

LIQUIDITY COVERAGE RATIO – March 2019

Liquidity Coverage Ratio (LCR) is a global minimum standard aimed at measuring and promoting short-term resilience of banks to potential liquidity stress by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive net cash outflows over next 30 days under stress conditions. It is a ratio of Bank's High Quality Liquid Assets (HQLA) to the estimated net outflows over next 30 day period of significant liquidity stress.

High quality liquid assets (HQLA) under LCR are divided into two parts i.e. Level 1 and Level 2 HQLA. Level 1 comprises primarily of cash, excess CRR, excess SLR securities, the extent allowed by RBI under Marginal Standing Facility (Currently 2%) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). FALLCR allowed was 9% of NDTL, this is increased to 11% with effect from June 15, 2018. This has been further increased to 13% w.e.f. October 1, 2018.

Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds, debentures, Commercial Papers issued by Non-Financial Institutes considered at prescribed haircuts.

Cash outflows are calculated by multiplying the outstanding balances of 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. Additionally, probable outflows on account of contingent liabilities such as Letters of Credit (LC) and Bank Guarantees (BGs) and undrawn commitment are estimated and considered by applying prescribed run-off factors.

The Bank computes LCR on a daily basis in accordance with RBI guidelines. Effective January 1, 2017, the LCR numbers are reported as a simple average of daily observations for the quarter. The Bank believes that all inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR.

In accordance with the RBI guidelines, the minimum LCR requirement for the calendar year 2018 was 90% and is increased to 100% January 1, 2019 onwards. The Bank's average LCR for the quarter ended March 31, 2019 computed as simple average of the daily observations during the quarter, stood at 127.90%.

(Amount in ₹ Lacs)

		Q4 - March 2019		Q3 - December 2018		Q2 - September 2018		Q1 - June 2018	
		Total Unweighted Value (average)#	Total Weighted Value (average)#	Total Unweighted Value (average)\$	Total Weighted Value (average)\$	Total Unweighted Value (average)@	Total Weighted Value (average)@	Total Unweighted Value (average)^	Total Weighted Value (average)^
1	Total High Quality Liquid Assets (HQLA)		1,306,272		1,016,453		886,495		732,328
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	1,619,892	157,929	1,524,553	148,163	1,434,451	139,228	1,355,505	135,072
(i)	Stable deposits	81,214	4,061	86,653	4,355	86,111	4,349	10,741	576
(ii)	Less stable deposits	1,538,678	153,868	1,437,900	143,808	1,348,340	134,879	1,344,764	134,496
3	Unsecured wholesale funding, of which:	2,091,478	1,141,568	1,782,242	968,054	1,696,563	894,897	1,570,229	870,547
(i)	Operational deposits (all counterparties)	0	0	0	0	0	0	0	0
(ii)	Non-operational deposits (all counterparties)	2,091,478	1,141,568	1,782,242	968,054	1,696,563	894,897	1,570,229	870,547
(iii)	Unsecured debt	0	0	0	0	0	0	0	0
4	Secured wholesale funding		0		0				
5	Additional requirements, of which	12,729	12,729	8,337	8,337	8,320	8,320	11,127	11,127
(i)	Outflows related to derivative exposures and other collateral requirements	0	0	0	0	2,866	2,866	4,509	4,509
(ii)	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	0	0	0	0	0	0	0	0
6	Other contractual funding obligations	2,464	985	1,159	464	12,460	4,854	30,874	8,721
7	Other contingent funding obligations	3,041,126	106,445	2,826,757	98,421	2,657,310	93,503	2,482,145	87,746
8	Total Cash Outflows		1,419,656		1,223,439		1,140,802		1,113,213
Cash Inflows									
9	Secured lending (e.g. reverse repos)	283,036	-	97,693	-	67,295	-	57,926	-
10	Inflows from fully performing exposures	378,400	225,173	413,220	239,917	353,765	218,055	355,916	205,038
11	Other cash inflows	195,477	173,167	170,368	141,214	150,148	125,865	202,343	170,370
12	Total Cash Inflows	856,913	398,340	681,281	381,131	571,208	343,920	616,185	375,408
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
21	TOTAL HQLA		1,306,272		1,016,453		886,495		732,328
22	Total Net Cash Outflows		1,021,317		842,308		796,882		737,805
23	Liquidity Coverage Ratio (%)		127.90		120.67		111.25		99.26

The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from January 1, 2019 to March 31, 2019.

\$ The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from October 1, 2018 to December 31, 2018

@ The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from July 1, 2018 to September 30, 2018.

^ The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from April 1, 2018 to June 30, 2018