

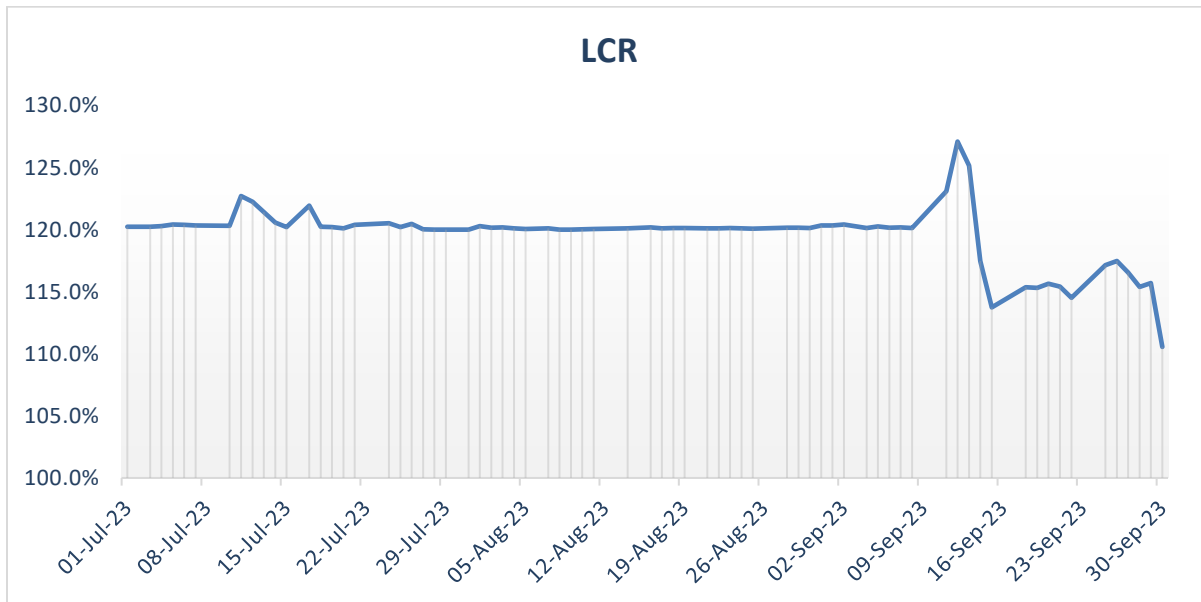
## LIQUIDITY COVERAGE RATIO – QUARTER September 2023

North East Small Finance Bank adheres to all the RBI regulations on the Liquidity Coverage Ratio(LCR), Liquidity Risk Monitoring Tools and the associated disclosure standards. The LCR promotes short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days. The bank computes LCR on a daily basis in accordance with regulatory prescriptions and has consistently maintained LCR above the prescribed regulatory minimum during the quarter ended September 2023

The High Quality Liquid Assets of the bank comprises only of Level 1 Assets - Cash in hand & Standing Deposit Facility with RBI, Cash reserves in excess of required CRR, Government securities in excess of the minimum SLR requirement, Government securities within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) as per RBI guidelines from time to time. Bank has a diversified funding portfolio consisting of Retail and SBC customers, refinances availed from Developmental Finance Institutions such as NABARD and SIDBI and Overdraft facility against deposits from financial institutions. The bank does not have any foreign currency positions and derivative instruments in its portfolio.

The bank had an average HQLA of Rs 351.22 Crore during the period against an average Net Cash Outflow of Rs. 293.73Crore. The Level 1 Government Security Portfolio of the bank was stable over the period, and the change in ratio over the period is mainly attributed to the borrowing repayments due in the next 30 days. With the Excess SLR of Rs. 59.30 Crore, 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) of Rs. 32.09 Crore as on 30.09.2023, the bank is able to efficiently manage its liquidity so as to fund its outflows in the near term as envisaged through the Liquidity Coverage Ratio metric.

The following graph depicts the intra period change of LCR during the quarter ended September 2023 based on daily observations.



The liquidity risk management in the Bank is guided by the Asset Liability Management Policy. Asset Liability Management Committee (ALCO) is the executive level committee responsible for Asset Liability Management in the Bank. Bank’s liquidity management is performed by the Treasury as per the directions of ALCO. Risk Management Department actively monitors the liquidity position of the Bank and apprises ALCO on a continuous basis to initiate appropriate actions to ensure that the liquidity position is well within the Risk Appetite set by the Board of Directors.

The bank does not consider any other outflows and inflows to be material for its liquidity portfolio apart from those captured in the LCR calculation.

The following table sets out average LCR of the Bank for the quarter ended September 2023.

Amount in INR

Liquidity Coverage Ratio			
Liquidity Coverage Ratio		Total Unweighted (Average)	Total Weighted (Average)
<b>High Quality Liquid Assets</b>			
1	Total High Quality Liquid Assets (HQLA)		<b>3,51,22,46,480.60</b>
<b>Cash Outflows</b>			
2	Retail deposits and deposits from small business customers	<b>9,87,43,99,266.57</b>	<b>73,27,21,904.19</b>
(i)	Stable deposits	5,09,43,60,449.30	25,47,18,022.47
(ii)	Less stable deposits	4,78,00,38,817.27	47,80,03,881.73
3	<b>Unsecured wholesale</b>	<b>4,65,62,21,328.49</b>	<b>3,43,18,81,161.05</b>
(i)	Operational deposits (all counterparties)	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	4,65,62,21,328.49	3,43,18,81,161.05
(iii)	Unsecured debt	0.00	0.00
4	<b>Secured wholesale funding</b>		<b>26,82,60,563.38</b>
5	<b>Additional requirements,</b>	<b>0.00</b>	<b>0.00</b>
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00
(ii)	Outflows related to loss of funding on debt products	0.00	0.00
(iii)	Credit and liquidity facilities	0.00	0.00
6	<b>Other contractual funding obligations</b>	<b>34,93,26,930.36</b>	<b>34,93,26,930.36</b>
7	<b>Other contingent funding obligations</b>	<b>0.00</b>	<b>0.00</b>
8	<b>Total Cash Outflows</b>		<b>4,78,21,90,558.98</b>
<b>Cash Inflows</b>			
9	Secured lending	0.00	0.00
10	Inflows from fully performing exposures	1,48,27,437.37	1,48,27,437.37
11	Other cash inflows	2,64,71,54,544.05	1,83,00,42,708.26
12	Total Cash Inflows	2,66,19,81,981.42	1,84,48,70,145.62
21	<b>Total HQLA</b>		<b>3,51,22,46,480.60</b>
22	<b>Total Net Cash Outflows</b>		<b>2,93,73,20,413.35</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>119.6%</b>