

**Liquidity Coverage Ratio for the Quarter ended September 30, June 30 - 2023**

(₹ in crores)

Particulars		Quarter ended Sep 30, 2023		Quarter ended Jun 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>					
1	Total High Quality Liquid Assets (HQLA)		5534.53		6329.80
<b>Cash Outflows</b>					
2	Retail deposits and deposits from small business customers, of which:	17136.58	1692.65	17173.22	1688.62
(i)	Stable deposits	420.19	21.01	573.80	28.71
(ii)	Less stable deposits	16716.39	1671.64	16599.42	1659.92
3	Unsecured wholesale funding, of which:	4595.05	3846.17	4704.54	3975.77
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	4595.05	3846.17	4704.54	3975.77
(iii)	Unsecured debt	0.00	0.00	0.00	0.00
4	Secured wholesale funding	390.98	0.00	160.17	0.00
5	Additional requirements, of which	1494.04	290.28	1400.88	160.16
(i)	Outflows related to derivative exposures and other collateral requirements	147.39	147.39	0.00	0.00
(ii)	outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	1346.65	142.89	1400.88	160.16
6	Other contractual funding obligations	81.16	81.16	72.08	72.08
7	Other contingent funding obligations	936.76	28.10	951.66	28.54
8	TOTAL CASH OUTFLOWS		5938.35		5925.17
<b>Cash Inflows</b>					
9	Secured Lending (e.g. reverse repos)	44.61	0.00	647.78	0.00
10	Inflows from fully performing exposures	1288.35	698.69	1068.77	563.23
11	Other cash inflows	180.56	180.56	16.59	16.59
12	TOTAL CASH INFLOWS	1513.52	879.25	1733.15	579.83
13	TOTAL HQLA		5534.53		6329.80
14	TOTAL NET CASH OUTFLOWS		5059.11		5345.35
15	LIQUIDITY COVERAGE RATIO (%)		<b>109.40%</b>		<b>118.42%</b>

### **Qualitative Disclosure**

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The LCR should be minimum 100% (i.e. the stock of HQLA should at least equal total net cash outflows) on an ongoing basis because the stock of unencumbered HQLA is intended to serve as a defence against the potential onset of liquidity stress.

### **The composition of High Quality Liquid Assets (HQLA)**

Banks' High Quality Liquid Assets consists of the following – (HQLAs are required to be taken at their market value for the purpose of computing the LCR)

- Cash including cash reserves in excess of required CRR.
- Government securities in excess of the minimum SLR requirement.
- Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility (MSF) which is at present 2 % of NDTL.
- Investment in Government Securities held up to 16 % of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).
- Level 2A assets –
  - Corporate bonds, not issued by a bank/financial institution/NBFC or any of its affiliated entities, which have been rated AA- or above by an Eligible Credit Rating Agency, subject to a minimum haircut of 15 %.
  - Commercial Papers not issued by a bank/PD/financial institution or any of its affiliated entities, which have a short-term rating equivalent to the long-term rating of AA- or above by an Eligible Credit Rating Agency subject to a minimum hair cut of 15 %.
- Level 2 B Assets –
  - Corporate debt securities and Commercial Papers rated between A+ and BBB-and Common Equity Shares not issued by Banks/FIs /NBFCs and included in NSE CNX Nifty index and/or S&P BSE Sensex index subject to a minimum hair cut of 50%.
- Cash outflows over the 30 days period – Bank considers Cash outflows from Retail Deposits, secured and unsecured wholesale funding, undrawn committed credit and liquidity facilities subject to applicable run-off factors as prescribed by RBI.

- Cash Inflows over the 30 days period – Bank is also looking into the cash inflows within 30 days period arising out of maturing secured lending transactions and other inflows from Retail and small business counterparties, non-financial wholesale counterparties as well as amounts to be received from financial institutions and RBI at the prescribed weightages.
- LCR is computed as under –

Total stock of High quality liquid Assets over Total Net Cash outflows.

#### **Intra period changes:**

The intra period changes are mainly on account of changes in unencumbered excess SLR positions, variations in Level 2A / Level 2B assets, regulatory changes in MSF and FALLCR levels if any and various components under net cash outflows over the 30 days period.

#### **Other Regulatory Requirements –**

a. Currency Mismatch in LCR - The Bank does not have aggregate liabilities denominated in any foreign currency of 5 per cent or more of the Bank's total liabilities and hence LCR in other currencies are not computed.

b. Centralization of liquidity management - Banks' liquidity management and monitoring is centralized. Bank has put in place a Board adopted liquidity management policy in line with RBI regulation and guidelines.

Inflows and outflows are comprehensively captured in the automated LCR system (BASEL).

Bank is required to maintain minimum LCR of 100% on an ongoing basis as per RBI guidelines w.e.f January, 2019. The average LCR for the quarter ended September 2023 is 109.40%.

### Net Stable Funding Ratio for the Quarter ended September 30, 2023

(₹ in crores)

Appendix II						
NSFR Disclosure Template				As On : 30-09-2023		
Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	3242.41	0.00	0.00	0.00	3242.41
2	Regulatory capital	3242.41	0.00	0.00	0.00	3242.41
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	5905.01	7566.82	4090.90	79.90	16104.76
5	Stable deposits	328.77	2489.73	1549.54	30.89	4180.53
6	Less stable deposits	5576.23	5077.09	2541.36	49.01	11924.23
7	Wholesale funding: (8+9)	1538.96	4216.39	1614.36	517.95	2110.43
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	1538.96	4216.39	1614.36	517.95	2110.43
10	Other liabilities: (11+12)	1040.43	1610.13	0.00	0.00	0.00
11	NSFR derivative liabilities		0.42	0.00	0.00	
12	All other liabilities and equity not included in the above categories	1040.43	1609.71	0.00	0.00	0.00
13	Total ASF (1+4+7+10)					21457.60
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					399.69
15	Deposits held at other financial institutions for operational purposes	0.00	62.34	0.00	0.00	31.17
16	Performing loans and securities: (17+18+19+21+23)	3588.94	10994.68	2057.82	5676.80	13582.68

17	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	0.00	0.00	0.00	0.00	0.00
18	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	94.47	482.54	314.14	2042.21	2318.90
19	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>	3286.60	10491.76	1723.08	3387.94	10844.20
20	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>	0.00	13.77	13.95	64.64	55.88
21	<i>Performing residential mortgages, of which:</i>	0.00	7.09	6.70	111.65	83.36
22	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>	0.00	6.51	6.12	92.19	66.24
23	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	207.87	13.29	13.90	135.00	336.21
24	<i>Other assets: (sum of rows 25 to 29)</i>	859.22	1.19	1.55	17.60	878.44
25	<i>Physical traded commodities, including gold</i>	0.00				0.00
26	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		0.00	0.00	7.44	6.32
27	<i>NSFR derivative assets</i>		0.00	0.00	0.00	0.00
28	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		0.00	1.55	0.00	1.55
29	<i>All other assets not included in the above categories</i>	859.22	1.19	0.00	10.16	870.57
30	<i>Off-balance sheet items</i>		1033.91	378.55	205.01	71.39
31	<b>Total RSF (14+15+16+24+30)</b>					<b>14963.37</b>
32	<b>Net Stable Funding Ratio (%)</b>					<b>143.40%</b>

**Qualitative Disclosure**

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. “Available stable funding” (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required (“Required stable funding”) (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

NSFR represents the ratio of the bank's ASF to RSF. The breakdown of the bank's ASF and RSF amounts after applying the respective ASF or RSF factors are provided in the “weighted amount” column of the NSFR disclosure format.

The ASF portfolio is driven mainly by a robust capital base and a strong retail deposit base. Similarly, the RSF portfolio is driven mainly by financing various stakeholders including but not limited to financial institutions (FIs), non-financial corporate clients, retail and small business customers. NSFR helps to reduce structural liquidity of the Bank by encouraging funding of business activities through more stable sources.

Bank is required to maintain minimum NSFR of 100% on an ongoing basis as per RBI guidelines w.e.f October 1, 2021. As on 30.09.2023, NSFR of the Bank is at 143.40%. The table above sets out the details of NSFR of the bank as on 30.09.2023.