## Liquidity Coverage Ratio

*(₹ millions)*

| | Particulars | Quarter ended December 2015 | | Quarter ended September 2015 | | Quarter ended June 2015 | |
|---|---|---|---|---|---|---|---|
| | | 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) | | **829,235.8** | | **853,800.5** | | **841,030.2** |
| **Cash Outflows** | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | **3,365,811.5** | **307,361.5** | **3,270,638.0** | **298,512.6** | **30,33,712.6** | **276,050.3** |
| (i) | Stable deposits | 584,392.6 | 29,219.6 | 571,022.7 | 28,551.1 | 5,46,418.5 | 27,320.9 |
| (ii) | Less stable deposits | 2,781,418.9 | 278,141.9 | 2,699,615.3 | 269,961.5 | 24,87,294.1 | 248,729.4 |
| 3 | Unsecured wholesale funding, of which: | **1,507,612.3** | **781,447.9** | **1,439,714.5** | **761,532.6** | **13,23,348.8** | **676,390.8** |
| (i) | Operational deposits (all counterparties) | 213,150.2 | 52,608.8 | 204,603.9 | 50,674.5 | 2,16,467.2 | 53,452.1 |
| (ii) | Non-operational deposits (all counterparties) | 1,209,731.2 | 644,108.2 | 1,175,188.9 | 650,936.4 | 10,56,286.7 | 572,343.8 |
| (iiI) | Unsecured debt | 84,730.9 | 84,730.9 | 59,921.7 | 59,921.7 | 50,594.9 | 50,594.9 |
| 4 | Secured wholesale funding | | - | | - | | - |
| 5 | Additional requirements, of which | **1,046,804.5** | **572,319.1** | **1,678,359.6** | **1,116,711.1** | **18,54,357.2** | **1,294,552.6** |
| (i) | Outflows related to derivative exposures and other collateral requirement | 460,287.4 | 460,287.4 | 1,011,829.9 | 1,011,829.9 | 11,88,893.5 | 1,188,893.5 |
| (ii) | Outflows related to loss of funding on debt products | - | - | - | - | - | - |
| (iii) | Credit and liquidity facilities | 586,517.1 | 112,031.7 | 666,529.7 | 104,881.2 | 6,65,463.7 | 105,659.1 |
| 6 | Other contractual funding obligation | 128,313.5 | 128,313.5 | 137,636.3 | 137,636.3 | 1,47,986.0 | 147,986.0 |
| 7 | Other contingent funding obligations | 451,282.5 | 22,564.1 | 426,157.1 | 21,307.9 | 4,34,018.8 | 21,700.9 |
| 8 | Total Cash Outflows | | **1,812,006.1** | | **2,335,700.5** | | **2,416,680.6** |

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| Cash Inflows | | | | | | | |
|---|---|---|---|---|---|---|---|
| 9 | Secured lending (e.g. reverse repo) | 390.5 | 58.6 | 53,333.3 | - | 32,120.0 | - |
| 10 | Inflows from fully performing exposures | 290,988.0 | 155,544.8 | 285,364.2 | 155,022.9 | 254,356.2 | 136,008.6 |
| 11 | Other cash inflows | 582,876.2 | 528,636.2 | 1,162,967.3 | 1,108,360.9 | 1,340,271.8 | 1,290,221.0 |
| 12 | Total Cash Inflows | **874,254.7** | **684,239.6** | **1,501,664.8** | **1,263,383.8** | **1,626,748.0** | **1,426,229.6** |
| | | | Total Adjusted Value | | Total Adjusted Value | | Total Adjusted Value |
| 13 | TOTAL HQLA | | 829,235.8 | | 853,800.5 | | 841,030.2 |
| 14 | Total Net Cash Outflows | | 1,127,766.5 | | 1,072,316.6 | | 990,451.2 |
| 15 | Liquidity Coverage Ratio (%) | | **73.53%** | | **79.62%** | | **84.91%** |

* The average weighted and unweighted amounts are calculated taking simple average of October 2015, November 2015 and December 2015 figures.

** The average weighted and unweighted amounts are calculated taking simple average of July 2015, August 2015 and September 2015 figures.

*** The average weighted and unweighted amounts are calculated taking simple average of April 2015, May 2015 and June 2015 figures.

Note: For the quarter ended December 31, 2015, foreign exchange and derivative deals guaranteed by the Clearing Corporation of India (CCIL) have been netted for computation of foreign exchange and derivative exposures. Hence the averages under serial number 5(i) and 11 above are not strictly comparable with those of the previous quarters. However this does not impact the Liquidity Coverage Ratio.

The Liquidity Coverage Ratio (LCR) is a global minimum standard for bank liquidity. It aims to ensure that a bank has an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over a stressed 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, partially offset by inflows from assets maturing within 30 days. The average LCR was at 73.53% for the quarter ended December 2015. The average HQLA was ₹ 829,235.8 million of which government securities constituted about 68 %. The outflows related to derivative exposures (net of cash inflows) / collateral requirements and undrawn commitments constituted about 2% and 6% respectively of average cash outflow of ₹ 1,812,006.1 million. Average inflows from assets were ₹ 684,239.6 million.

Average LCR for the quarter ended December 2015 is 73.53%, which is comfortably above RBI prescribed minimum requirement of 60%.

Major reasons for movement in average LCR are as follows:

- Investment in government securities in excess of minimum SLR requirement has decreased which in turn has led to decrease in HQLA.
- Within the unsecured wholesale funding, the proportion of unsecured debt which attracts higher outflow factor has increased.

A strong and diversified liabilities profile has been at the helm on Bank's growth strategy. The Bank has consistently maintained a robust funding profile with a significant portion of funding through deposits. As of December 2015 the top 20 depositors comprised of around 6% of total deposits.