LIQUIDITY COVERAGE RATIO- QUARTER ENDED June 30, 2023

Consolidated in MUR'000		TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)	990,497	991,480
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	*Stable deposits*		
4	*Less stable deposits*	859,849	85,985
5	**Unsecured wholesale funding, of**		
6	*Operational deposits (all counterparties)*		
7	*Non-operational deposits (all counterparties)*	271,335	173,890
8	*Unsecured debt*		
9	Secured wholesale funding		
10	**Additional requirements, of which:**		
11	*Outflows related to derivative exposures and other collateral requirements*		
12	*Outflows related to loss of funding on debt products*		
13	*Credit and liquidity facilities*	20,323	1,870
14	Other contractual funding obligations		
15	Other contingent funding obligations	3,128	156
16	**TOTAL CASH OUTFLOWS**	**1,154,634**	**261,901**
CASH INFLOWS			
17	Secured funding (e.g. reverse repos)		
18	Inflows from fully performing exposures	349	174
19	Other cash inflows		
20	**TOTAL CASH INFLOWS**	**349**	**174**
			TOTAL ADJUSTED VALUE
21	**TOTAL HQLA**		**991,480**
22	**TOTAL NET CASH OUTFLOWS**		**261,727**
23	**LIQUIDITY COVERAGE RATIO (%)**		**379**
24	**QUARTERLY AVERAGE OF DAILY HQLA**		**991,480**

[1] The quarterly average of monthly observations is based on April, May & June 2023 month end figures.

[2] The quarterly average of daily HQLA is based on close of day end figures over the April 1st 2023 to June 30th 2023.

Liquidity Risk Management

The Liquidity Coverage Ratio (‘LCR’) is a regulatory requirement set to ensure that the Bank has sufficient unencumbered high-quality liquid assets (‘HQLA’) to meet its liquidity needs in a 30 calendar day liquid stress scenario.

Banks in Mauritius are required to maintain the liquidity coverage ratio in accordance with the Guideline on Liquidity Risk Management to ensure that the Bank has sufficient unencumbered high-quality liquid assets (‘HQLA’) to meet its liquidity needs in an LCR is calculated by dividing HQLA by the estimated net outflows assuming a stressed 30-day period, with the net outflows determined by applying prescribed factors to various categories of liabilities, including deposits, unsecured and secured wholesale borrowings, unused lending commitments and other derivatives-related exposures.

HQLA

HQLA over the quarter ending June 30, 2023, was MUR 990.497 M. The composition of HQLA as at end of June 30, 2023, was Central Bank Reserves in excess of the daily Cash Reserve Requirement amounted to MUR 56.051 M and Government of Mauritius/ Bank of Mauritius Treasury Notes and Bills amounting to MUR 895.654 M and the remaining representing cash equivalent of MUR 38.791 M.

Main drivers and changes in LCR

HBL Mauritius continues to maintain a strong average LCR position over the reporting period with a average consolidated LCR of 379 %. The LCR is mainly driven by movements in HQLA, Customer Deposits and movements in customer loans.

Concentration of funding and liquidity sources

The Bank funding strategy is derived from its policy to maintain adequate liquidity to meet all obligations as they fall due. The primary funding sources for the Bank are current account deposits from Financial Institutions, Global Business Companies and other Corporates. Customer assets were largely funded out of customer deposits, which are considered a stable source of funding.

The liquidity profile along with liquidity Ratios are regularly reviewed by the Local Asset and Liability Committee to ensure that the bank has adequate liquidity to support its strategy and discharge its liabilities.

Currency mismatch in the LCR

The Bank reports LCR for MUR, EUR on a consolidated basis. Other currencies are considered not material. To minimize liquidity mismatches, the Bank fund assets in the same currency.

Liquidity risk Management

The Bank manages liquidity risk both on a short-term and medium-term basis in line with the Bank's Liquidity risk policy. The local ALCO manages the overall liquidity of the Bank and ensures preservation, enhancement and utilization of cost-effective sources of funds, including the Bank's own deposit base.