Liquidity Coverage Ratio

Qualitative disclosure on LCR

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 unencumbered 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 84.91% for the quarter ended June 2015 based on amendments issued by RBI effective April 1, 2015. The average LCR would have been about 99% had the Bank followed the hitherto RBI guidelines. The average HQLA for the quarter ended June 30, 2015 were ` 841,030.2 million of which government securities constituted about 72%. The outflows related to derivative exposures (net of cash inflows) / collateral requirements and undrawn commitments constituted about 2% and 4% respectively of average cash outflow of ` 2,416,680.6 million. Average inflows from assets were ` 1,426,229.6 million.

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 June 30, 2015 the top 20 depositors comprised around 6% of total deposits.

Quantitative information on Liquidity coverage ratio (LCR) is given below:

(` million)

Sr. No.	Particulars	June 30, 2015	
		Total Unweighted Value (average)*	**Total Weighted Value (average)***
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)		841,030.2
	Cash Outflows		
2	Retail deposits and deposits from small business customers, of which:	3,033,712.6	276,050.3
(i)	Stable deposits	546,418.5	27,320.9
(ii)	Less stable deposits	2,487,294.1	248,729.4
3	Unsecured wholesale funding, of which:	1,323,348.8	676,390.8
(i)	Operational deposits (all counterparties)	216,467.2	53,452.1
(ii)	Non-operational deposits (all counterparties)	1,056,286.7	572,343.8
(iii)	Unsecured debt	50,594.9	50,594.9
4	Secured wholesale funding		-
5	Additional requirements, of which	1,854,357.2	1,294,552.6
(i)	*Outflows related to derivative exposures and other collateral requirement*	1,188,893.5	1,188,893.5
(ii)	*Outflows related to loss of funding on debt products*	-	-
(iii)	*Credit and liquidity facilities*	665,463.7	105,659.1
6	Other contractual funding obligation	147,986.0	147,986.0
7	Other contingent funding obligations	434,018.8	21,700.9
8	**Total Cash Outflows**		**2,416,680.6**

Sr. No.	Particulars	June 30, 2015	
		Total Unweighted Value (average)*	**Total Weighted Value (average)***
	Cash Inflows		
9	Secured lending (e.g. reverse repo)	32,120.0	-
10	Inflows from fully performing exposures	254,356.2	136,008.6
11	Other cash inflows	1,340,271.8	1,290,221.0
12	**Total Cash Inflows**	**1,626,748.0**	**1,426,229.6**
			Total Adjusted Value
21	**TOTAL HQLA**		**841,030.2**
22	**Total Net Cash Outflows**		**990,451.2**
23	**Liquidity Coverage Ratio (%)**		**84.91%**

* The average weighted and unweighted amounts are calculated taking their simple average for the months of April 2015, May 2015 and June 2015

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