Qualitative disclosure around Liquidity Coverage Ratio (LCR)

In the backdrop of the global financial crisis that started in 2007, the Basel Committee on Banking Supervision (BCBS) proposed certain reforms to strengthen global capital and liquidity regulations with the objective of promoting a more resilient banking sector. In this direction BCBS published guidelines on 'Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools' in January 2013 and the 'Liquidity Coverage Ratio Disclosure Standards' in January 2014. Accordingly, Reserve Bank of India, vide its circular dated June 09, 2014, issued guidelines on Liquidity Coverage Ratio (LCR).

The LCR promotes short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days. The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors.

Definition of LCR:

Stock of high quality liquid assets (HQLAs)

---> = 100%

Total net cash outflows over the next 30 calendar days

The LCR requirements are binding on banks from January 1, 2015. However, with a view to provide a transition time for banks, the requirement is minimum 60% for the calendar year 2015 i.e. with effect from January 1, 2015, and rise in equal steps of 10% over a period of 4 years to reach the minimum required level of 100% on January 1, 2019.

High Quality Liquid Assets (HQLA):

Under the standard, banks must hold a Stock of unencumbered HQLA to cover the total net cash outflows over a 30-day period under the prescribed stress scenario. In order to qualify as HQLA, assets should be liquid in markets during times of stress and, in most cases, be eligible for use in central bank operations. The HQLA of the Bank mainly comprise of SLR investments over and above mandatory requirement, liquidity available by way of borrowing under Marginal Standing Facility (2% of NDTL), Facility to Avail Liquidity for Liquidity Coverage Ratio (13% of NDTL) & other securities issued by PSEs or non-financial corporate.

Total net cash outflows:

Total expected cash out flows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected 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.

Liquidity Management:

The Bank has well organized liquidity risk management structure as enumerated in ALM Policy which is approved by the Board. The Asset Liability Management Committee (ALCO) of the Bank monitors & manages liquidity and interest rate risk in line with the business strategy. ALM activity including liquidity analysis & management is conducted through coordination between various ALCO support groups residing in the functional areas of Balance Sheet Management, Treasury Front Office, Budget and Planning etc. ALCO directives and ALM actions are implemented by the business groups and verticals.

The average LCR of the Bank for FY2018-19 is at 114.37%.

Disclosure of Liquidity Coverage Ratio (LCR)

(in Crores)

Total Unweighted Value (average)* Value (average)*	Particulars		F Y (2018-19)		
High Quality Liquid Assets Total High Quality Liquid Assets (HQLA) S1,310.87			Total	Total Weighted	
High Quality Liquid Assets Total High Quality Liquid Assets (HQLA) Total Ret Cash Outflow Total Ret Cash Outflow Total Ret Cash Outflows Total Adjusted Value Total Ret Cash Outflows Total Adjusted Value Total Net Cash Outflows Tot			Unweighted	Value (average)*	
Total High Quality Liquid Assets (HQLA)			Value (average)*		
Cash Outflow 107,625.83 10,663.54 2 Retail deposits and deposits from small business customers of which: 107,625.83 10,663.54 (i) Stable deposits 1,980.78 99.04 (ii) Less stable deposits 105,645.05 10,564.50 3 Unsecured wholesale funding of which: 38,134.23 26,908.94 (i) Operational deposits (all counterparties) - - (ii) Non-operational deposits (all counterparties) - - (iii) Non-operational deposits (all counterparties) 25,469.60 25,469.60 (iiii) Unsecured debt 1,439.34 1,439.34 4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (iii) Outflows related to loss of funding on debt products - - - (iiii) Credit and liquidity 121.92 12.19 12.19 6 Other contra	High Quality Liquid Assets				
Retail deposits and deposits from small business customers of which: (i) Stable deposits 1,980.78 99.04 (ii) Less stable deposits 105,645.05 10,564.50 3 Unsecured wholesale funding of which: 38,134.23 26,908.94 (i) Operational deposits (all counterparties) - - (ii) Non-operational deposits (all counterparties) - - (iii) Unsecured debt 1,439.34 1,439.34 4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements (ii) Outflows related to loss of funding on debt products (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contractual funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 100 100 100 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36 100	1	Total High Quality Liquid Assets (HQLA)		51,310.87	
business customers of which: (i) Stable deposits 1,980.78 99.04 (ii) Less stable deposits 105,645.05 10,564.50 3 Unsecured wholesale funding of which: 38,134.23 26,908.94 (i) Operational deposits (all counterparties) - - (ii) Non-operational deposits (all counterparties) 25,469.60 (iii) Unsecured debt 1,439.34 1,439.34 4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (iii) Outflows related to loss of funding on debt products - (iiii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	Cash Outflow				
(i) Stable deposits 1,980.78 99.04 (ii) Less stable deposits 105,645.05 10,564.50 3 Unsecured wholesale funding of which: 38,134.23 26,908.94 (i) Operational deposits (all counterparties) - - (ii) Non-operational deposits (all counterparties) - - (iii) Unsecured debt counterparties 1,439.34 1,439.34 4 Secured wholesale funding 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements of which and other collateral requirements 731.20 731.20 (ii) Outflows related to loss of funding on debt products - - (iii) Outflows related to loss of funding on debt products 121.92 12.19 (iii) Outher contractual funding obligations 3,302.18 3,302.18 7 Other contractual funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 3,745.96 3,745.96 10 Inflows from fully p	2	Retail deposits and deposits from small	107,625.83	10,663.54	
(ii) Less stable deposits 105,645.05 10,564.50 3 Unsecured wholesale funding of which: 38,134.23 26,908.94 (i) Operational deposits (all counterparties) - - (ii) Non-operational deposits (all counterparties) 25,469.60 (iii) Non-operational deposits (all counterparties) 25,469.60 (iiii) Unsecured debt 1,439.34 1,439.34 4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (iii) Outflows related to loss of funding on debt products - - (iii) Outflows related to loss of funding on debt products 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 10 <		business customers of which:			
Unsecured wholesale funding of which: 38,134.23 26,908.94	(i)	Stable deposits	1,980.78	99.04	
(i) Operational deposits (all counterparties) - - (ii) Non-operational deposits (all counterparties) 36,694.90 25,469.60 (iii) Non-operational deposits (all counterparties) 36,694.90 25,469.60 (iii) Unsecured debt 1,439.34 1,439.34 4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (ii) Outflows related to loss of funding on debt products - - (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 3,745.96 3,745.96 <t< td=""><td>(ii)</td><td>Less stable deposits</td><td>105,645.05</td><td>10,564.50</td></t<>	(ii)	Less stable deposits	105,645.05	10,564.50	
(iii) Non-operational deposits (all counterparties) 36,694.90 25,469.60 (iiii) Unsecured debt 1,439.34 1,439.34 4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (ii) Outflows related to loss of funding on debt products - - (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 50,110.75 Cash Inflows 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	3	Unsecured wholesale funding of which:	38,134.23	26,908.94	
Counterparties Counterparties Counterparties	(i)	Operational deposits (all counterparties)	-	-	
(iii) Unsecured debt 1,439.34 1,439.34 4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (iii) Outflows related to loss of funding on debt products - - - (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 1 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	(ii)	Non-operational deposits (all	36,694.90	25,469.60	
4 Secured wholesale funding 183.59 5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (ii) Outflows related to loss of funding on debt products - - (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 1 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36		counterparties)			
5 Additional requirements of which 853.13 743.40 (i) Outflows related to derivative exposures and other collateral requirements 731.20 731.20 (iii) Outflows related to loss of funding on debt products - - (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 1 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 51,310.87 14 Total Net Cash Outflows 44,863.36	(iii)	Unsecured debt	1,439.34	1,439.34	
(i) Outflows related to derivative exposures and other collateral requirements 731.20 (ii) Outflows related to loss of funding on debt products - (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	4	Secured wholesale funding		183.59	
and other collateral requirements Coutflows related to loss of funding on debt products 121.92 12.19	5	Additional requirements of which	853.13	743.40	
(ii) Outflows related to loss of funding on debt products - - (iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 1 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	(i)	Outflows related to derivative exposures	731.20	731.20	
products 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36		and other collateral requirements			
(iii) Credit and liquidity 121.92 12.19 6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	(ii)	Outflows related to loss of funding on debt	-	-	
6 Other contractual funding obligations 3,302.18 3,302.18 7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 1,332.61 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36		products			
7 Other contingent funding obligations 189,065.56 8,309.11 8 Total Cash Outflows 50,110.75 Cash Inflows 9 Secured lending (e.g. reverse repos) 1,332.61 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	(iii)	Credit and liquidity	121.92	12.19	
8 Total Cash Outflows 50,110.75 Cash Inflows 9 Secured lending (e.g. reverse repos) 1,332.61 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	6	Other contractual funding obligations	3,302.18	3,302.18	
Cash Inflows 9 Secured lending (e.g. reverse repos) 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	7	Other contingent funding obligations	189,065.56	8,309.11	
9 Secured lending (e.g. reverse repos) 10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	8	Total Cash Outflows		50,110.75	
10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	Cash Inflows				
10 Inflows from fully performing exposures 3,002.87 1,501.43 11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	9	Secured lending (e.g. reverse repos)			
11 Other cash inflows 3,745.96 3,745.96 12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36			1,332.61		
12 Total Cash Inflows 8,081.43 5,247.39 Total Adjusted Value 13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	10	Inflows from fully performing exposures	3,002.87	1,501.43	
13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	11	Other cash inflows	3,745.96	3,745.96	
13 TOTAL HQLA 51,310.87 14 Total Net Cash Outflows 44,863.36	12	Total Cash Inflows	8,081.43	5,247.39	
14 Total Net Cash Outflows 44,863.36				Total Adjusted Value	
	13	TOTAL HQLA		51,310.87	
15 Liquidity Coverage Ratio (%) 114.37%	14	Total Net Cash Outflows		44,863.36	
	15	Liquidity Coverage Ratio (%)		114.37%	

^{*} The average weighted and un-weighted amounts are calculated taking daily simple average from 1st April, 2018 to 31st March, 2019 for working days.