

## **Bangladesh Development Bank Limited (BDBL)**

### **Market Disclosures for December 2015 under Pillar-III of Risk Based Capital Adequacy (RBCA) - Basel III.**

The regulatory requirement of market disclosure is imposed by Bangladesh Bank to ensure the implementation of RBCA – Basel-III and making banks more transparent to the stakeholders so that they can take rational economic decision. The reports will enable market participants to assess more effectively key information relating to a bank’s regulatory capital and risk exposures in order to instill confidence about a bank’s exposure to risk and overall regulatory capital adequacy.

The qualitative and quantitative disclosures of the bank under Basel-III requirements based on the audited financial statements as of 31 December 2015 are prepared as per the guidelines of Bangladesh Bank on “Risk Based Capital Adequacy for Banks” to establish more transparent and more disciplined financial market.

#### **1. Scope of application**

Basel III guidelines apply to all scheduled banks on, “Solo” basis as well as on “Consolidated” basis where-

- Solo Basis refers to all position of the bank and its local and overseas branches/offices; and
- Consolidated Basis refers to all position of the bank (including its local and overseas branches/offices) and its subsidiary company or companies engaged in financial (excluding insurance) activities like merchant banks, brokerage firms, discount houses, etc (if any).

***Bangladesh Development Bank Limited follows the scope narrated above. BDBL has Tier 1 and Tier 2 capital structure.***

#### **2. Capital Structure**

The capital of BDBL can be classified into two tiers. The total regulatory capital will consist of sum of the following categories: 1. Tier 1 Capital (going-concern capital) a) Common Equity Tier 1 b) Additional Tier 1 2. Tier 2 Capital (gone-concern capital) .

Tier-1 capital consists of CET1 and Additional Tier1 Capital highest quality capital items which are stable in nature and allow a bank to absorb losses on an ongoing basis. CET1 includes paid-up capital, statutory reserve, general reserve, retained earnings, minority interest in subsidiaries.

Tier-2 capital lacks some of the characteristics of the core capital but also bears loss absorbing capacity to a certain extent. Capital consists of applicable percentage of revaluation reserves and general provision (against unclassified loans, SMA and off-balance sheet exposures). Presently the bank does not have any debt instruments eligible for capital counting.

### **3. Calculation of Capital Adequacy Ratio**

In order to calculate CAR, banks are required to calculate their Risk Weighted Assets (RWA) on the basis of credit, market, and operational risks. Total RWA will be determined by multiplying the amount of capital charge for market risk and operational risk by the reciprocal of the minimum CAR and adding the resulting figures to the sum of risk weighted assets for credit risk. The CAR is then calculated by taking eligible regulatory capital as numerator and total RWA as denominator.

*Bank followed the given guidelines in proper terms.*

### **4. Minimum Capital Requirements**

- a) No Scheduled Bank in Bangladesh shall commence and carry on its business unless it has the minimum required capital fixed by Bangladesh Bank from time to time as per section 13 of Bank Company Act, 1991.
- b) Banks have to maintain minimum CAR on “Solo” basis as well as on „Consolidated“ basis as per instruction(s) given by BB from time to time.

*BDBL adequately maintains required Capital To Risk Weighted Assets Ratio (CRAR).*

### **5. Credit Risk**

*BDBL follows the suggested methodology, process as contained in the Guidelines.*

Credit risk is the potential that a bank borrower or counterparty fails to meet its obligation in accordance with agreed term. Bangladesh Bank adopted Standardized Approach for calculating Risk Weighted Assets. The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to all their on-balance sheet and off-balance sheet exposures. Risk weights are based on external credit rating (solicited) which was mapped with the BB rating grade or a fixed weight that is specified by Bangladesh Bank.

### **6. a) Market Risk**

*Bank followed the suggested methodology, process as contained in the Guideline.*

Market risk is defined as the risk or losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions subject to this requirement are:

- I. The risks pertaining to interest rate related instruments and equities in the trading book; and
- II. Foreign exchange risk and commodity risk throughout the bank (both in the banking book and in the trading book).

## **b) Methodology**

In Standardized Approach, the capital requirement for various market risks (interest rate risk, equity price risk, commodity price risk, and foreign exchange risk) is determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:

- a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Market Risk + Capital Charge for General Market Risk.
- b) Capital Charge for Equity Position Risk = Capital Charge for Specific Market Risk + Capital Charge for General Market Risk.
- c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk

## **7. a) Operational Risk**

Bank followed the suggested methodology, process as contained in the Guideline. Operational Risk is defined as the risk or losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk, risk arising from staff inefficiency, risk arising from inadequacy in using ICT in full range.

## **b) Measurement Methodology**

Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by (alpha), of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

## **8. Disclosures under Pillar III**

Disclosures are given below as specified by RBCA Guideline:

### **A) Scope of Application**

#### **Qualitative Disclosure**

(a) The name of the corporate entity to which this guidelines applies	BANGLADESH DEVELOPMENT BANK LIMITED
(b) A brief description of the entity	Bangladesh Development Bank Limited (“BDBL” or the “Bank”) was incorporated under the Companies Act, 1994 on 16 November 2009 to acquire and take-over, as

going concern, the undertakings and businesses of statutory bodies of Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) constituted respectively under the Bangladesh Shilpa Bank Order, 1972 (President Order No.129 of 1972) and Bangladesh Shilpa Rin Sangstha Order, 1972 (President Order No.128 of 1972) with all of their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business. Two vendors agreement was executed between the Government of the Peoples Republic of Bangladesh and Bangladesh Development Bank Limited on 31 December 2009 in this regard.

The registered office of the Bank is located at 8 Rajuk Avenue, Motijheel, Dhaka-1000.

BDBL established two subsidiary companies; named BDBL Securities Limited, a fully owned subsidiary company which was incorporated on 23 May, 2011 with the Registrar of Joint Stock Companies & Firms with paid up capital of Tk. 200.00 million. The company is a member of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. and obtained Stock Broker and Stock Dealer License of DSE on 18.01.2012 and CSE on 15.05.2012 and BDBL Investment Services Limited, a fully owned subsidiary company which was incorporated on 06 August, 2014 with authorized and paid up capital of Tk. 500.00 million and 200.00 million respectively. A vendors Agreement was signed on 11 September, 2014 between BDBL and BISL for transfer of membership of DSE Trading Right Entitlement Certificate (TREC) # 152 & Shares (7,215,106 share per 10TK). DSE approved conversion of DSE TREC # 152 & Shares in favor of BISL at its 813<sup>th</sup> Board Meeting held on 26 November 2015 and then BSEC issued Stock Dealer and Stock Broker Registration Certificate in favor of BISL on 19 January 2016. So, the company

	could not start operation during the year 2015.
(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not Applicable
<b>Quantitative Disclosure</b> (d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the names of such subsidiaries	Not Applicable

**B) Capital Structure**

**Qualitative Disclosure**

(a) Summary information on the terms and conditions of the main features of all capital components, especially in the case of eligible capital components for inclusion in CET1, Additional Tier-1 and in Tier-2.	<p>The capital of BDBL can be classified into two tiers. The total regulatory capital will consist of sum of the following categories:</p> <ol style="list-style-type: none"> <li>1. Tier 1 Capital (going-concern capital) <ol style="list-style-type: none"> <li>a) Common Equity Tier 1</li> <li>b) Additional Tier 1</li> </ol> </li> <li>2. Tier-2 Capital (gone-concern capital).</li> </ol> <p>Tier-1 capital consists of CET1 and Additional Tier1 Capital highest quality capital items which are stable in nature and allow a bank to absorb losses on an ongoing basis. CET1 includes paid-up capital, statutory reserve, general reserve, retained earnings, minority interest in subsidiaries.</p> <p>Tier-2 capital lacks some of the characteristics of the core capital but also bears loss absorbing capacity to a certain extent. Capital consists of applicable percentage of revaluation reserves and general provision (against unclassified loans, SMA and off-balance sheet exposures). Presently the bank does not have any debt instruments eligible for capital counting.</p>
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## Quantitative Disclosure

Amount in “000” Tk

		<u>Solo</u>	<u>Consolidated</u>
(b) The amount of Regulatory Capital Tier 1 Capital, with separate disclosure of (as on 31.12.2015):	> Paid up Capital	4000,000	4000,000
	> Statutory reserve	2074221	2074221
	> General reserve	3597755	3597755
	> Retained earnings	306620	370668
		<b>9978596</b>	<b>10042645</b>
(c) Tier 2 capital	> General Provision	173043	173043
	> Asset Revaluation Reserve	2761880	2761880
		<b>2934923</b>	<b>2934923</b>
(d) Total amount of Tier I & Tier II Capital		<b>12913519</b>	<b>12977568</b>
(f) Other deduction from Capital		843638	909319
<b>(g) Total Regulatory capital</b>		<b>12069881</b>	<b>12068249</b>

## D) Credit Risk

### Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to credit risk, including: * Definitions of past due and impaired (for accounting purposes)	Bank classifies loans and advances into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect. An NPA (impaired) is defined as a loan or an advance where interest and/ or Installments of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or Term Loan etc. Classified loan is categorized under following 03(three) categories:
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	<p>&gt;Substandard &gt;Doubtful &gt;Bad &amp; Loss</p> <p>Any <b>continuous loan</b> will be classified as:  &gt; Sub-standard' if it is past due/overdue for 6 months or beyond but less than 9 months.  &gt; "Doubtful' if it is past due/overdue for 9 months or beyond but less than 12 months.  &gt; Bad/Loss' if it is past due/overdue for 12 months or beyond.</p> <p>Any <b>Demand Loan</b> will be classified as  &gt; Sub-standard' if it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan.  &gt; Doubtful' if it remains past due/overdue for 9 months or beyond but not over 12 months from the date of claim by the bank or from the date of creation of forced loan.  &gt; Bad/Loss' if it remains past due/overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced loan.</p> <p>In case of any installment(s) or part of installment(s) of a <b>Fixed Term Loan</b> is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'Defaulted installment'.  i. In case of Fixed Term Loans, which are repayable <b>within maximum five years</b> of time:  &gt; If the amount of 'defaulted installment' is equal to or more than the amount of installment due within 6 (six) months, the entire loan will be classified as "Sub-standard".  &gt; If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loan will be classified as "Doubtful".  &gt; If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire loan will be classified as "Bad/Loss"  ii. In case of Fixed Term Loans, which are repayable in <b>more than five years</b> of time:  &gt; If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loan will be classified as "Sub-standard".</p>
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<p>* Description of approaches followed for specific and general allowances and statistical methods</p>	<p>&gt; If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire loan will be classified as "Doubtful".  &gt; If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 24 (twenty four) months, the</p>
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	entire loan will be classified as "Bad/Loss".																																																			
	<table border="1"> <thead> <tr> <th rowspan="2">Types of loans</th> <th colspan="5">Provision</th> </tr> <tr> <th>UC</th> <th>SMA</th> <th>SS</th> <th>DF</th> <th>BL</th> </tr> </thead> <tbody> <tr> <td>House building And professionals</td> <td>2%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Other than Housing Finance</td> <td>5%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Professionals to setup business</td> <td>2%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Short term Agri. Credit and Micro Credit</td> <td>5%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Small &amp; Medium Enterprise</td> <td>1%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Others</td> <td>1%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> </tbody> </table>					Types of loans	Provision					UC	SMA	SS	DF	BL	House building And professionals	2%	5%	20%	50%	100%	Other than Housing Finance	5%	5%	20%	50%	100%	Professionals to setup business	2%	5%	20%	50%	100%	Short term Agri. Credit and Micro Credit	5%	5%	20%	50%	100%	Small & Medium Enterprise	1%	5%	20%	50%	100%	Others	1%	5%	20%	50%	100%
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* Discussion of the Bank's credit risk management policy	<p>Credit risk is the risk that the counterparty of a financial institution fails to meet its obligation and causes to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or activities in the same geographical region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Credit Risk Management Department (CRMD). CRMD determines the quality of the credit portfolio and assists in minimizing potential losses.</p>																																																			

**Amount in "000" Tk**

		<u>Solo</u>	<u>Consolidated</u>
(B) Total gross credit risk exposures broken down by major types of credit exposure.	Cash Credit	4041820	4041820
	Long Term Loan	10264580	10144933
	Over Draft	53328	-
	Local Documentary Bill Purchase	282663	282663
	Bridge Loan	42950	42950
	Consumer Loan	355210	355210
	Loan Under Investors		

	Scheme Staff Loan	9 <u>3096950</u> <b>18137510</b>	9 <u>3096950</u> <b>17964535</b>
(C) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	<b>Division wise Loans and Advances:</b> Dhaka Division Khulna Division Chittagong Division Rajshahi Division Barishal Division Sylhet Division Rangpur Division	13010724 729963 1069968 1576133 438125 164626 <u>1147971</u> <b>18137510</b>	12837749 729963 1069968 1576133 438125 164626 <u>1147971</u> <b>17964535</b>
(D) Sector wise Loans and Advances	<b>Industrial Sector</b> Food & Allied Products Jute & Allied Fiber Products Cotton, Woolen & Synthetic Textile Paper, Paper Products & Printing Tannery & its Products Non-metallic mineral Products Forest, Wood Products & Saw Mills Rubber & Rubber Products Metal Products Electrical Machinery & Goods Machinery & Spare Parts Transport Chemicals & Pharmaceuticals Petro- Chemicals Service Industries Miscellaneous	3427771 - 126480 - 5220415 - 105574 88471 - 230817 - 6647 564155 98675 17471 70703 317824 260577 797151 <u>6804779</u> <b>18137510</b>	3427771 - 126480 - 5220415 - 105574 88471 - 230817 - 6647 564155 98675 17471 70703 317824 260577 797151 <u>6631804</u> <b>17964535</b>
(F) Classification Status of Loans and Advances	<b>Classification Status</b> Standard Special Mentioned Accounts Sub-Standard Doubtful Bad/Loss	10150979 147920 461500 1173900 <u>5310225</u>	9978004 147920 461500 1173900 <u>5310225</u>

		<b>18137510</b>	<b>17964535</b>
(G) Residual contractual maturity break down of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	165000	165000
	– upto 3 months	1920000	1747025
	– over 3 months but below 1 year	4090600	4090600
	– over 1 year but below 5 years	5423500	5423500
	– over 5 years	<u>6538410</u>	<u>6538410</u>
		<b>18137510</b>	<b>17964535</b>
(H) Provision Against Loans & Advances	<b>Provision for Un-Classified Loan</b>		
	Provision held at the beginning of the year	136612	136612
	Fully provided debts written off (-)	-	-
	Recoveries of amount Previously Written off (+)	47500	47500
	Specific provision for the year (+)	-	-
	Provision Transfer to other Assets	-	-
	Excess provision transferred to provision for CI Loan (-)	-	-
	Specific Provision For Special Mentioned	-	-
	<b>Provision held at the end of the year</b>	<b>184112</b>	<b>184112</b>

	<b>Provision for Classified Loan</b>		
	Provision held at the beginning of the year	2239181	2239181
	Fully provided debts written off (-)	-	-
	Recoveries of amount Previously Written off (+)	138151	138151
	Specific provision for the year (+)	577800	577800
	Recoveries & provision no longer required (-)	-	-
	Excess provision transferred for Off-Balance Sheet ITEMS(-)	(3500)	(3500)
	Excess provision transferred to provision for unclassified loan	(47500)	(47500)
	<b>Provision held at the end of the year</b>	<b>2904132</b>	<b>2904132</b>

**E) Equities: Disclosures for Banking Book Positions**  
**Qualitative Disclosure**

(a) The general qualitative disclosure requirement with respect to the equity risk, including :	Investment in equity is mainly for investment like investment in shares, Marketable securities, Bond, Debentures etc. Quoted shares are valued at cost. Sufficient provision is maintained as per requirement. Unquoted shares are valued at cost. As per Basel-III, Provision on Shares was 843637 as on 31-12-2015 and it was deducted from common equity tier-1 capital accordingly for calculation of regulatory capital.
<input type="checkbox"/> Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and <input type="checkbox"/> Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	
(b) Value disclosed in the balance sheet of investment, as well as the fair value of those investments for quoted securities, a	Value of quoted and unquoted shares has been shown at cost and market price in the financial statements as well as in the Basel-III statement.

comparison to publicly quoted share values where share price is materially different from fair value.	
(C) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	The cumulative realized gains (losses) arising from sales and liquidations is shown in the financial statements at reporting period.
(d) * Total unrealized gains (losses) * Total latent revaluation gains (losses) * Any amounts of the above included in Tier 2 capital	13663703 - -
(e) Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	Regulatory capital requirement has been calculated through breaking down equities consisting with the bank's methodology. Such as Investment in quoted and unquoted shares.

**F) Market Risk  
Qualitative Disclosure**

(a) Views of BOD on trading/ investment activities	The Board Of Directors (BOD) keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations.
(b) Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk according to sub-categories. For each risk category, minimum capital requirement is measured separately. Capital is charged for 'specific risk' and 'general market risk' respectively.
(c) Market risk Management system	The Central Accounts Departments(CAD) manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee(ALCO) comprising senior executives of the Bank. ALCO is chaired by

	the Managing Director. ALCO meeting is held at least once in a month.
d) Policies and process for mitigating market risk	There are approved policies for Market risk related instruments both on-balance sheet and off-balance sheet items. The investments are monitored and enforced on a regular basis to protect against market risks. Prevailing market condition, exchange rate, forex position and transactions are reviewed time to time to mitigate market risks.

### Qualitative Disclosure

	<u>Solo</u>	<u>Consolidated</u>
<b>(b) The capital requirements for:</b>		
Interest rate risk	1091662	1182814
Equity position risk	15544	15544
Foreign exchange risk	-	-
Commodity risk	-	-
	<b>1107206</b>	<b>1198358</b>

### H) Operational Risk Qualitative Disclosure

(a) > Views of BOD on system to reduce Operational Risk	The BOD keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations. The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh bank. Audit committee of the Bank oversees the activities of Internal Control & Compliance Division (ICCD) to protect against all operational risk.
>Performance gap of executives and staffs	BDBL has a policy to provide equal opportunity and best working environment to the employees. BDBL's strong image plays an important role in employee motivation. As a result, there is no significant performance gap.
>Potential external events	No potential external events is expected to expose the Bank to significant operational risk.

<p>&gt;Policies and processes for mitigating operational risk</p>	<p>The policy for operational risks including internal control &amp; compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh bank. Policy guidelines on Internal Audit system is in operation. Branches are audited regularly by Internal Control &amp; Compliance Division (ICCD).</p> <p>It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. ICCD directly report to Audit Committee of the Bank. Bank's Anti- Money laundering activities are supervised by CAMELCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check &amp; balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.</p>
<p>&gt; Approach for calculating capital charge for operational risk</p>	<p>Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.</p>

### Quantitative disclosure

	<u>Solo</u>	<u>Consolidated</u>
b) The capital requirements for Operational Risk	391821	398367

### I) Liquidity Ratio

#### Qualitative Disclosure

Liquidity ratios are a class of financial metrics used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts. Common liquidity ratios include the Statutory Liquidity Requirement, Cash Reserve Ratio, Advanced Deposit Ratio/Credit Deposit Ratio, Liquid Asset to total Deposit, Liquid Asset to Short term liabilities, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio, Leverage Ratio, Liquidity stress test. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance

when creditors are seeking payment. Bankruptcy analysts and mortgage originators frequently use the liquidity ratios to determine whether a company will be able to continue as a concern. Liquidity Ratio is calculated in every month in the ALCO paper and it is shown in the structural Liquidity profile (SLP). The ratio is favorable to the Bank.

**Views of BOD on system to reduce liquidity risk: N/A**

**Methods used to measure Liquidity risk: N/A**

**Liquidity risk management system:**

**At any gap at any particular maturity bucket, the liquidity risk will be managed through following systems :**

- (i) Fund will be mobilized first from money market.**
- (ii) Withdrawal of balance will be deposited with other banks.**
- (iii) The excess amount of CRR with BB will be withdrawn.**
- (iv) Marketable securities will be sold with no or very negligible losses.**
- (v) Fund will be mobilized through Repo or Reverse Repo activities**

**Policies and process for mitigating liquidity risk: N/A**

Quantitative disclosure

<b>SL No.</b>	<b>Components</b>	<b>Solo (Ratio/Amount)</b>	<b>Consolidated (Ratio/Amount)</b>
1.	Liquidity Coverage Ratio	0.57	0.61
2.	Net Stable Funding Ratio (NSFR)	1.05	1.19
3.	Stock of High quality liquid assets (In “000”)	599000	655000
4.	Total net cash outflows over the next 30 calendar days (In “000”)	1055600	1766600
5.	Available amount of stable funding (In “000”)	6520500	7525500
6.	Required amount of stable funding (In “000”)	6520300	7025300

## J) Leverage Ratio

### Qualitative Disclosure

#### Views of BOD on system to reduce excessive leverage:

The Board of Director is well acquainted regarding the leverage ratio and they instructed to sanction and disburse loans and advances to good borrowers.

#### Policies and process for mitigating excessive on and off-balance sheet leverage: N/A

#### Approach for calculating exposure:

Leverage ratio is calculated on the basis of Basel-III guidelines and the bank's outstanding data & information.

#### Quantitative disclosure:

SL No.	Components	Solo (Amount in "000")	Consolidated (Amount in "000")
1.	Leverage Ratio	19.44%	19.25%
2.	On-balance sheet exposure	51456439	51378565
3.	Off-balance sheet exposure	1150182	1150182
4.	Total exposure	52606621	52528747