PROPOSED STATUTORY BOARD FINANCIAL REPORTING STANDARD	ED/SB-FRS 107

Exposure Draft

Improving Disclosures about Financial Instruments Proposed amendments to SB-FRS 107

Comments to be received by 14 November 2008

This exposure draft *Improving Disclosures about Financial Instruments* (Proposed amendments to SB-FRS 107 *Financial Instruments: Disclosures*) is published by the Accountant-General's Department Financial Reporting Branch for comment only and does not necessarily represent the views of the Accountant-General's Department Financial Reporting Branch. The proposals may be modified in the light of the comments received before being issued in final form as amendments to SB-FRS 107.

Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate, clearly explain the problem and provide a suggestion for alternative wording with supporting reasoning.

Comments should be submitted in writing, so as to be received by 14 November 2008 preferably by email to AGD_ASSB_Feedback@agd.gov.sg or addressed to:

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Introduction

1 SB-FRS 107 *Financial Instruments: Disclosures* was issued in 2008 with mandatory application for annual periods beginning on or after 1 January 2008. This exposure draft contains proposals to amend SB-FRS 107. The proposals would enhance disclosures about fair value measurements and the liquidity risk of financial instruments.

2 It was noted by users of financial statements and others that enhanced disclosures about fair value measurements are required, especially in the light of the present market conditions. It was suggested that disclosures similar to those included in Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (SFAS 157) issued by the US Financial Accounting Standards Board (FASB) should be considered. Those disclosures are based on a three-level hierarchy for the inputs to the valuation techniques that are used to measure fair value.

3 This exposure draft proposes amendments to disclosure requirements that are based on a three-level fair value hierarchy (similar to that used in SFAS 157). The amendments would apply to financial instruments and require disclosures about:

(a) the level of the fair value hierarchy into which fair value measurements are categorised in their entirety. This requirement would apply both for fair values included in the statement of financial position and for other fair values that are disclosed but not included in that statement.

(b) the fair value measurements resulting from the use of significant unobservable inputs to valuation techniques. For these measurements, the disclosures include a reconciliation from the beginning balances to the ending balances.

(c) the movements between different levels of the fair value hierarchy, and the reasons for those movements.

4 Some of the disclosure requirements under SB-FRS 107 about the nature and extent of liquidity risk were unclear and difficult to apply and did not always result in useful information for users of financial statements.

5 This exposure draft proposes amendments to SB-FRS 107 that would:

(a) clarify that liquidity risk disclosures are required only for financial liabilities that will result in the outflow of cash or another financial asset.

(b) require entities to provide quantitative disclosures based on how they manage liquidity risk for derivative financial liabilities.

(c) require entities to disclose the remaining expected maturities of non-derivative financial liabilities if they manage liquidity risk on the basis of expected maturities.

(d) strengthen the relationship between qualitative and quantitative disclosures about liquidity risk.

Invitation to comment

Accountant-General's Department Financial Reporting Branch invites comments on the amendments to SB-FRS 107 proposed in this exposure draft, particularly on the questions set out below. Comments are helpful if they:

(a) comment on the questions as stated,

(b) indicate the specific paragraph or group of paragraphs to which they relate,

(c) contain a clear rationale, and

(d) include any alternative the Accountant-General's Department Financial Reporting Branch should consider, if applicable.

Respondents need not comment on all of the questions and are encouraged to comment on any additional issues that, in their view, warrant consideration.

Accountant-General's Department Financial Reporting Branch is not requesting comments on matters not addressed in this exposure draft.

Comments should be submitted in writing so as to be received no later than **14 November 2008**.

Fair value disclosures

Question 1

Do you agree with the proposal in paragraph 27A to require entities to disclose the fair value of financial instruments using a fair value hierarchy? If not, why?

Question 2

Do you agree with the three-level fair value hierarchy as set out in paragraph 27A? If not, why? What would you propose instead, and why?

Question 3

Do you agree with the proposals in:

(a) paragraph 27B to require expanded disclosures about the fair value measurements recognised in the statement of financial position? If not, why? What would you propose instead, and why?

(b) paragraph 27C to require entities to classify, by level of the fair value hierarchy, the disclosures about the fair value of the financial instruments that are not measured at fair value? If not, why? What would you propose instead, and why?

Liquidity risk disclosures

Question 4

Do you agree with the proposal in paragraph 39(a) to require entities to disclose a maturity analysis for derivative financial liabilities based on how the entity manages the liquidity risk associated with such instruments? If not, why? What would you propose instead, and why?

Question 5

Do you agree with the proposal in paragraph 39(b) to require entities to disclose a maturity analysis for non-derivative financial liabilities based on remaining expected maturities if the entity manages the liquidity risk associated with such instruments on the basis of expected maturities? If not, why? What would you propose instead, and why?

Question 6

Do you agree with the amended definition of liquidity risk in Appendix A? If not, how would you define liquidity risk, and why?

Effective date and transition

Question 7

Do you agree with the proposed effective date? If not, why? What would you propose instead, and why?

Question 8

Are the transition requirements appropriate? If not, why? What would you propose instead, and why?

PROPOSED STATUTORY BOARD FINANCIAL REPORTING STANDARD	**ED/SB-FRS 107**

Proposed amendments to Statutory Board Financial Reporting Standard 107 *Financial Instruments: Disclosures*

Paragraph 27 is amended (new text is underlined and deleted text is struck through). Paragraphs 27A–27C are added. Paragraphs 25, 26 and 28–30 are not proposed for amendment but are included here for ease of reference.

Significance of financial instruments for financial position and performance

Other disclosures

Fair value

25 Except as set out in paragraph 29, for each class of financial assets and financial liabilities (see paragraph 6), an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.

26 In disclosing fair values, an entity shall group financial assets and financial liabilities into classes, but shall offset them only to the extent that their carrying amounts are offset in the statement of financial position.

27 An entity shall disclose for each class of financial instruments~~:~~

~~(a)~~ the methods and, when a valuation technique is used, the assumptions applied in determining fair values of each class of financial assets or financial liabilities. For example, if applicable, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates. If there has been a change in valuation technique, the entity shall disclose that change and the reasons for making it.

~~(b) whether fair values are determined, in whole or in part, directly by reference to published price quotations in an active market or are estimated using a valuation technique (see paragraphs AG71–AG79 of SB-FRS 39).~~

~~(c) whether the fair values recognised or disclosed in the financial statements are determined in whole or in part using a valuation technique based on assumptions that are not supported by prices~~ from observable current market transactions in the same ~~instrument (ie without modification or repackaging) and not based on available observable market data. For fair values that are recognised in the financial statements, if changing one or more of those assumptions to reasonably possible alternative assumptions would change fair value significantly, the entity shall state~~

~~this fact and disclose the effect of those changes. For this purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.~~

~~(d)~~ ~~if (c) applies, the total amount of the change in fair value estimated using such a valuation technique that was recognised in profit or loss during the period.~~

27A To make the disclosures required by paragraphs 27B and 27C an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

(a) quoted prices in active markets for the same instrument (ie without modification or repackaging) (Level 1);

(b) quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data (Level 2); and

(c) valuation techniques for which any significant input is not based on observable market data (Level 3).

For the purposes of the fair value hierarchy, a significant input is an input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input requires judgement.

27B For fair value measurements recognised in the statement of financial position an entity shall disclose for each class of financial instruments:

(a) the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety.

(b) for fair value measurements using valuation techniques for which any significant input is not based on observable market data (Level 3), a reconciliation from the beginning balances to the ending balances, disclosing separately changes during the period attributable to the following:

(i) total gains or losses for the period (realised and unrealised) recognised in profit or loss, and a description of where they are presented in the statement of comprehensive income;

(ii) total gains or losses recognised in other comprehensive income;

(iii) purchases, sales, issues and settlements (net); and

(iv) transfers into and/or out of Level 3 (eg transfers attributable to changes in the observability of market data).

(c) the total amount of unrealised gains or losses for the period in (b)(i) included in profit or loss for those assets and liabilities still held at the end of the reporting period and a description of where those unrealised gains or losses are presented in the statement of comprehensive income.

(d) for fair value measurements using valuation techniques for which any significant input is not based on observable market data (Level 3), if changing one or more of those inputs to reasonably possible alternative assumptions would change fair value significantly, the entity shall state that fact and disclose the effect of those changes for each class of financial instrument. For this purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.

(e) any movements between the levels of the fair value hierarchy (in addition to those disclosed to comply with paragraph 27B(b)(iv)). The entity shall also disclose the reasons for all movements between any of the levels of the hierarchy.

An entity shall provide the information required by this paragraph in tabular format unless another format is more appropriate. In addition, an entity shall also disclose any other information that is necessary for users to evaluate the quantitative information disclosed (eg information about those instruments in one level of the hierarchy that are hedged by instruments in another level of the hierarchy).

27C An entity shall disclose the fair value, by level of the fair value hierarchy into which the financial instruments are catergorised in their entirety, of the financial instruments or the classes of financial instruments that are not measured at fair value in the statement of financial position.

28 If the market for a financial instrument is not active, an entity establishes its fair value using a valuation technique (see paragraphs AG74–AG79 of SB-FRS 39). Nevertheless, the best evidence of fair value at initial recognition is the transaction price (ie the fair value of the consideration given or received), unless conditions described in paragraph AG76 of SB-FRS 39 are met. It follows that there could be a difference between the fair value at initial recognition and the amount that would be determined at that date using the valuation technique. If such a difference exists, an entity shall disclose, by class of financial instrument:

(a) its accounting policy for recognising that difference in profit or loss to reflect a change in factors (including time) that market participants would consider in setting a price (see paragraph AG76A of SB-FRS 39); and

(b) the aggregate difference yet to be recognised in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference.

29 Disclosures of fair value are not required:

(a) when the carrying amount is a reasonable approximation of fair value, for example, for financial instruments such as short-term trade receivables and payables;

(b) for an investment in equity instruments that do not have a quoted market price in an active market, or derivatives linked to such equity instruments, that is measured at cost in accordance with SB-FRS 39 because its fair value cannot be measured reliably; or

(c) for a contract containing a discretionary participation feature (as described in SB-FRS 104) if the fair value of that feature cannot be measured reliably.

30 In the cases described in paragraph 29(b) and (c), an entity shall disclose information to help users of the financial statements make their own judgements about the extent of possible differences between the carrying amount of those financial assets or financial liabilities and their fair value, including:

(a) the fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably;

(b) a description of the financial instruments, their carrying amount, and an explanation of why fair value cannot be measured reliably;

(c) information about the market for the instruments;

(d) information about whether and how the entity intends to dispose of the financial instruments; and

(e) if financial instruments whose fair value previously could not be reliably measured are derecognised, that fact, their carrying amount at the time of derecognition, and the amount of gain or loss recognised.

Paragraph 39 is amended (new text is underlined and deleted text is struck through). Paragraph 43A is added.

Liquidity risk

39 An entity shall disclose:

(a) a maturity analysis for derivative financial liabilities that is based on how the entity manages the liquidity risk associated with such instruments.

~~(a)~~(b) a maturity analysis for non-derivative financial liabilities that shows the remaining contractual maturities~~;~~ for such financial liabilities. If the entity manages liquidity on the basis of expected maturities, it also shall disclose the remaining expected maturities for those financial liabilities.

~~(b)~~(c) a description of how it manages the liquidity risk inherent in (a) and (b).

…

Effective date and transition

43A An entity shall apply amended paragraphs 27, 39 and B11 and paragraphs 27A–27C and B11A–B11E for annual periods beginning on or after 1 July 2009. Earlier application is permitted. If an entity applies those paragraphs for an earlier period, it shall disclose that fact.

Appendix A

Defined terms

The following term is amended: new text is underlined.

liquidity risk	The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities <u>that are settled by delivering cash or another financial asset</u>.

…

Appendix B

Application guidance

A heading and paragraph B11 are amended (new text is underlined and deleted text is struck through). Paragraphs B11A–B11E are added and paragraphs B12–B16 are deleted.

Nature and extent of risks arising from financial instruments (paragraphs 31–42)

~~Contractual maturity analysis~~ <u>Maturity analyses</u> (paragraph 39(a) <u>and (b)</u>)

B11 In preparing the ~~contractual~~ maturity <u>analyses</u> ~~analysis for financial liabilities~~ required by paragraph 39(a) <u>and (b)</u> an entity uses its judgement to determine an appropriate number of time bands. For example, an entity might determine that the following time bands are appropriate:

(a) not later than one month;

(b) later than one month and not later than three months;

(c) later than three months and not later than one year; and

(d) later than one year and not later than five years.

B11A In meeting the requirements of paragraph 39(a) and (b), an entity shall not separate an embedded derivative from a hybrid instrument. For such an instrument, an entity shall apply paragraph 39(b).

B11B An entity shall explain how the estimates in the maturity analyses required by paragraph 39(a) and (b) are determined. For example, the entity shall explain how it determines the remaining expected maturities of those items for which liquidity risk is managed on that basis. If the estimated cash (or other financial asset) outflows included in the quantitative analyses could either:

(a) occur significantly earlier than indicated in the maturity analyses, or

(b) be for significantly different amounts from those indicated in the maturity analyses (eg for a derivative that is expected to be settled net but for which the counterparty has the option to require gross settlement),

the entity shall state that fact and provide quantitative information that enables users of its financial statements to evaluate the extent of this risk.

B11C Paragraph 39(a) requires an entity to disclose a quantitative maturity analysis for derivative financial liabilities (including financial instruments that would meet the definition of a derivative financial liability if they were recognised) that is based on how the entity manages liquidity risk. For example:

(a) when an entity manages liquidity risk for a trading portfolio of derivatives on the basis of fair value it shall disclose the total fair value of the derivative financial liabilities in the earliest time band.

(b) when an entity manages the liquidity risk of interest rate swaps on the basis of expected contractual cash flows it shall disclose the expected net cash flows of those swaps that are financial liabilities at the reporting date in each of the appropriate time bands.

(c) when an entity manages the liquidity risk associated with loan commitments and financial guarantees on the basis of expected cash outflows it shall disclose those expected cash outflows in the time bands when the entity expects the loan commitments or financial guarantees to be drawn.

B11D Paragraph 39(b) requires an entity to disclose a maturity analysis for non-derivative financial liabilities that shows the remaining contractual maturities for such financial liabilities. In this disclosure:

(a) when a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay. For example, financial liabilities that an entity can be required to repay on demand (eg demand deposits) are included in the earliest time band.

(b) when an entity is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the entity can be required to pay.

(c) the contractual amounts disclosed in the maturity analysis for non-derivative financial liabilities are the contractual undiscounted cash flows.

B11E Paragraph 39(c) requires an entity to describe how it manages the liquidity risk inherent in the items disclosed in the quantitative disclosures required in paragraph 39(a) and (b). If appropriate, the entity shall disclose a maturity analysis of financial assets it holds for managing liquidity risk (eg financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities). Other factors that the entity might consider in providing this disclosure include, but are not limited to, whether the entity:

(a) has committed borrowing facilities (eg commercial paper facilities) or other lines of credit (eg stand-by credit facilities) that it can access to meet liquidity needs;

(b) holds deposits at central banks to meet liquidity needs;

(c) has very diverse funding sources;

(d) has significant concentrations of liquidity risk in either its assets or its funding sources;

(e) has internal control processes and contingency plans for managing liquidity risk; or

(f) has instruments that include accelerated repayment terms (eg on the downgrade of the entity's credit rating) and how the entity would manage accelerated repayment.

B12–B16 [Deleted] ~~When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay. For example, financial liabilities that an entity can be required to repay on demand (eg demand deposits) are included in the earliest time band.~~

~~B13~~ ~~When an entity is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the entity can be required to pay. For example, an undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.~~

~~B14~~ ~~The amounts disclosed in the maturity analysis are the contractual undiscounted cash flows, for example:~~

~~(a)~~ ~~gross finance lease obligations (before deducting finance charges);~~

~~(b)~~ ~~prices specified in forward agreements to purchase financial assets for cash;~~

~~(c) net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged;~~

~~(d) contractual amounts to be exchanged in a derivative financial instrument (eg a currency swap) for which gross cash flows are exchanged; and~~

~~(e) gross loan commitments.~~

~~Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows.~~

~~B15 If appropriate, an entity shall disclose the analysis of derivative financial instruments separately from that of non-derivative financial instruments in the contractual maturity analysis for financial liabilities required by paragraph 39(a). For example, it would be appropriate to distinguish cash flows from derivative financial instruments and non-derivative financial instruments if the cash flows arising from the derivative financial instruments are settled gross. This is because the gross cash outflow may be accompanied by a related inflow.~~

~~B16 When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the reporting period.~~

Guidance on implementing
SB-FRS 107 *Financial Instruments: Disclosures*

After paragraph IG13 a heading is amended (new text is underlined) and paragraphs IG13A and IG13B are added. Paragraph IG14 is not proposed for amendment but is included here for ease of reference.

Significance of financial instruments for financial position and performance (paragraphs 7–30, B4 and B5)

Fair value (paragraphs 27–28)

IG13A SB-FRS 107 requires disclosures about the level in the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured in the statement of financial position. A tabular format is required unless another format is more appropriate. An entity might disclose the following for assets to comply with paragraph 27B(a). (Disclosures by class of financial instruments would also be required, but are not included in the following example.)

Assets measured at fair value

		Fair value measurement at end of the reporting period based on:		
		quoted prices in active markets for the same instrument (Level 1)	valuation techniques for which all significant inputs are based on observable market data (Level 2)	valuation techniques for which any significant input is not based on observable market data (Level 3)
Description	31 Dec 20X2	CU million	CU million	CU million
Financial assets at fair value through profit or loss	60	25	15	20
Available-for-sale financial assets	75	65	-	10
Total	135	90	15	30

IG13B SB-FRS 107 requires a reconciliation from beginning to ending balances for those assets and liabilities that are measured in the statement of financial position at fair value based on a valuation technique for which any significant input is not based on observable market data (Level 3). A tabular format is required unless another format is more appropriate. An entity might disclose the following for assets to comply with paragraph 27B(b).

Assets measured at fair value based on valuation techniques for which any significant input is not based on observable market data (Level 3)

	Fair value measurement at reporting date		
	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Total
	CU million	CU million	CU million
Beginning balance	14	11	25
Total gains or losses			
in profit or loss	11	(3)	8
in other comprehensive income	4		4
Purchases, issues and settlements (net)	(7)	2	(5)
Transfers into and/or out of Level 3	(2)	-	(2)
Ending balance	20	10	30
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	7	-	7

Gains or losses (realised and unrealised) included in profit or loss for the period are presented in trading income and in other income as follows:

	Trading income	Other income
Total gains or losses included in profit or loss for the period	11	(3)
Change in unrealised gains or losses for assets held at the end of the reporting period	7	-

IG14 The fair value at initial recognition of financial instruments that are not traded in active markets is determined in accordance with paragraph AG76 of SB-FRS 39. However, when, after initial recognition, an entity will use a valuation technique that incorporates data not obtained from observable markets, there may be a difference between the transaction price at initial recognition and the amount determined at initial recognition using that valuation technique. In these circumstances, the difference will be recognised in profit or loss in subsequent periods in accordance with SB-FRS 39 and the entity's accounting policy. Such recognition reflects changes in factors (including time) that market participants would consider in setting a price (see paragraph AG76A of SB-FRS 39). Paragraph 28 requires disclosures in these circumstances. An entity might disclose the following to comply with paragraph 28:

Background

On 1 January 20X1 an entity purchases for CU15 million financial assets that are not traded in an active market. The entity has only one class of such financial assets.

The transaction price of CU15 million is the fair value at initial recognition.

After initial recognition, the entity will apply a valuation technique to establish the financial assets' fair value. This valuation technique includes variables other than data from observable markets.

At initial recognition, the same valuation technique would have resulted in an amount of CU14 million, which differs from fair value by CU1 million.

The entity has existing differences of CU5 million at 1 January 20X1.

continued...

…continued

Application of requirements

The entity's 20X2 disclosure would include the following:

Accounting policies

The entity uses the following valuation technique to determine the fair value of financial instruments that are not traded in an active market: [description of technique, not included in this example]. Differences may arise between the fair value at initial recognition (which, in accordance with SB-FRS 39, is generally the transaction price) and the amount determined at initial recognition using the valuation technique. Any such differences are [description of the entity's accounting policy].

In the notes to the financial statements

As discussed in note X, the entity uses [name of valuation technique] to measure the fair value of the following financial instruments that are not traded in an active market. However, in accordance with SB-FRS 39, the fair value of an instrument at inception is generally the transaction price. If the transaction price differs from the amount determined at inception using the valuation technique, that difference is [description of the entity's accounting policy].

The differences yet to be recognised in profit or loss are as follows:

	31 Dec 20X2	31 Dec 20X1
	CU million	CU million
Balance at beginning of year	5.3	5.0
New transactions	-	1.0
Amounts recognised in profit or loss during the year	(0.7)	(0.8)
Other increases	-	0.2
Other decreases	(0.1)	(0.1)
Balance at end of year	4.5	5.3

Two headings and paragraphs IG30 and IG31 are deleted.

~~Liquidity risk (paragraphs 39 and B11)~~

~~*Liquidity management (paragraph 39(b))*~~

~~IG30~~ ~~If an entity manages liquidity risk on the basis of expected maturity dates, it might disclose a maturity analysis of the expected maturity dates of both financial liabilities and financial assets. If an entity discloses such an expected maturity analysis, it might clarify that expected dates are based on estimates made by management, and explain how the estimates are determined and the principal reasons for differences from the contractual maturity analysis that is required by paragraph 39(a).~~

~~IG31~~ ~~Paragraph 39(b) requires the entity to describe how it manages the liquidity risk inherent in the maturity analysis of financial liabilities required in paragraph 39(a). The factors that the entity might consider in providing this disclosure include, but are not limited to, whether the entity:~~

~~(a)~~ ~~expects some of its liabilities to be paid later than the earliest date on which the entity can be required to pay (as may be the case for customer deposits placed with a bank);~~

~~(b)~~ ~~expects some of its undrawn loan commitments not to be drawn;~~

~~(c)~~ ~~holds financial assets for which there is a liquid market and that are readily saleable to meet liquidity needs;~~

~~(d)~~ ~~has committed borrowing facilities (eg commercial paper facilities) or other lines of credit (eg stand by credit facilities) that it can access to meet liquidity needs;~~

~~(e)~~ ~~holds financial assets for which there is not a liquid market, but which are expected to generate cash inflows (principal or interest) that will be available to meet cash outflows on liabilities;~~

~~(f)~~ ~~holds deposits at central banks to meet liquidity needs;~~

~~(g)~~ ~~has very diverse funding sources; or~~

~~(h)~~ ~~has significant concentrations of liquidity risk in either its assets or its funding sources.~~