

## QUALITATIVE DISCLOSURE ON BANK'S LIQUIDITY COVERAGE RATIO as on 30.09.2024

**Liquidity Coverage Ratio:** The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be readily converted into cash at little/no loss of value to meet its liquidity needs for a 30-calendar daytime horizon under a liquidity stress scenario.

**LCR has two components:**

- The value of the stock of High-Quality Liquid Assets (HQLA) as a Numerator.
- Total Net Cash Outflows: Total expected cash outflows minus Total expected cash inflows, in stress scenario, for the subsequent 30 calendar days as a denominator.

**Definition of LCR:**

$$\frac{\text{Stock of high-quality liquid assets (HQLAs)}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\% \text{ (w.e.f. 01.04.2021)}$$

The Liquidity Coverage Ratio arrived for the quarter ended September 2024 was 134.91% (on basis of simple averages of daily observations during the period 01-07-2024 to 30-09-2024) against the regulatory requirement of 100%.

The main drivers of LCR of the bank are High Quality Liquid Assets (HQLAs) to meet liquidity needs of the bank at all times and basic funding from retail and small business customers.

### **Composition of High-Quality Liquid Assets (HQLA)**

HQLAs comprise of Level 1 and Level 2 assets. Level 2 assets are further divided into Level 2A and Level 2B assets, keeping in view their marketability and price volatility. Total weighted value (average) of HQLA for the quarter ended September 2024 is Rs.27516.08 crore.

Break-up of daily observation Average HQLA during quarter ended September 30, 2024, is given hereunder:

| High Quality Liquid Assets (HQLAs)                                                                                                                 | Average % age contribution to HQLA |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| <b>Level 1 Assets</b>                                                                                                                              |                                    |
| Cash in hand                                                                                                                                       | 1.41%                              |
| Excess CRR balance                                                                                                                                 | 0.14%                              |
| Government Securities in excess of minimum SLR requirement                                                                                         | 17.32%                             |
| Government securities within the mandatory SLR requirement, to the extent allowed by RBI under MSF (presently to the extent of 2 per cent of NDTL) | 8.92%                              |
| Marketable securities issued or guaranteed by foreign sovereigns having 0% risk-weight under Basel II Standardized Approach                        | 0.00%                              |
| Facility to avail Liquidity for Liquidity Coverage Ratio –FALLCR (presently to the extent of 16 per cent of NDTL)                                  | 71.37%                             |
| <b>Total Level 1 Assets</b>                                                                                                                        | <b>99.16%</b>                      |
| <b>Total Level 2A Assets</b>                                                                                                                       | <b>0.81%</b>                       |
| <b>Total Level 2B Assets</b>                                                                                                                       | <b>0.03%</b>                       |
| <b>Total Stock of HQLAs</b>                                                                                                                        | <b>100.00%</b>                     |



|                            |                                                                            | 30.09.2024 (in Rs.Crore)          |                                 |
|----------------------------|----------------------------------------------------------------------------|-----------------------------------|---------------------------------|
|                            |                                                                            | Total Unweighted Value ( Average) | Total Weighted Value ( Average) |
| High Quality Liquid Assets |                                                                            |                                   |                                 |
| 1                          | Total High Quality Liquid Assets                                           |                                   | 27516.08                        |
| Cash Outflows              |                                                                            |                                   |                                 |
| 2                          | Retail deposits and deposits from small business customers, of which       | 82284.47                          | 8185.39                         |
| (i)                        | Stable Deposits                                                            | 861.19                            | 43.06                           |
| (ii)                       | Less stable deposits                                                       | 81423.28                          | 8142.33                         |
| 3                          | Unsecured wholesale funding of which                                       | 20485.29                          | 11798.34                        |
| (i)                        | Operational Deposits (all counterparties)                                  | 0                                 | 0                               |
| (ii)                       | Non -operational deposits (all counterparties)                             | 20485.29                          | 11798.34                        |
| (iii)                      | Unsecured debt                                                             | 0                                 | 0                               |
| 4                          | Secured wholesale funding                                                  |                                   | 0                               |
| 5                          | Additional requirements, of which                                          | 1248.23                           | 576.19                          |
| (i)                        | Outflows related to derivative exposures and other collateral requirements | 162.86                            | 162.86                          |
| (ii)                       | Outflows related to loss of funding on debt product                        | 0                                 | 0                               |
| (iii)                      | Credit and liquidity facilities                                            | 1085.37                           | 413.32                          |
| 6                          | Other contractual funding obligations                                      | 572.65                            | 572.65                          |
| 7                          | Other contingent funding obligations                                       | 12965.82                          | 569.84                          |
| 8                          | Total Cash Outflows                                                        |                                   | 21702.40                        |
| Cash Inflows               |                                                                            |                                   |                                 |
| 9                          | Secured lending (e.g. reverse repos)                                       | 27.29                             | 0                               |
| 10                         | Inflows from fully performing exposures                                    | 2039.93                           | 1054.81                         |
| 11                         | Other Cash Inflows                                                         | 308.65                            | 252.33                          |
| 12                         | Total Cash Inflows                                                         | 2375.86                           | 1307.14                         |
| 13                         | TOTAL HQLA                                                                 |                                   | 27516.08                        |
| 14                         | Total Net Cash Outflows                                                    |                                   | 20395.26                        |
| 15                         | Liquidity Coverage Ratio (%)                                               |                                   | 134.91%                         |





## **QUALITATIVE DISCLOSURE ON NET STABLE FUNDING RATIO as on 30.09.2024**

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 for 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.

Minimum Requirement of NSFR should be equal to at least 100% on an ongoing basis.

$$\text{NSFR} = \frac{\text{Available Stable Funding [ASF]}}{\text{Required Stable Funding [RSF]}} \geq 100 \%$$

The minimum NSFR requirement set out in the RBI guideline for the standalone Bank and for Group is 100% w.e.f 1st October 2021.

As on 30<sup>th</sup> September 2024, The Bank has maintained weighted Available Stable Funding (ASF) of Rs. 104528.84 crore against the weighted Required Stable Funding (RSF) of Rs. 84776.19 crore. The NSFR for the quarter ended 30<sup>th</sup> September, 2024, was at 123.30%.

### **Brief about NSFR of the Bank**

The Available Stable Funding (ASF) mainly constitutes of the capital base, retail deposit base and funding from non-financial companies and long-term funding from institutional clients. After applying the relevant weights, the capital base remained around 11.64%, retail deposits (including deposit from small sized business customers) remained 72.45% and wholesale funding remained 13.89% of the total Available Stable Funding (ASF).

The Required Stable Funding mainly comprises lending to corporates, retail clients and financial institutions which contributed 64.39% of the total RSF after applying the relevant weights. The stock High Quality Liquid Assets, which majorly includes cash and reserve balances with the RBI, Govt. Debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA and deposits held for operational purpose constituted only 1.57% of the required stable funding after applying the relevant weights. Other assets and Contingent Funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 26.92% of the Required Stable Funding.



# Net Stable Funding ratio (NSFR) as on 30.09.2024

NSFR Disclosure as on 30.09.2024(Audited)

Amount in Rs. Cr

| Sr No. | Category                                                                                                                                                       | No maturity | < 6 months | 6 months to < 1yr | 1yr      | Weighted value |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|-------------------|----------|----------------|
| 1      | Capital: (2+3)                                                                                                                                                 | 10925.20    | 0.00       | 0.00              | 1237.30  | 12162.50       |
| 2      | Regulatory capital                                                                                                                                             | 10925.20    |            |                   | 1237.30  | 12162.50       |
| 3      | Other capital instruments                                                                                                                                      |             |            |                   |          |                |
| 4      | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 34824.63    | 48909.16   | 63.74             | 270.96   | 75731.24       |
| 5      | Stable deposits                                                                                                                                                | 599.61      | 250.46     | 0.04              | 0.03     | 807.63         |
| 6      | Less stable deposits                                                                                                                                           | 34225.02    | 48658.71   | 63.70             | 270.93   | 74923.61       |
| 7      | Wholesale funding: (8+9)                                                                                                                                       | 2889.47     | 28364.99   | 6449.29           | 2223.30  | 14522.31       |
| 8      | Operational deposits                                                                                                                                           |             |            |                   |          |                |
| 9      | Other wholesale funding                                                                                                                                        | 2889.47     | 28364.99   | 6449.29           | 2223.30  | 14522.31       |
| 10     | Other liabilities: (11+12)                                                                                                                                     | 0.00        | 5442.07    | 842.53            | 1462.91  | 2112.79        |
| 11     | NSFR derivative liabilities                                                                                                                                    |             | 0.00       |                   |          | 0.00           |
| 12     | All other liabilities and equity not included in the above categories                                                                                          |             | 5442.07    | 842.53            | 1462.91  | 2112.79        |
| 13     | Total ASF (1+4+7+10)                                                                                                                                           | 48639.29    | 82716.22   | 7355.57           | 5194.47  | 104528.84      |
| 14     | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   | 5755.34     | 1764.80    | 911.78            | 23958.01 | 1329.77        |
| 15     | Deposits held at other financial institutions for operational purposes                                                                                         |             |            |                   |          | 0.00           |
| 16     | Performing loans and securities: (17+18+19+21+23)                                                                                                              |             | 24620.15   | 13824.89          | 51961.94 | 59533.93       |
| 17     | Performing loans to financial institutions secured by Level1 HQLA                                                                                              |             |            |                   |          |                |
| 18     | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                |             | 507.81     | 500.01            |          | 326.17         |
| 19     | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: |             | 24006.69   | 13281.62          | 45154.56 | 54585.30       |
| 20     | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       |             | 3402.43    | 1174.52           | 12201.16 | 10219.23       |
| 21     | Performing residential mortgages, of which:                                                                                                                    |             | 105.65     | 43.27             | 6807.38  | 4622.45        |
| 22     | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       |             | 98.36      | 41.54             | 6191.39  | 4094.35        |
| 23     | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              |             |            |                   |          |                |
| 24     | Other assets: (sum of rows 25 to 29)                                                                                                                           | 6597.23     | 746.23     | 170.59            | 17693.58 | 22825.77       |
| 25     | Physical traded commodities, including gold                                                                                                                    |             |            |                   |          |                |
| 26     | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            | 556.60      |            |                   |          | 473.11         |
| 27     | NSFR derivative assets                                                                                                                                         |             | 209.41     |                   |          | 209.41         |
| 28     | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |             |            |                   |          |                |
| 29     | All other assets not included in the above categories                                                                                                          | 6040.63     | 484.63     | 434.11            | 17392.20 | 22143.25       |
| 30     | Off-balance sheet items                                                                                                                                        | 23246.64    |            |                   |          | 1086.73        |
| 31     | Total RSF (14+15+16+24+30)                                                                                                                                     | 35599.21    | 27131.18   | 14907.26          | 93613.53 | 84776.19       |
| 32     | Net Stable Funding Ratio (%)                                                                                                                                   |             |            |                   |          | 123.30%        |

