

## **Qualitative Disclosure: December 2016**

The Liquidity Coverage Ratio (LCR) is a global minimum standard for Bank Liquidity Risk Management. LCR is a broad measure aimed at measuring short-term resilience of banks to potential liquidity disruptions by ensuring maintenance of sufficient High Quality Liquid Assets (HQLAs) to survive net cash outflows over next 30 days under stress conditions.

HQLA for the computation of LCR are mainly divided into two parts i.e. Level 1 and Level 2 HQLA. Level 1 assets comprises primarily of cash, excess CRR, excess SLR securities and a portion of mandatory SLR as permitted by RBI (under MSF (2%) and FALLCR (9%) of NDTL) and Level 2 HQLA comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts.

Cash outflows are calculated by multiplying the outstanding balances of various categories of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

Effective January 2016, minimum quarterly LCR requirement (computed as average of month-end balances in the quarter) is 70%. The average LCR for the quarter ended December 31, 2016 is 90.08%. The following table sets out average LCR of the Bank for quarter ended December 2016, September 2016 and June 2016.

(ii) Less stable deposits 832,832 83,283 718,227 71,823 612,040 61,204  3 Unsecured wholesale funding, of which: 1,160,114 627,314 1,094,024 624,600 923,242 546,691  (i) Operational deposits (all counterparties)			Q3 - Dec 2016		Q2 - Sep 2016		Q1 - June 2016	
Total High Quality Liquid Assets (riqua)   S77,143   S77,144   S			Unweighted Value	Weighted Value	Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
HOLA    Scash Dufflows	High	Quality Liquid Assets						
Retail deposits and deposits from small business customers, of which:	1			577,143		473,713		451,893
Small business customers, of which:   844,989   84,041   731,100   72,467   623,900   61,797	Cash	Outflows						
(ii)   Less stable deposits   832,832   83,283   718,227   71,823   612,040   61,204   3   Unsecured wholesale funding, of which:   1,160,114   627,314   1,094,024   624,600   923,242   546,691   (i)   Operational deposits (all counterparties)   1,160,114   627,314   1,094,024   624,600   923,242   546,691   (ii)   Counterparties)   1,160,114   627,314   1,094,024   624,600   923,242   546,691   (iii)   Unsecured debt	2	· ·	847,989	84,041	731,106	72,467	623,906	61,797
Unsecured wholesale funding, of which:   1,160,114   627,314   1,094,024   624,600   923,242   546,691	(i)	Stable deposits	15,157	758	12,879	644	11,866	593
Which:	(ii)	Less stable deposits	832,832	83,283	718,227	71,823	612,040	61,204
(ii) Non-operational deposits (all counterparties) (iii) Unsecured debt 4 Secured wholesale funding 5 Additional requirements, of which 14,792 14,792 10,187 10,187 9,423 9,423 (i) exposures and other collateral requirements (ii) Outflows related to derivative exposures and other collateral requirements (iii) Credit and liquidity facilities 7 Other contractual funding obligations 8 Total Cash Outflows 148,3404 57,370 761,228 22,837 670,621 20,119 10 Inflows from fully performing exposures 10 Other cash inflows 10 Other cash inflows 11 Other cash inflows 12 Total Cash Inflows 12 Total Cash Inflows 13 Total Cash Inflows 148,3401 577,143 473,713 451,893 12 Total HQLA 1577,143 473,713 482,866 15 Total Net Cash Outflows 164,691 162,7314 562,600 172 Total Net Cash Outflows 173,482 473,713 482,866 1848,572	3	which:	1,160,114	627,314	1,094,024	624,600	923,242	546,691
(iii) Counterparties) (iiii) Unsecured debt  4 Secured wholesale funding 5 Additional requirements, of which 14,792 14,792 10,187 10,187 9,423 9,423 (i) Outflows related to derivative exposures and other collateral requirements on debt products (iii) Cuedit and liquidity facilities 6 Other contractual funding obligations 7 Other contingent funding obligations 1,483,404 57,370 761,228 22,837 670,621 20,119 8 Total Cash Outflows 9 Secured lending (e.g. reverse repos) 172 172 12,718 12,718 2,291 2,291 10 Inflows from fully performing exposures 11 Other cash inflows 73,301 69,853 76,091 73,396 73,595 70,281 12 Total Cash Inflows 10 Total Adjusted Value 11 TOTAL HQLA 577,143 473,713 451,893 22 Total Net Cash Outflows 6 Gdd,712 568,463 482,572	(i)	counterparties)	-	-	-	-	-	-
A   Secured wholesale funding	(ii)		1,160,114	627,314	1,094,024	624,600	923,242	546,691
S       Additional requirements, of which Outflows related to derivative exposures and other collateral requirements       14,792       14,792       10,187       9,423       9,423       9,423         (ii) Possible products on debt products       6,543       6,543       2,593       2,593       -        -       -       -       -       -       -       -       -       -       -       -       -       -       -       -        -       -       -       -       -       -       -       -       -       -       -       -       -       -       -        -       -       -       -       -       -       -       - </td <td>(iii)</td> <td>Unsecured debt</td> <td>-</td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td>	(iii)	Unsecured debt	-		-		-	
Outflows related to derivative exposures and other collateral requirements	4	Secured wholesale funding		-		-		-
(i) exposures and other collateral requirements       6,543       6,543       2,593       2,593       -       -         (ii) Outflows related to loss of funding on debt products       -	5	Additional requirements, of which	14,792	14,792	10,187	10,187	9,423	9,423
On debt products	(i)	exposures and other collateral	6,543	6,543	2,593	2,593	-	-
6         Other contractual funding obligations         47,859         7,490         -<	(ii)	_	-	-	-	-	-	-
6         obligations         47,859         7,490         —	(iii)	Credit and liquidity facilities	-	_	-	-	-	1
7         obligations         1,483,404         57,370         761,228         22,837         670,621         20,119           8         Total Cash Outflows         791,007         730,091         638,030           Cash Inflows         Secured lending (e.g. reverse repos)         172         172         12,718         12,718         2,291         2,291           10         Inflows from fully performing exposures         160,539         80,270         151,029         75,514         165,773         82,886           11         Other cash inflows         73,301         69,853         76,091         73,396         73,595         70,281           12         Total Cash Inflows         234,012         150,295         239,838         161,628         241,659         155,458           Total Adjusted Value           21         TOTAL HQLA         577,143         473,713         451,893           22         Total Net Cash Outflows         640,712         568,463         482,572	6	_	47,859	7,490	-	-	-	-
Secured lending (e.g. reverse repos)         172         172         12,718         12,718         2,291         2,291           10         Inflows from fully performing exposures         160,539         80,270         151,029         75,514         165,773         82,886           11         Other cash inflows         73,301         69,853         76,091         73,396         73,595         70,281           12         Total Cash Inflows         234,012         150,295         239,838         161,628         241,659         155,458           Total Adjusted Value           21         TOTAL HQLA         577,143         473,713         451,893           22         Total Net Cash Outflows         640,712         568,463         482,572	7		1,483,404	57,370	761,228	22,837	670,621	20,119
9       Secured lending (e.g. reverse repos)       172       172       12,718       12,718       2,291       2,291         10       Inflows from fully performing exposures       160,539       80,270       151,029       75,514       165,773       82,886         11       Other cash inflows       73,301       69,853       76,091       73,396       73,595       70,281         12       Total Cash Inflows       234,012       150,295       239,838       161,628       241,659       155,458         Total Adjusted Value         21       TOTAL HQLA       577,143       473,713       451,893         22       Total Net Cash Outflows       640,712       568,463       482,572	8	Total Cash Outflows		791,007		730,091		638,030
10       Inflows from fully performing exposures       160,539       80,270       151,029       75,514       165,773       82,886         11       Other cash inflows       73,301       69,853       76,091       73,396       73,595       70,281         12       Total Cash Inflows       234,012       150,295       239,838       161,628       241,659       155,458         Total Adjusted Value         21       TOTAL HQLA       577,143       473,713       451,893         22       Total Net Cash Outflows       640,712       568,463       482,572	Cash	Inflows						
10       exposures       160,539       80,270       151,029       75,514       165,773       82,886         11       Other cash inflows       73,301       69,853       76,091       73,396       73,595       70,281         12       Total Cash Inflows       234,012       150,295       239,838       161,628       241,659       155,458         Total Adjusted Value         21       TOTAL HQLA       577,143       473,713       451,893         22       Total Net Cash Outflows       640,712       568,463       482,572	9	Secured lending (e.g. reverse repos)	172	172	12,718	12,718	2,291	2,291
12     Total Cash Inflows     234,012     150,295     239,838     161,628     241,659     155,458       Total Adjusted Value       21     TOTAL HQLA     577,143     473,713     451,893       22     Total Net Cash Outflows     640,712     568,463     482,572	10	,	160,539	80,270	151,029	75,514	165,773	82,886
Total Adjusted Value         21       TOTAL HQLA       577,143       473,713       451,893         22       Total Net Cash Outflows       640,712       568,463       482,572	11	Other cash inflows	73,301	69,853	76,091	73,396	73,595	70,281
21       TOTAL HQLA       577,143       473,713       451,893         22       Total Net Cash Outflows       640,712       568,463       482,572	12	Total Cash Inflows	234,012	150,295	239,838	161,628	241,659	155,458
<b>22</b> Total Net Cash Outflows 640,712 568,463 482,572	_	Total Adjusted Value						
	21	TOTAL HQLA		577,143		473,713		451,893
23 Liquidity Coverage Ratio (%) 90.08 83.33 93.64	22	Total Net Cash Outflows		640,712		568,463		482,572
	23	Liquidity Coverage Ratio (%)		90.08		83.33		93.64

<sup>#</sup> The average weighted and un-weighted amounts are calculated taking simple average of October '16, November '16 and December '16 figures

<sup>\$</sup> The average weighted and un-weighted amounts are calculated taking simple average of July'16, August'16 and September'16 figures.

<sup>@</sup> The average weighted and un-weighted amounts are calculated taking simple average of April'16, May'16 and June'16 figures.