

Disclosure on Liquidity Coverage Ratio for the Quarter ended December 31, 2023

The Basel Committee on Banking Supervision (BCBS) had introduced the Liquidity Coverage Ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. The Bank is required to maintain the LCR on a Standalone basis. The minimum LCR requirement set out in the RBI guidelines for the standalone basis is 100%.

The following table sets out the average unweighted and weighted values of the LCR components of the Bank. The simple average has been computed based on daily values for the three months ended September 30, 2023 and December 31, 2023

(Amounts in Rs. Cr.)

| Particulars | Day end Average for quarter ended September 30, 2023 | | Day end Average for quarter ended December 31, 2023 | |
|---|--|----------------------------------|---|--------------------------------|
| | Total Unweighted Value (Average) | Total Unweighted Value (Average) | Total Unweighted Value (Average) | Total Weighted Value (Average) |
| High Quality Liquid Assets | | | | |
| 1) Total High Quality Liquid Assets (HQLA) | | 32,984.02 | | 30,870.65 |
| Cash Outflows | | | | |
| 2) Retail Deposits and deposits from small business customers, of which: | 63,646.69 | 6,193.89 | 65,736.74 | 6,388.28 |
| a) Stable deposits | 3,415.59 | 170.78 | 3,707.94 | 185.40 |
| b) Less Stable Deposits | 60,231.09 | 6,023.11 | 62,028.80 | 6,202.88 |
| 3) Unsecured wholesale funding, of which: | 19,815.41 | 13,762.87 | 20,318.14 | 13,257.77 |
| a) Operational deposits (all counterparties) | - | - | - | - |
| b) Non-operational deposits (all counterparties) | 19,815.41 | 13,762.87 | 20,318.14 | 13,257.77 |
| c) Unsecured debt | - | - | - | - |
| 4) Secured wholesale funding | | - | | - |
| 5) Additional Requirements, of Which | 5,926.79 | 1,454.46 | 3,720.19 | 583.39 |
| a) Outflows related to derivative exposures and other collateral requirements | 1.57 | 1.57 | 0.07 | 0.07 |

| | | | | |
|---|----------|------------------|----------|------------------|
| b) Outflows related to loss of funding on debt products | - | - | - | - |
| c) Credit and liquidity facilities | 5,925.22 | 1,452.89 | 3,720.12 | 583.32 |
| 6) Other contractual funding obligations | 4,548.97 | 4,548.97 | 4,192.80 | 4,192.80 |
| 7) Other contingent funding obligations | 2,180.39 | 75.69 | 2,150.65 | 75.15 |
| 8) TOTAL CASH OUTFLOWS | | 26,035.88 | | 24,497.38 |
| Cash Inflows | | | | |
| 9) Secured lending | 555.36 | - | 1,099.70 | - |
| 10) Inflows from fully performing exposures | 7,002.53 | 4,208.97 | 7,535.39 | 4,723.19 |
| 11) Other cash inflows | 486.97 | 486.97 | 221.72 | 221.72 |
| 12) Total Cash Inflows | 8,044.86 | 4,695.94 | 8,856.81 | 4,944.91 |
| 13) TOTAL HQLA | | 32,984.02 | | 30,870.65 |
| 14) TOTAL NET CASH OUTFLOWS | | 21,339.94 | | 19,552.47 |
| 15) LIQUIDITY COVERAGE RATIO (%) | | 154.56% | | 157.89% |

Bank's LCR comes to 157.89% based on the daily average position of past three months (Q3 FY23-24). The position remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹ 30870.85 crores with 100% being Level 1 Assets. Government Securities constituted 95.41% of Level 1 Assets and Cash in Hand/Excess CRR constituted 4.58% of Level 1 Assets. The Bank did not hold any Level 2 HQLA during the period. During the Quarter, the HQLA level (weighted value) has decreased by ₹ 2113.47 Crores. The weighted total net cash outflows (weighted value) decreased by ₹ 1787.47 Crores mainly on account of decrease in Non-operational deposits (all counterparties) and credit and liquidity facilities.

Bank liquidity management is guided by the ALM Policy and regulatory guidelines. The Treasury, which report to the Asset Liability Management Committee (ALCO), is authorized by the Bank's Board to develop funding strategies ensuring diversification and alignment with operational needs. ALCO's key decisions are regularly communicated to the Bank's Board. Apart from regular LCR reporting, the Bank prepares Structural Liquidity Statements on a daily basis to monitor its ongoing liquidity needs. The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits are the main source of funding, offering significant diversification. Management believes the Bank possesses adequate liquidity to meet current and foreseeable short-term needs.