

LIQUIDITY COVERAGE RATIO - JUNE 2017

The Liquidity Coverage Ratio (LCR) is a global minimum standard for Banks' Liquidity Risk Management. It aims to ensure that a bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for the next 30 calendar day liquidity stress scenario.

The LCR is a ratio of Bank's High Quality Liquid Assets (HQLA) to the estimated net outflows over next 30 calendar day period of significant stress. The Bank's HQLA mainly consists of Level 1 Assets comprising of excess of SLR balances, the extent allowed under the Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). Additionally, cash, balances in excess of cash reserve requirement with RBI also form part of Level 1 HQLA. Level 2 HQLA primarily consists of corporate bonds, debentures, commercial papers issued by non-financial institutions which are rated AA- and above as Level 2A and rated BBB- to A+, as level 2B, respectively, considered at prescribed haircuts.

Cash outflows are calculated by applying RBI prescribed outflow factors to the various categories or types 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 1, 2017, the minimum LCR requirement is 80% and to be computed as simple average of daily observations during the quarter. The average LCR for the quarter ended June 30, 2017 stood at 98.93%.

Amt in ₹ Lacs

| | | June 2017 | | March 2017 | |
|-------|--|------------------------------------|----------------------------------|-----------------------------------|---------------------------------|
| | | Total Unweighted Value (average)\$ | Total Weighted Value (average)\$ | Total Unweighted Value (average)* | Total Weighted Value (average)* |
| 1 | Total High Quality Liquid Assets (HQLA) | | 662,719 | | 585,171 |
| 2 | Retail deposits and deposits from small business customers, of which: | 1,047,257 | 103,873 | 943,033 | 93,503 |
| (i) | Stable deposits | 17,048 | 852 | 16,001 | 800 |
| (ii) | Less stable deposits | 1,030,210 | 103,021 | 927,032 | 92,703 |
| 3 | Unsecured wholesale funding, of which: | 1,263,147 | 647,983 | 1,159,962 | 565,064 |
| (i) | Operational deposits (all counterparties) | - | - | - | - |
| (ii) | Non-operational deposits (all counterparties) | 1,263,147 | 647,983 | 1,159,962 | 565,064 |
| (iii) | Unsecured debt | - | - | - | - |
| 4 | Secured wholesale funding | | - | | - |
| 5 | Additional requirements, of which | 10,294 | 10,294 | 14,741 | 14,741 |
| (i) | Outflows related to derivative exposures and other collateral requirements | 3,802 | 3,802 | 5,713 | 5,713 |
| (ii) | Outflows related to loss of funding on debt products | - | - | - | - |
| (iii) | Credit and liquidity facilities | - | - | - | - |
| 6 | Other contractual funding obligations | 88,471 | 16,056 | 44,899 | 5,852 |
| 7 | Other contingent funding obligations | 1,822,825 | 72,048 | 1,665,778 | 64,453 |
| 8 | Total Cash Outflows | | 854,056 | | 743,613 |
| 9 | Secured lending (e.g. reverse repos) | 11,599 | 11,599 | 9,419 | 9,419 |
| 10 | Inflows from fully performing exposures | 184,926 | 92,463 | 182,673 | 91,336 |
| 11 | Other cash inflows | 84,048 | 80,090 | 72,322 | 68,920 |
| 12 | Total Cash Inflows | 280,573 | 184,152 | 264,414 | 169,675 |
| | | | Total Adjusted Value | | Total Adjusted Value |
| 21 | TOTAL HQLA | | 662,719 | | 585,171 |
| | Total Net Cash Outflows | | 669,905 | | 573,938 |
| | Liquidity Coverage Ratio (%) | | 98.93 | | 101.96 |

* The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from January 1, 2017 to March 31, 2017.

\$ The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from April 1, 2017 to June 30, 2017.