

Housing Development Finance Corporation Limited

Public disclosure on Liquidity Risk for the period ended 30th Sept 2022

Disclosure in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank of India) Directions, 2021 dated February 17, 2021 issued by the Reserve Bank of India read with para 15A on Guidelines on Liquidity Risk Management Framework in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(i) Funding Concentration based on significant counterparty (both Deposits and Other Borrowings)

₹ in Crore

| Sr No. | Type of Instruments | Number of Significant Counter parties | 30-Sep-22 | % of Total Deposits | % of Total Liabilities* |
|--------|---------------------|---------------------------------------|-----------|---------------------|-------------------------|
| 1 | Deposits | 1 | 7,280 | 4.47% | 1.31% |
| 2 | Other Borrowings | 17 | 225,606 | NA | 40.55% |

(ii) Top 20 Large Deposits (amount in ₹ Crore and % of Total Deposits)

₹ in Crore

| Sr No. | Name | 30-Sep-22 | % of Total Deposits |
|--------|--------------------------------|-----------|---------------------|
| 1 | Total of top 20 large deposits | 32,645 | 20.04% |

(iii) Top 10 Borrowings (amount in ₹ Crore and % of Total Borrowings)

₹ in Crore

| Sr No. | Name | 30-Sep-22 | % of Total Borrowings |
|--------|----------------------------|-----------|-----------------------|
| 1 | Total of top 10 borrowings | 177,443 | 33.54% |

(iv) Funding Concentration based on significant Instrument/Product

₹ in Crore

| Sr No. | Name of the Instrument/Product | 30-Sep-22 | % of Total Liabilities* |
|--------|--|----------------|-------------------------|
| 1 | - Debt Securities | 219,199 | 39.40% |
| 2 | - Borrowings (Other than Debt Securities) | 143,951 | 25.87% |
| 3 | - Deposits | 162,883 | 29.28% |
| 4 | - Subordinated Liabilities | 3,000 | 0.54% |
| | Total | 529,034 | 95.09% |
| | Funding Concentration pertaining to insignificant instruments/products | - | - |
| | Total borrowings under all instruments/products | 529,034 | 95.09% |

(v) Stock Ratios:

| Particulars | Total public funds | Total Liabilities* | Total Assets |
|--|--------------------|--------------------|--------------|
| (a) Commercial papers | 7.12% | 6.77% | 5.54% |
| (b) Non-convertible debentures (original maturity of less than one year) | - | - | - |
| (c) Other short-term liabilities | 20.58% | 19.57% | 16.01% |

V. Sonali Range



(vi) Institutional set-up for Liquidity Risk Management

The Liquidity Risk Management Framework of the Corporation is managed in accordance with its Board approved Financial Risk management and ALM Policy and prescribed guidelines. The policy framework and the operational parameters are also regularly reviewed by the Asset and Liability Management Committee (ALCO) in the context of regulations, expected financial market conditions and the performance of the Corporation.

The cash flow requirements of the Corporation are monitored and managed on a daily basis. The Corporation regularly monitors the gap between maturing assets and liabilities across all time buckets. While regulatory gaps are periodically monitored, the Corporation also maintains internal thresholds to monitor these gaps across tenors while planning for future funding requirements. The Corporation, at all times, maintains adequate surplus liquidity in various asset classes, to meet all its scheduled obligations, fund new business requirements and mitigate risks of any unexpected developments in the financial markets.

The Corporation has in place a well-defined front-mid and back office mechanism with specific roles and responsibilities defined for each function. Further, as per Guidelines released by RBI, NBFC-HFCs are required to maintain the Liquidity Coverage Ratio (LCR) effective from 1st Dec 2021, to maintain liquidity buffers to withstand potential liquidity disruptions by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. As per the guidelines, the weighted values of the net cash flows are calculated after the application of respective haircuts for HQLA and considering stress factors on inflows at 75% and outflows at 115%. For all Deposit taking NBFC-HFCs there is a phased transition towards meeting the minimum LCR, with the requirement as on 1st Dec 21 being 50%. There after, the requirement increases from 1st Dec 22 onwards in a graded manner. The Corporation has put in place a liquidity risk management framework so as to adhere to the said LCR guidelines and timelines.

***Notes**

- 1) A "Significant counterparty" is defined as a single counterparty accounting for more than 1% of the the total liabilities of the Corporation, as on 30th September 2022
- 2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for NonBanking Financial Companies and Core Investment Companies
- 3) Public funds are as defined in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
- 4) *Total Liabilities of Rs 5,56,342 cr has been computed as sum of all liabilities.
- 5) Short term liabilities have been computed based on Original Tenors

V. Suresh Kumar

