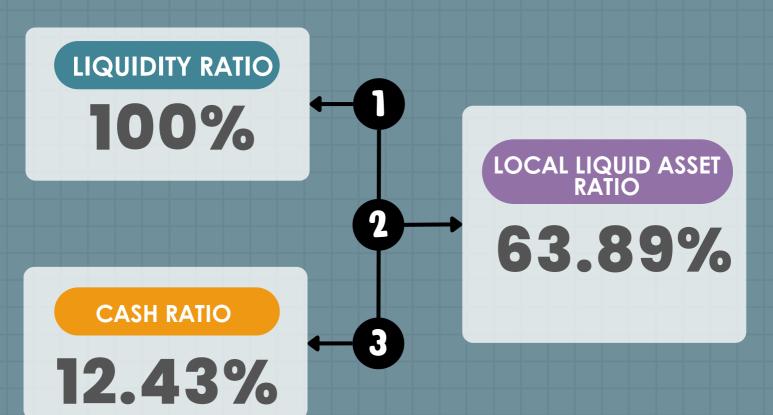








UBA LIQUIDITY MANAGEMENT September 2023



UBA Sierra Leone as at end of September 2023 is very liquid and has liquidity ratio of over 100% to fund all its maturing obligation.



Liquidity Definition

Ability of an institution to fund asset increases and meet obligations as they become due without significant losses.

Liquidity Risk

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Risk that the bank cannot meet obligations due to factors like customer deposit withdrawals, cash requirements from commitments, debt maturities or margin calls for derivative.

Impact of Liquidity Risk

Potential depletion of cash resources, reduced client lending and trading activities and investments, asset sales, and potential inability to fulfill lending commitments in extreme cases.

Liquidity Management at UBA

Managed by Treasury under the Asset and Liability Committee (ALCO), adhering to pre-defined limits and compliance with the liquidity polices and procedures.

UBA Sierra Leone's Approach

Diversified portfolio of cash and high-quality liquid securities to support obligations in stressed markets. The Bank's assets held for managing liquidity includes cash and bank balances with the Bank of Sierra Leone, placements and balances with other banks, and government securities usable in repurchase agreement.

Liquidity Contingency Plan

Provides the framework of intervention and timeliness of dealing with stressed liquidity within the bank if a liquidity event occurs. It outlines the specific actions to be taken and responsibilities for the Bank when the plan is evoked. Liquidity stress test and scenario analyses are performed to identify intended quantify potential impact of liquidity event on the balance sheet and liquidity positions.