

Liquidity Coverage Ratio (LCR)

The Bank adheres to RBI guidelines relating to the Liquidity Coverage Ratio, Liquidity Risk Monitoring Tools and the LCR Disclosure Standards pursuant to the Basel III Framework on Liquidity Standards that are applicable to banks in India with effect from January 1, 2015. LCR measures the Bank's ability to manage and survive under combined idiosyncratic and market-wide liquidity stress condition that would result in accelerated withdrawal of deposits from retail as well wholesale depositors, partial loss of secured funding, increase in collateral requirements, unscheduled draw down of unused credit lines, etc.

The Bank computes LCR in all significant currencies using the factors mentioned in RBI guidelines. High Quality Liquid Assets (HQLA) of the Bank consist of cash, unencumbered excess SLR, a portion of statutory SLR as allowed under the guidelines, cash balance with RBI in excess of statutory cash reserve requirements, and high rated corporate bonds issued by entities other than financial institutions. Bank's Balance Sheet is prepared in domestic currency.

The Asset Liability Management Committee (ALCO) of the Bank is the governing body to decide on composition of funding sources and accordingly guide different business units. "

Liquidity Coverage Ratio (LCR) aims in ensuring the Bank to maintain an adequate level of unencumbered High Quality Liquid Assets (HQLAs) to meet its liquidity needs convertible into cash under significantly severe liquidity stress scenario lasting for 30 days horizon period. LCR measures the Bank's potential to stand under combined idiosyncratic and market-wide liquidity stress condition, where the Bank experiences accelerated withdrawal of deposits from retail depositors, partial loss of secured funding, increase in collateral requirements and unscheduled draw down of unused credit lines.

Effective from	December 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021
Minimum LCR	60%	70%	80%	90%	100%

The Bank maintains HQLA in terms of Cash, unencumbered excess SLR, proportion of statutory SLR as allowed by RBI, excess statutory cash reserve and high rated corporate bonds issued by entities other than financial institutions. For the purposes of LCR computation, the Bank has considered all inflows and outflows that may have a quantifiable impact under the liquidity stress scenario.

Below mentioned is a position of Liquidity Coverage Ratio computed based on simple average of month end position during the period ended March 31, 2017.

(Amount in Rupees)

Particulars	Average of month end position during the period ended March 31, 2017	
	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets		
1. Total High Quality Liquid Assets (HQLA)	9,546,659,575	9,546,659,575
Cash Outflows		
2. Retail deposits and deposits from small business customers, of which:	32,024,791	2,009,072
(i) Stable deposits	23,868,138	1,193,407
(ii) Less stable deposits	8,156,653	815,665
3. Unsecured wholesale funding, of which:	1,579,683,320	1,578,870,045
(i) Operational deposits (all counterparties)	500,000	105,000
(ii) Non-operational deposits (all counterparties)	150,444,050	150,025,775
(iii) Unsecured debt	1,428,739,269	1,428,739,269
4. Secured wholesale funding	1,917,473,601	1,917,473,601
5. Additional requirements, of which		
(i) Outflows related to derivative exposures and other collateral requirements	-	-
(ii) Outflows related to loss of funding on debt products	-	-
(iii) Credit and liquidity facilities	465,039,787	23,251,989
6. Other contractual funding obligations	514,321,659	514,321,659
7. Other contingent funding obligations	-	-
8. Total Cash Outflows	5,244,723,053	4,772,106,262
Cash Inflows		
9. Secured lending (e.g. reverse repos)	-	-
10. Inflows from fully performing exposures	5,724,704,967	2,862,352,483
11. Other cash inflows	4,150,000,000	2,075,000,000

12. Total Cash Inflows	9,874,704,967	4,937,352,483
13. Total HQLA	9,546,659,575	9,546,659,575
14. Total Net Cash Outflows	1,311,180,763	1,193,026,565
15. Liquidity Coverage Ratio (%)	728.10%	800.21%