotiable Certificates of Deposit and Group Medium Term funding.
- Proper mix of funding is essential to avoid potential concentration in a particular funding source and tenor that may increase liquidity risk. Internal wholesale borrowing limits are also set to control and monitor, among other things, the Branch’s interbank and intragroup funding exposure.
- Manage short and long-term liquidity gaps via cash flow projection reports and behavioral adjusted cash flows for Total Book and key currency.
- Conduct liquidity stress testing under different scenarios and cash flow projection as part of prudent liquidity control. Shortfall calculated from the worst stress test scenario is covered by liquidity cushion.
- Maintain a contingency funding plan to enable better preparation in responding to liquidity disruptions under a range of stress scenarios, taking into consideration standby line from Group.

MALAYAN BANKING BERHAD - HONG KONG BRANCH

馬來亞銀行 - 香港分行

Section C - LIQUIDITY

丙部 - 流動資金風險管理

I. 流動資金風險管理制度

馬來亞銀行集團（“本集團”）建立了風險架構及政策，為管理不同類型的風險（包括流動風險）作指導。該架構及政策參照先進同業的做法和監管要求，並每年進行重檢，以確保符合當前的市場環境和業務結構。

流動性風險政策提供指導原則和流動性風險計量技術以及資產負債表風險計量，以達至所需的流動性狀況和資金水平。流動性風險敞口通過流動性差距分析，最大累積資金流出，早期預警信號，流動性覆蓋率和每月壓力測試等限制和工具進行管理。此外，資產負債表風險計量用以達至流動性健康的資產和負債結構，並通過存款、批發借款/掉期和中期融資設定資金目標。

本集團的流動性狀況定期根據既定限額進行監控，並在資產負債管理委員會（ALCO），執行風險委員會（ERC）和風險管理委員會（RMC）進行審慎管理。

對於香港分行的運作，設立一套有關本地流動性風險政策、敞口和控制訊息的流動性及資金政策。

香港分行須符合本集團的流動性要求、本地的法律和銀行業監管機構的要求。

香港分行的資產負債小組負責確保符合由香港金融管理局和本集團給予的指引及政策。本行的司庫功能負責日常流動資金管理。

香港分行採用以下的評核標準以管理流動資金風險：

- 持有高質量流動性資產以保持充足的流動性和流動性緩衝，該等高質量流動性資產易於變現，並可作為抵押品用於回購交易，在正常和壓力條件下履行財政義務。設定內部流動性比率和貸存比率以管理和監督本分行的流動性狀況。
- 通過發行可轉讓存款證計劃及集團提供的中期資金以確保本分行擁有穩定的中長期資金來源。
- 合適的資金組合以避免可能過度依賴或集中於特定資金來源和期限所帶來的流動資金風險。設立批發借款上限為其中一項手段以控制和監察本分行的同業和集團內部拆借的資金風險承擔。
- 通過現金流預測報告和行為調整後的現金流管理主要貨幣和總計的短期和長期流動性缺口。
- 為審慎控制流動性，進行不同情景下的流動性壓力測試及現金流量預測。在最壞情景下的壓力測試結果缺口由流動性緩衝覆蓋。
- 設有應急資金計劃（包括本集團給予的備用借款額），更好地應對壓力情景下的流動性中斷。

II. Liquidity Risk Exposures

流動資金風險額

a) Liquidity Maintenance Ratio

流動性維持比率

The average liquidity maintenance ratio (“LMR”) for the 12 months ended 31 December 2016 was 48.41% (the average liquidity maintenance ratio for 12 months ended 31 December 2015: 47.79%). The average LMR is computed in accordance with the guidelines of Hong Kong Monetary Authority and the Hong Kong Banking Ordinance.

截至二零一六年十二月三十一日之十二個月平均流動性維持比率是48.41% (截至於二零一五年十二月三十一日止之十二個月平均流動性維持比率為47.79%)。平均流動性維持比率是按照香港金融管理局之指引，及香港銀行業條例計算。

b) Maturity Profile and Liquidity Gaps

所需資金淨額及流動資金缺口

The analyses of the assets and liabilities of the Group and the Bank in the relevant maturity tenures and the resultant liquidity gaps are outlined in the relevant sections of our Group’s Annual Report 2016.

本集團的資產及負債的所需資金淨額及流動資金缺口分析的相關資料請參閱本集團二零一六年十二月三十一日的年報。