PROCESS DESCRIPTION

ASSET & LIABILITY MANAGEMENT
(LCY)
TREAS/ALM/002

Process Objective (Purpose)

Managing the Bank's liquidity and funding position.

Managing int. rate risk exposures on balance sheet &regulatory

ratios compliance

Benefits to the Bank

Profitability

Mitigation of reputational risk from illiquidity eg. Deposit run

Process Ownership

Treasury (Asset and Liability Management)

Key Control

1. Ensure reconciliation with blotter balance and CBN balance per

    SWIFT statement is carried out daily

2. Ensure *that deals done are in strict compliance with approved*

    limits for placement done

3. Ensure that all interbank settlements are done without default.

Process Attributes

CRITICAL SUCCESS FACTORS	KEY PERFORMANCE MEASURES
Availability of SWIFT	NIL default in interbank settlements
Availability settlement bank statement	NIL conversion of ILF to SLF
INPUT	**OUTPUT**
Log onto SWIFT	Transactions authorized for movement
	Deals booked and authorized on FTM

STANDARD OPERATING

MANUAL ASSET & LIABILITY

MANAGEMENT (LCY)

ACTIVITIES

...LCY LIQUIDITY MANAGEMENT

Liquidity Manager, ALM, Treasury

1.1 Log onto SWIFT

1.2 Obtain CBN Balance

1.3 Reconcile blotter balance with CBN balance per SWIFT statement

1.4 Update the blotter with the reconciled items in 1.3 above to agree blotter balance with CBN balance

1.5 Re-save reconciled/updated blotter for the current day

1.6 Obtain cash withdrawal figures from Cash management via mail and input in Cash Flow Statement (CFS)

1.7 Obtain Securities OTC settlements from the Dealers (T-bills and bonds) and input in CFS

1.8 Input auction settlement figures from all desk in Treasury (if any)

1.9 Obtain FCY trading settlement from FX Dealers and input in CFS

1.10 Make funding provision accordingly (as applicable) or place funds if in excess based on settlement figures obtained in 1.7 and 1.9 above

1.11 Obtain 1st session clearing settlement figures from Settlement report received

1.12 Input 1st session clearing figures and 2nd session estimates

1.13 Input expected settlement figures for interbank placement/takings and other expected inflows/outflows

1.14 Determine net funding need/estimated surplus funds for the day

1.15 Save document and send out CFS to Treasurer, Chief Dealer, Market Risk, TROPS and Internal Control

....TRADING/

1.16 Obtain the financial data from the CBN website and other

market information to determine system liquidity level

1.17 Call round the market (Banks) to get a feel of price levels to either Take/Place, as applicable

1.18 Apply for Intra Day Lending Facility (ILF) according to funding need, especially on days of auction settlement

1.19 Seal deals for funding/placement as applicable

(Where placing is done, ensure that deals done are in strict compliance with approved limits)

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STANDARD OPERATING

MANUAL ASSET & LIABILITY

MANAGEMENT (LCY)

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1.20   Immediately deals are sealed, advise TROPS via mail and follow up

to ensure settlement is executed without hitches

1.21   Advice TROPS with deals for booking into FTM

1.22   Intermittently check swift for inflows/outflows and update current day's blotter accordingly (*This should be done every 45 minutes*)

1.23   Update CFS with Clearing figures

1.24   Advise buy-back of ILF by 5:30pm latest via email

1.25   Confirm deal done with counterparties and call for outstanding inflows

(if any)

...*REPORTING/END OF DAY*

1.26   Determine liquidity position for excess funds (if any)

1.27   Apply for SDF by 5:30pm latest

1.28   Carry out end of day Reconciliation on all postings made

1.29   Prepare daily report consisting of blotter, Interbank position and

summary of Interbank position

1.30   Send daily report to TROPS, Market risk, Chief Dealer, Treasurer,

Internal control and ALM desk

Responsibility Matrix

Activity	Responsibility
Log on to Swift and obtain CBN balance	**Liquidity Manager, ALM, Treasury**
Carry out end of day Reconciliation on all postings made	**Liquidity Manager, ALM, Treasury**

AMENDMENT HISTORY

Version	Effective Date	Nature of changes	Review Date

PREMIUM TRUST

1.0	N/A	N/A	N/A	

*The description of changes briefly should summarize any revisions made to the SOM since its creation