

Qualitative Disclosure:

The Bank has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources.

Liquidity Coverage Ratio (LCR) BLR-1 aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

Composition of High quality liquid assets (HQLAs)

High quality liquid assets (HQLAs) comprise of assets that can be readily sold or used as collateral to obtain funds in a range of stress scenario. These are asset categories which can be easily or immediately converted into cash at little or no loss in value.

With zero percent haircut Level 1 (HQLA) asset comprises of:

- Cash
- Excess CRR
- Government securities in excess of SLR
- Standing Marginal Facility (MSF)
- Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR)
- Marketable securities issued by foreign sovereigns

A minimum haircut of 15% is applied on the following assets and is placed in the category of Level 2A (HQLA) assets:

- Marketable securities guaranteed by sovereigns, PSEs or multilateral development banks assigned risk weights of up to 20% but are not issued by banks/financial institutions/NBFCs
- Corporate bonds not issued by banks/financial institutions/NBFCs
- Commercial Papers not issued by PDs/financial institutions/NBFCs

With a haircut of 50% following HQLAs are also placed in category of level 2B assets:

- Marketable securities guaranteed by sovereigns having risk weights of higher than 20% but not more than 50%.
- Common equity shares included in NSE CNX Nifty index or S&P BSE Sensex index but not issued by banks/financial institutions/NBFCs
- From February 2016, In line with the RBI guidelines Corporate debt securities (including commercial paper) not issued by a bank, financial institution, PD, NBFC or any of its affiliated entities have a long-term credit rating from an Eligible Credit Rating Agency between A+ and BBB- or in the absence of a long term rating, a short-term rating equivalent in quality to the long term rating; traded in large, deep and active repo or cash markets characterised by a low level of concentration; and have a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, i.e. a maximum decline of price not exceeding 20% or increase in haircut over a 30-day period not exceeding 20 percentage points during a relevant period of significant liquidity stress. is also reckoned as Level 2B HQLAs,

All the relevant inflows and outflows as per RBI stipulations are captured in the LCR template.

LCR statement in the prescribed format is submitted to RBI at the end of every month and put up to the Board and management as part of ICAAP at annual and quarterly rests respectively.

Quantitative Disclosure

| | | Jun-18 | | Sep-18 | |
|-----------------------------------|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | | Total Un-weighted value (Average) | Total Weighted value (Average) | Total Un-weighted value (Average) | Total Weighted value (Average) |
| | | Un-weighted | Weighted | Un-weighted | Weighted |
| High Quality Liquid Assets | | | | | |
| 1 | Total High Quality Liquid Assets (HQLA) | 11525.70 | 11511.22 | 12796.68 | 12782.95 |
| Cash Outflows | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which | 28861.02 | 2243.92 | 28943.51 | 2246.66 |
| (i) | Stable deposits | 12843.19 | 642.15 | 12946.58 | 647.32 |
| (ii) | Less stable deposits | 16017.83 | 1601.77 | 15996.93 | 1599.35 |
| 3 | Unsecured wholesale funding ,of which | 8003.10 | 2647.61 | 8423.16 | 2800.49 |
| (i) | Operational Deposits (all counterparties) | 3767.84 | 889.93 | 3886.37 | 918.22 |
| (ii) | Non Operational deposits (all counterparties) | 4235.26 | 1757.68 | 4536.79 | 1882.27 |
| (iii) | Unsecured debt | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Secured Wholesale funding | 10.00 | 0.00 | 57.33 | 0.00 |
| 5 | Additional requirements of which | | | | |
| (i) | Outflows related to derivative exposure and other collateral requirements | 0 | 0 | 0 | 0 |
| (ii) | outflows related to loss of funding on debt products | 0 | 0 | 0 | 0 |
| (iii) | credit and liquidity facilities | 0 | 0 | 0 | 0 |
| 6 | Other contractual funding Obligations | 7201.38 | 550.00 | 6920.39 | 544.95 |
| 7 | Other contingent funding Obligations | 3280.96 | 98.42 | 3141.88 | 94.25 |
| 8 | Total cash outflows | 47356.45 | 5539.96 | 47486.27 | 5686.36 |
| Cash Inflows | | | | | |
| 9 | secured Lending (e.g. reverse repo) | 470.38 | 0.00 | 1047.25 | 0.00 |
| 10 | Inflows from fully performing exposure | 2149.74 | 1501.05 | 2903.18 | 2215.60 |
| 11 | Other cash inflows | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | Total cash inflows | 2620.12 | 1501.05 | 3950.43 | 2215.60 |
| | | | Total adjusted value | | Total adjusted value |
| | TOTAL HQLA | 11525.70 | 11511.22 | 12796.68 | 12782.95 |
| | Total Net Cash Outflows | 44736.34 | 4038.92 | 43535.84 | 3470.76 |
| | Liquidity Coverage ratio (%) | | 285.01% | | 368.30% |