

DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 30.09.2019

Qualitative Disclosure for LCR:

Liquidity Coverage Ratio (LCR) BLR-1 aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted easily and immediately into cash to meet liquidity needs for a 30 calendar day time horizon.

LCR has been defined as =
$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

Liquid assets comprise of high quality assets that can be readily converted into cash or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of High Quality Liquid Assets (HQLA), viz. Level 1 and Level 2 assets. Level 2 assets are further classified as Level 2A and Level 2B assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively. High Quality Liquid Assets (HQLA) primarily include government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Cash & balances in excess of cash reserve requirement with RBI also constitute High Quality Liquid Assets (HQLA).

The Bank has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress scenario. The Bank has put in place Contingency Funding Plan approved by ALCO and IRMC of the Board. The contingency Funding Plan will include stored Liquidity in the form of 1% of NDTL in the shape of excess SLR and 2% in the shape of CD's/Liquid Funds or 3% in any of the two i.e., excess SLR or CD's/Liquid funds. These investments can be liquidated any time to generate cash and maintain sufficient liquidity for funding, growth and meeting repayment obligations.

LCR is being computed strictly as per RBI guidelines issued vide circular DBOD.BP.BC.No.120/21.04.098/2013-14 and subsequent amendments.

LCR statement in the prescribed format is being submitted to RBI at the end of every month and put up to the Board and Management as part of ICAAP at quarterly rests.

Average LCR of the Bank was **205.65%** for the Quarter Sept 2019 which is well above the requirement of 100% prescribed by RBI from January 2019 onwards.

Quantitative Disclosure:**LCR Disclosure for Quarter Sept 2019***Amount in Crores*

		Quarter Sept 2019		Quarter June 2019	
		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)	16731.87	16713.50	15654.96	15591.14
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which	36676.60	2887.30	33034.97	2573.69
(i)	Stable deposits	15607.17	780.36	14596.09	729.80
(ii)	Less stable deposits	21069.43	2106.94	18438.88	1843.89
3	Unsecured wholesale funding ,of which	11885.07	5604.85	8659.61	2868.70
(i)	Operational Deposits (all counterparties)	0.00	0.00	3825.74	900.40
(ii)	Non Operational deposits (all counterparties)	11885.07	5604.85	4833.87	1968.30
(iii)	Unsecured debt	0.00	0.00	0.00	0.00
4	Secured Wholesale funding	362.30	0.00	141.64	0.00
5	Additional requirements of which				
(i)	Outflows related to derivative exposure and other collateral requirements	0.00	0.00	0.00	0.00
(ii)	outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii)	credit and liquidity facilities	0.00	0.00	0.00	0.00
6	Other contractual funding Obligations	7737.62	604.72	8031.49	673.56
7	Other contingent funding Obligations	4495.88	134.88	3899.25	116.98
8	Total cash outflows	61157.45	9231.76	53766.97	6232.93
Cash Inflows					
9	secured Lending (e.g. reverse repo)	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposure	1614.98	1104.80	2018.27	1511.40
11	Other cash inflows	0.00	0.00	0.00	0.00
12	Total cash inflows	1614.98	1104.80	2018.27	1511.40
			Total adjusted value		Total adjusted value
	TOTAL HQLA	16731.87	16713.50	15654.96	15591.14
	Total Net Cash Outflows	59542.47	8126.96	51748.70	4721.53
	Liquidity Coverage ratio (%)		205.65%		330.21