



Liquidity Coverage Ratio: September 30, 2024

Liquidity Coverage Ratio (LCR) is aimed at promoting short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient High-Quality Liquid Assets (HQLA) to survive an acute stress scenario lasting for 30 days.

Minimum Requirement for Small Finance Banks (as per RBI circular RBI/2019-20/217 DOR.BP.BC.No.65/21.04.098/2019-20 dated April 17, 2020) is 100%.

The following table sets out average LCR of the Bank for quarter ended September 30, 2024:

Particulars	Quarter ended 30 th September 2024	
	Total Unweighted Value (INR Crores) (average)*	Total Weighted Value (INR Crores) (average)*
High Quality Liquid Assets		
1. Total High-Quality Liquid Assets (HQLA)	0	7,684.10
Cash Outflows		
2. Retail deposits and deposits from small business customers, of which:	17,857.67	1,727.80
(i) Stable deposits	1,159.29	57.96
(ii) Less stable deposits	16,698.38	1,669.84
3. Unsecured wholesale funding, of which:	7,036.77	5,232.04
(i) Operational deposits (all counterparties)	0.00	0.00
(ii) Non-operational deposits (all counterparties)	1,297.14	128.65
(iii) Unsecured debt	5,739.63	5,103.39
4. Secured wholesale funding	1,294.39	44.90
5. Additional requirements, of which	1,079.21	151.99
(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00
(ii) Outflows related to loss of funding on debt products	0.00	0.00
(iii) Credit and liquidity facilities	1,079.21	151.99
6. Other contractual funding obligations	375.25	375.25
7. Other contingent funding obligations	30.36	0.91
8. Total Cash Outflows	27,673.65	7,532.89
Cash Inflows		
9. Secured lending (e.g. reverse repos)	6.06	0.00
10. Inflows from fully performing exposures	2,426.64	1,609.74
11. Other cash inflows	50.00	0.00
12. Total Cash Inflows	2,482.69	1,609.74
13. TOTAL HQLA		7,684.10
14. Total Net Cash Outflows		5,923.15
15. Liquidity Coverage Ratio (%)		129.73%

* The average weighted and unweighted amounts is calculated taking simple average based on daily observation for the quarter.



Qualitative Disclosure:

The average LCR for the quarter ended Q2 FY 2025 was at 129.73% well above the present prescribed minimum regulatory requirement of 100%.

The HQLA of the Bank primarily includes government securities in excess of Minimum Statutory Liquidity Ratio (SLR), cash, balances in excess of mandatory cash requirements with RBI are also included. However, any encumbered SLR securities used for repo borrowings or given to settlement guarantee funds are excluded from HQLA. Additionally, Marginal Standing Facility (MSF) of 2% and the Facility to Avail Liquidity for LCR (FALLCR) of 16% of NDTL is also part of HQLA. The Bank did not hold any Level 2 HQLA instruments during the period.

The Bank has been managing LCR in such a way that the adequate liquidity is available at all times and no excess liquidity is carried. The major drivers of LCR are optimum level of HQLA, well diversified liability book in terms of maturity profile and deposit sources. The run off factor for retail and small business customer deposits is lower whereas for deposits from financial institutions outflow factor is higher while non-callable term deposits maturing beyond 30 days are excluded from LCR outflows as per extant regulatory guidelines.