

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.

		Q3 - Dec 2016		Q2 - Sep 2016		Q1 - June 2016	
		Total Unweighted Value (average) #	Total Weighted Value (average) #	Total Unweighted Value (average)\$	Total Weighted Value (average)\$	Total Unweighted Value (average)@	Total Weighted Value (average)@
High Quality Liquid Assets							
1	Total High Quality Liquid Assets (HQLA)		577,143		473,713		451,893
Cash Outflows							
2	Retail deposits and deposits from small business customers, of which:	847,989	84,041	731,106	72,467	623,906	61,797
(i)	Stable deposits	15,157	758	12,879	644	11,866	593
(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)	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	1,160,114	627,314	1,094,024	624,600	923,242	546,691
(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)	Outflows related to derivative exposures and other collateral requirements	6,543	6,543	2,593	2,593	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-
6	Other contractual funding obligations	47,859	7,490	-	-	-	-
7	Other contingent funding 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							
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
23	Liquidity Coverage Ratio (%)		90.08		83.33		93.64

The average weighted and un-weighted amounts are calculated taking simple average of October '16, November '16 and December '16 figures

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

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