

LIQUIDITY COVERAGE RATIO (LCR) DISCLOSURE AT 31-MARCH-2020

Liquidity Coverage Ratio (LCR) standard is introduced to test the liquidity resilience of the Bank, for a minimum stress period of 30 days. The standard ensures, the Bank maintains adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted into cash to meet liquidity needs (net cash-out flows). The LCR is defined as:

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

As per the RBI guideline Banks are required to maintain a minimum LCR of 100% from 1st January 2019.

HQLA comprises of Level 1 assets (0% hair-cut), Level 2A assets (15% hair-cut) and Level 2B assets (50% hair-cut). Level 1 assets comprising of cash, excess CRR, excess SLR securities, government securities to the extent allowed by RBI under Marginal Standing Facility (MSF) [currently 3 per cent of the Bank's NDTL- from 27th March 2020 to 30th June 2020] and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) [as on 31st March 2020 14.5 per cent of the Bank's NDTL].

Level 2A assets comprises of sovereign guaranteed marketable securities, corporate bonds or commercial papers which are rated AA- and more are issued other than by financial institutions. Level 2B assets include investments in common equity shares included in NSE CNX Nifty and/or S&P BSE Sensex indices.

Expected net cash outflows under stress are the weighted sum of outflows minus inflows in the next 30 days. Funding from retail and small business customers carries lower run-off factor as compared to wholesale funding.

The prime drivers of the LCR are the level of surplus SLR held by the Bank and the proportion of retail and wholesale funding source.

Weighted Level 1 assets of the Bank constitutes around 97 per cent of the total HQLA, and the remaining 3 per cent comprises of Level 2A and Level 2B assets. Excess SLR securities (part of level 1 assets) forms around 23 per cent of the total HQLA.

During the FY 2019-20, the LCR of the Bank remained above the minimum requirement on all observed counts. The LCR (Solo Basis) increased year on year from average of 107.49% (FY 2018-19) to 123.78% (FY 2019-20).

Quarter on quarter, the LCR of the Bank moved from 108.84% (June'19) to 118.82% (September'19) and to 128.58% (December'19). For the quarter ended March'20 the LCR of the Bank stood at 139.10%.

Liquidity Coverage Ratio

₹ in Crore

Particulars	FY 2019-20 (Consolidated)		FY 2019-20 (Solo)		Quarter ended March 31, 2020		Quarter ended December 31, 2019		Quarter ended September 30, 2019		Quarter ended June 30, 2019		FY 2018-19 (Solo)	
	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)*	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)		138448.32		138448.32		156324.85		139238.56		136777.74		121452.25		99712.98
Cash Outflows														
2 Retail deposits and deposits from small business customers, of which:	339684.27	28491.89	339591.61	28482.63	351147.54	27800.89	344568.55	29502.64	334363.87	28593.05	328635.78	28068.84	311670.85	26583.40
(i) Stable Deposits	109530.67	5476.53	109530.67	5476.53	146277.22	7313.86	99084.35	4954.22	96866.40	4843.32	95894.70	4794.74	91715.32	4585.91
(ii) Less Stable Deposits	230153.60	23015.36	230060.94	23006.09	204870.32	20487.03	245484.20	24548.42	237497.27	23749.73	232741.08	23274.11	219955.53	21997.48
3 Unsecured wholesale funding, of which:	169577.93	102436.67	169544.29	102423.21	175214.50	104523.31	163601.70	97094.09	172439.59	106538.37	167017.24	101575.44	132145.23	77219.83
(i) Operation Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operation Deposits (all counterparties)	169246.94	100527.73	169213.30	100514.27	175214.50	104523.31	163323.92	95532.98	171982.64	103986.63	166428.01	98052.52	130926.33	75981.64
(iii) Unsecured Debt	330.99	1908.94	330.99	1908.94	0.00	0.00	277.78	1561.11	456.94	2551.74	589.24	3522.92	1218.90	1238.19
4 Secured Wholesale Funding		0.00		0.00		0.00		0.00		0.00		0.00		125.37
5 Additional Requirements, of which	40862.60	5495.67	40852.78	5495.18	48440.37	6509.84	42178.83	5597.34	36686.69	4867.21	36136.74	5007.92	33201.61	4516.45
(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	40862.60	5495.67	40852.78	5495.18	48440.37	6509.84	42178.83	5597.34	36686.69	4867.21	36136.74	5007.92	33201.61	4516.45
6 Other Contractual Funding Obligations	440.66	440.66	440.66	440.66	468.89	468.89	400.00	400.00	452.08	452.08	441.67	441.67	511.21	511.19
7 Other Contingent Funding Obligations	96968.04	3534.71	96968.04	3534.71	94134.50	3481.80	97021.16	3516.74	99150.13	3633.42	97566.36	3506.89	100021.11	3669.49
8 Total Cash Outflows		140399.61		140376.39		142784.73		136110.80		144084.13		138600.75		112825.73
Cash Inflows														
9 Secured Lending (e.g. reverse repos)	7597.99	0.00	7597.99	0.00	14695.35	0.00	8591.18	0.00	6793.85	0.00	311.58	0.00	513.94	0.00
10 Inflows from Fully Performing Exposures	39043.10	27800.66	39034.85	27796.53	41241.46	29002.41	38288.74	27065.35	38882.79	28276.46	37827.68	26930.09	29948.91	19523.56
11 Other Cash Inflows	850.04	732.88	850.04	732.88	1492.69	1399.69	841.40	757.33	801.35	689.60	264.71	84.90	606.44	340.79
12 Total Cash Inflows	47491.13	28533.54	47482.87	28529.42	57429.49	30402.10	47721.32	27822.68	46477.98	28966.06	38403.97	27014.99	31069.29	19864.34
Total Adjusted Value														
13 Total HQLA		138448.35		138448.35		156324.85		139238.56		136777.74		121452.25		99712.98
14 Total Net Cash Outflows		111866.07		111846.98		112382.63		108288.12		115118.07		111585.76		92761.38
15 Liquidity Coverage Ratio (%)		123.76%		123.78%		139.10%		128.58%		118.82%		108.84%		107.49%

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