

# Liquidity Coverage Ratio

(₹ millions)

Particulars		Quarter ended September 30, 2016		Quarter ended June 30, 2016	
		Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
<b>High Quality Liquid Assets</b>					
1	Total High Quality Liquid Assets (HQLA)		1,287,256.2		1,095,573.2
<b>Cash Outflows</b>					
2	Retail deposits and deposits from small business customers, of which:	3,735,525.3	341,596.5	3,598,043.4	328,629.3
(i)	Stable deposits	639,120.8	31,956.0	623,500.8	31,175.0
(ii)	Less stable deposits	3,096,404.5	309,640.5	2,974,542.6	297,454.3
3	Unsecured wholesale funding, of which:	1,746,811.9	884,309.5	1,576,113.8	812,057.9
(i)	Operational deposits (all counterparties)	243,145.9	60,082.0	212,902.1	52,620.8
(ii)	Non-operational deposits (all counterparties)	1,421,967.0	742,528.5	1,301,599.4	697,824.8
(iii)	Unsecured debt	81,699.0	81,699.0	61,612.3	61,612.3
4	Secured wholesale funding		25,969.8		3,952.7
5	Additional requirements, of which	909,867.0	571,841.0	932,372.3	578,013.8
(i)	Outflows related to derivative exposures and other collateral requirement	473,169.1	473,169.1	469,071.8	469,071.8
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	436,697.9	98,671.9	463,300.5	108,942.0
6	Other contractual funding obligation	184,309.9	184,309.9	163,445.8	163,445.8
7	Other contingent funding obligations	491,832.6	14,755.0	479,153.7	14,374.6
8	Total Cash Outflows		2,022,781.7		1,900,474.1
<b>Cash Inflows</b>					
9	Secured lending (e.g. reverse repo)	50,333.3	-	13,551.7	32.8
10	Inflows from fully performing exposures	364,904.7	195,315.4	347,402.0	185,737.1
11	Other cash inflows	665,666.5	611,784.3	628,707.6	573,019.9
12	Total Cash Inflows	1,080,904.5	807,099.7	989,661.3	758,789.8
			Total Adjusted Value		Total Adjusted Value
13	TOTAL HQLA		1,287,256.2		1,095,573.2
14	Total Net Cash Outflows		1,215,681.8		1,141,684.3
15	Liquidity Coverage Ratio (%)		105.89%		95.96%

\* The average weighted and unweighted amounts are calculated taking simple average for the months in the respective quarters.

## Qualitative

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 for the quarter ended September 30, 2016 was at 105.89%, above the RBI prescribed minimum requirement of 70%. The average HQLA was ₹1,287,256.2 million of which government securities constituted about 76 %. The outflows related to derivative exposures (net of cash inflows) / collateral requirements and undrawn commitments constituted about 2% and 5% respectively of average cash outflow of ₹2,022,781.7 million. Average inflows from assets were ₹807,099.7 million.

Average LCR for September 30, 2016 increased compared to the previous quarter primarily due to increase in the average HQLA position on account of increase in liquid investments as well as additional FALLCR (1% of NDTL) permitted by RBI in July 2016 to be considered as HQLA.

A strong and diversified liabilities profile has been at the helm of the Bank's growth strategy. The Bank has consistently maintained a robust funding profile with a significant portion of funding through deposits. As of September 30, 2016 the top 20 depositors comprised 5% of total deposits approximately.