

LCR – Disclosure for Financial Year 2018-19

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:

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

The minimum LCR requirement for the calendar year 2018 was 90 per cent and is stepped up to 100 per cent for the calendar year 2019.

HQLA comprises of Level 1 (0% hair-cut), Level 2A (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) [presently 2 per cent of the Bank's NDTL] and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) [as on 31st March 2019 13 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 96 per cent of the total HQLA, and the remaining 4 per cent comprises of Level 2A and Level 2B assets. Excess SLR securities (part of level 1 assets) forms around 18 per cent of the total HQLA.

During the FY 2018-19, the LCR of the Bank remained above the minimum requirement on all observed counts. The LCR moved down marginally year on year from average of 108.27% (FY2017-18) to 107.47% (FY 2018-19).

Quarter on quarter, the LCR (3 months average) of the Bank moved from 105.69% (June'18) to 110.84% (September'18) and to 106.93% (December'18). For the quarter ending March'19 the LCR of the Bank stood at 106.63%.

Disclosure - Liquidity Coverage Ratio (LCR) 2018-19

₹ In Crore

Particulars	FY 2018-19 (Solo-Basis)		FY 2017-18 (Solo-Basis)		Quarter Ended March 2019 (Solo Basis)		FY 2018-19 (Consolidated)	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		99,712.98		82,240.55		117,989.57		99,712.98
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	311,670.85	26,583.40	2,107,969.64	24,614.78	317,819.30	27,541.48	311,754.97	26,591.81
(i) Stable Deposits	91,715.32	4,585.91	87,643.63	4,382.18	92,686.85	4,701.04	91,715.32	4,585.91
(ii) Less Stable Deposits	219,955.53	21,997.48	2,020,326.01	20,232.60	225,132.45	22,840.44	220,039.65	22,005.90
3 Unsecured wholesale funding, of which:	132,145.23	77,219.83	111,281.44	64,382.92	150,688.72	92,961.80	132,174.26	77,231.44
(i) Operation Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operation Deposits (all counterparties)	130,926.33	75,981.64	111,281.44	64,382.92	147,430.73	89,703.81	130,955.36	75,993.25
(iii) Unsecured Debt	1,218.90	1,238.19	0.00	0.00	3,257.99	3,257.99	1,218.90	1,238.19
4 Secured Wholesale Funding	4,929.76	125.37	6,966.92	274.11	1,386.09	0.00	4,929.76	125.37
5 Additional Requirements, of which	33,201.61	4,516.45	29,421.64	3,512.45	34,556.37	5,033.09	33,207.74	4,516.75
(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
(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
(iii) Credit and liquidity facilities	33,201.61	4,516.45	29,421.64	3,512.45	34,556.37	5,033.09	33,207.74	4,516.75
6 Other Contractual Funding Obligations	511.21	511.19	568.82	568.82	461.11	466.67	511.21	511.19
7 Other Contingent Funding Obligations	100,021.11	3,669.49	115,740.80	4,444.33	94,756.46	3,494.34	100,021.11	3,669.49
8 Total Cash Outflows	582,479.77	112,625.73	2,371,949.26	97,797.41	599,668.04	129,497.38	582,599.04	112,646.05
Cash Inflows								
9 Secured Lending (e.g. reverse repos)	513.94	0.00	101.84	0.00	1,404.28	0.00	513.94	0.00
10 Inflows from Fully Performing Exposures	29,948.91	19,523.56	30,083.49	21,415.39	28,273.90	18,454.13	29,950.82	19,524.51
11 Other Cash Inflows	606.44	340.79	729.67	423.02	621.77	392.55	606.44	340.79
12 Total Cash Inflows	31,069.29	19,864.34	30,915.00	21,838.41	30,299.95	18,846.68	31,071.20	19,865.30
Total Adjusted Value								
13 Total HQLA		99,712.98		82,240.55		117,989.57		99,712.98
14 Total Net Cash Outflows		92,761.38		75,959.00		110,650.70		92,780.75
15 Liquidity Coverage Ratio (%)		107.49%		108.27%		106.63%		107.47%

Manager

Divisional Manager

Deputy General Manager

