LIQUIDITY COVERAGE RATIO – June 2022

Qualitative disclosure around LCR

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) (Currently 16%).

Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds, debentures and commercial papers issued by non-financial institutions and listed equity investments 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. 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.

The LCR is calculated by dividing a Bank's stock of HQLA by its total net cash outflows over a 30-day stress period. The minimum requirement is 100%. The Bank's average LCR for the quarter ended June 30, 2022 computed as simple average of the daily observations during the quarter, stood at 149.13%.

(Amt. in Lakh)

		Q1 - June 2022		Q4 - March 2022	
		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)		31,05,219		29,27,290
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	30,98,896	3,05,979	28,38,053	2,79,822
(i)	Stable deposits	78,206	3,910	79,662	3,983
(ii)	Less stable deposits	30,20,690	3,02,069	27,58,391	2,75,839
3	Unsecured wholesale funding, of which:	30,92,259	19,65,308	31,57,753	20,18,848
(i)	Operational deposits (all counterparties)	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	30,92,259	19,65,308	31,57,753	20,18,848
(iii)	Unsecured debt				
4	Secured wholesale funding		-		-
5	Additional requirements, of which	2,26,337	1,77,748	2,33,204	1,66,890
(i)	Outflows related to derivative exposures and other collateral requirements	1,64,324	1,64,324	1,49,188	1,49,188
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	62,013	13,424	84,016	17,702
6	Other contractual funding obligations	1,64,772	1,64,772	1,51,071	1,51,071
7	Other contingent funding obligations	63,22,567	2,71,288	62,21,655	2,65,070
8	**Total Cash Outflows**		28,85,095		28,81,701
Cash Inflows					
9	Secured lending (e.g. reverse repos)	10,59,826		10,86,761	-
10	Inflows from fully performing exposures	6,92,296	4,27,516	5,37,349	2,94,071
11	Other cash inflows	3,84,266	3,75,367	4,68,887	4,61,542
12	**Total Cash Inflows**	21,36,388	8,02,883	20,92,997	7,55,613
			Total Adjusted Value		
21	**TOTAL HQLA**		**31,05,219**		**29,27,290**
22	**Total Net Cash Outflows**		**20,82,212**		**21,26,088**
23	**Liquidity Coverage Ratio (%)**		**149.13**		**137.68**

! The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from January 01, 2022 to March 31, 2022.

The average weighted and un-weighted amounts are calculated taking simple average of daily LCR from April 01, 2022 to June 30, 2022.