AfrAsia Bank Limited

Liquidity Coverage Ratio (LCR) Disclosure - Quarter ended 30 September 2024

(Consolidated in MUR)		TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)[1]	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)[1]
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)	113,214,864,367	111,808,847,954
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	57,435,267,504	3,804,765,542
3	*Stable deposits*	-	-
4	*Less stable deposits*	57,435,267,504	3,804,765,542
5	Unsecured wholesale funding, of which:	138,371,678,412	62,045,894,150
6	*Operational deposits (all counterparties)*	3,899,354,455	974,838,614
7	*Non-operational deposits (all counterparties)*	134,472,323,957	61,071,055,536
8	*Unsecured debt*	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	19,165,686,691	3,145,525,014
11	*Outflows related to derivative exposures and other collateral requirements*	1,018,239,534	1,018,239,534
12	*Outflows related to loss of funding on debt products*	-	-
13	*Credit and liquidity facilities*	18,147,447,158	2,127,285,480
14	Other contractual funding obligations	146,428,775	146,428,775
15	Other contingent funding obligations	3,206,448,374	160,322,419
16	**TOTAL CASH OUTFLOWS**	**218,325,509,757**	**69,302,935,901**
CASH INFLOWS			
17	Secured funding (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	42,512,154,026	40,108,843,413
19	Other cash inflows	146,347,349	-
20	**TOTAL CASH INFLOWS**	**42,658,501,376**	**40,108,843,413**
			TOTAL ADJUSTED VALUE
21	**TOTAL HQLA**		**111,808,847,954**
22	**TOTAL NET CASH OUTFLOWS**		**29,194,092,489**
23	**LIQUIDITY COVERAGE RATIO (%)**		**383%**
24	**QUARTERLY AVERAGE OF DAILY HQLA[2]**	**106,781,958,301**	

[1] The quarterly average of monthly observations is based on July to September 2024 month end figures.
[2] The quarterly average of daily HQLA is based on close of day figures over the 1st July 2024 to 30th September 2024 period.

Comments

LCR requirements and movements

In accordance with the Bank of Mauritius Guideline on Liquidity Risk Management, banks are required to maintain a minimum liquidity coverage ratio ("LCR"). The LCR's objective is to ensure that banks have an adequate stock of High Quality Liquid Assets ("HQLA") to meet their 30 day liquidity requirements under a stress scenario. The regulatory LCR requirement is 100%.
AfrAsia Bank Limited's (the "Bank") average LCR for the quarter ended 30 September 2024 stood at 383% (June 2024: 370%). The main drivers of the LCR are:
(i) Movements in HQLA stock;
(ii) Movements in customer loans and deposits;
(iii) Interbank borrowing and funding;
(iv) Contingent funding obligations;
(v) Derivatives cash flows falling within the 30-day horizon.

HQLA stock and components

The Bank's HQLA stock is made up of cash, including unrestricted balances with the Bank of Mauritius and Government & Central Bank securities.
The daily simple average HQLA stock over the quarter ended 30 September 2024 was MUR 106.8bn.
The Bank's average HQLA stock position for the quarter ended September 2024 was MUR 111.8bn, made up of cash and unrestricted balances with the Bank of Mauritius, Government of Mauritius and Bank of Mauritius securities, foreign currency Government securities and other eligible securities.
The Bank calculates and reports LCR for MUR, its material foreign currencies (USD and EUR) and on a consolidated basis, fortnightly to the Bank of Mauritius.

Funding mix and concentration monitoring

The Bank's funding sources are mainly in the form of customer current, savings and term deposit accounts from global business companies, multi-nationals, financial institutions and individuals. Funding concentration risks are regularly monitored through internally developed metrics and the funding strategy is aligned to its asset funding requirements.

Liquidity Risk Management framework

The Bank's liquidity risk management principles are guided by its Liquidity Risk Policy and the Bank of Mauritius Guideline on Liquidity Risk Management.
Liquidity and funding risks management are the responsibility of the Bank's Asset and Liability Management (ALM) team which is also responsible of ensuring tactical excess liquidity deployment and balance sheet optimization. The ALM team assists management by monitoring liquidity and funding risks on a daily basis and providing a comprehensive set of reports on a monthly basis to the Asset and Liability Committee (ALCO) to facilitate strategic decision making.
The Treasury Fixed Income and Liquidity Management desk is responsible for the operational aspect of daily liquidity management by ensuring short-term cash and funding requirements are met.

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