

# Liquidity Management Framework

## Funding & Cash Flow Optimization

### CONFIDENTIALITY NOTICE

This document contains sensitive liquidity management procedures. Distribution is restricted to Treasury, CFO, CRO, and ALCO members only.

## 1. Purpose

To safeguard the bank's ability to meet its financial obligations under both normal and stressed conditions without compromising profitability or solvency.

## 2. Liquidity Principles

- **Diversification:** Funding sources diversified across geographies and counterparties
- **Liquidity Coverage Ratio (LCR):** Minimum of 110% maintained at all times
- **Net Stable Funding Ratio (NSFR):** "e 100% under Basel III guidelines
- **Contingency Liquidity Plan:** Maintained and reviewed quarterly by Treasury

## 3. Liquidity Buffers

Asset Class	Liquidity Type	Purpose
Cash & Central Bank Reserves	Primary Buffer	Immediate liquidity
Sovereign Bonds (AAA-AA)	Secondary Buffer	Quick liquidation
Short-term Interbank Placements	Operational Buffer	Funding flexibility

## 4. Liquidity Stress Testing

- Conducted quarterly using mild, moderate, and extreme scenarios
- Focused on withdrawal shocks, market freezes, and cross-border disruptions
- Outcomes reviewed by the Asset-Liability Committee (ALCO)
- Results reported to Board Risk Committee and regulators annually

## 5. Daily Liquidity Oversight

- Treasury Desk monitors intra-day liquidity positions
- All deviations escalated to Chief Treasury Officer (CTO) and CRO
- Real-time monitoring via Treasury Management System (TMS)
- End-of-day liquidity reports generated automatically

### Emergency Liquidity Protocol

If LCR falls below 105%, immediate escalation to CTO. If below 100%, emergency ALCO meeting within 2 hours. Contingency funding plan activation requires CEO and Board Chair approval.