Liquidity Coverage ratio (LCR)

Liquidity Coverage Ratio has been prescribed by RBI based on LCR Standards published by BCBS. The LCR promotes short term resilience of Banks to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Assets (HQLAs) to survive an acute stress scenario in the immediate 30 days period.

LCR is defined as

<u>Stock of High Quality Liquid Assets (HQLA)</u> ≥ 100 % Total net cash outflows over the next 30 calendar days

The LCR standard aims to ensure that a Bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for the next 30 days period under a significantly severe liquidity stress scenario specified by RBI.

While the BCBS specifies a ratio of minimum 100 % for all Banks, RBI has made a graduated increase from 60 % to attain 100 % by 2019 as given in the schedule below:

Minimum LCR	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
	60%	70%	80%	90%	100%

The main driver of the LCR is HQLA which consists of Cash in hand, Excess CRR balance as on that particular day, Government Securities in excess of minimum SLR requirement, Government Securities within the mandatory SLR requirement to the extent allowed by RBI under MSF (Presently to the extent of 2.00% of NDTL as allowed for MSF), Facility to avail liquidity for liquidity coverage ratio at 16.00% of NDTL, Marketable securities representing claims on or claims guaranteed by sovereigns, PSEs or multilateral development Banks that are assigned a 20% risk weight under the Basel II standardized approach for credit risk and provided that they are not issued by a Bank/financial institution/NBFC or any of its affiliated entities, Marketable securities representing claims on or claims guaranteed by sovereigns having risk weights higher than 20% but not higher than 50%, Common equity shares not issued by a Bank/Financial institution/NBFC or any of its affiliated entities and included in NSE CNX Nifty and / or S & P BSE Sensex indices.

The Bank has a well-diversified funding portfolio. Retail deposits, considered as stable is the major funding source of the Bank, indicating lower dependence of the Bank on wholesale funds.

The Liquidity risk management in the Bank is guided by the ALM Policy. The Bank's Liquidity management is centralized at Treasury department as per the directions of ALCO.

The Bank has been maintaining the LCR above 100% (which is the minimum requirement prescribed by RBI). The LCR Disclosure Template for the quarter ended December 2023 is given below.

(Rs in crore)

High Quality Liquid Assets 1 Total High Quality Liquid Assets (HQLA) 2 Retail Deposits and deposits from small business customers, of which: (i) Stable Deposits 21917.28 21917.33 Unsecured Wholesale funding (ii) Operational Deposits (all counterparties) 5597.14 1901.23 (ii) Operational Deposits (all counterparties) 5597.14 1901.23 (iii) Unscauled debt 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.				(Rs in crore)			
High Quality Liquid Assets	LCR Disclosure Template for the Quarter ended December 2023						
High Quality Liquid Assets Total High Quality Liquid Assets HQLA 12570.06							
Total High Quality Liquid Assets Total High Quality Liquid Assets (HQLA) 12570.06							
Total High Quality Liquid Assets (HQLA) 12570.06			Value (Avg)	Value (Avg)			
Cash Outflows Retail Deposits and deposits from small business customers, of which: (i) Stable Deposits 14160.87 708.04 (ii) Unstable Deposits 21917.28 21917.33 Unsecured Wholesale funding 5597.14 1901.23 (i) Operational Deposits (all counterparties) 0.00 0.00 0.00 (ii) Non-operational deposits (all counterparties) 5597.14 1901.23 (iii) Unsecured debt 0.00		High Quality Liquid Assets					
2 Retail Deposits and deposits from small business customers, of which: 36078.15 2899.77 (i) Stable Deposits 14160.87 708.04 (ii) Unstable Deposits 21917.28 21917.33 3 Unsecured Wholesale funding 5597.14 1901.23 (i) Operational Deposits (all counterparties) 0.00 0.00 (ii) Non-operational deposits (all counterparties) 5597.14 1901.23 (iii) Unsecured debt 0.00 0.00 0.00 4 Secured Wholesale funding 0.00 0.00 0.00 5 Additional requirements 6102.09 529.71 120.82 120.82 (ii) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 120.82 (iii) Oredit and liquidity facilities 5981.27 408.89 6 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 0.00 0.00 6 Other Contractual Funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 480.84 480.84 480.84 10 Other Cash Inflows<	1	Total High Quality Liquid Assets (HQLA)		12570.06			
2 customers, of which: 36076.13 2699,77 (i) Stable Deposits 14160.87 708.04 (ii) Unstable Deposits 21917.28 2191.73 3 Unsecured Wholesale funding 5597.14 1901.23 (i) Operational Deposits (all counterparties) 0.00 0.00 (ii) Non-operational deposits (all counterparties) 5597.14 1901.23 (iii) Unsecured debt 0.00 0.00 4 Secured Wholesale funding 0.00 0.00 5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 48		Cash Outflows					
(ii) Unstable Deposits 21917.28 2191.73 3 Unsecured Wholesale funding 5597.14 1901.23 (i) Operational Deposits (all counterparties) 0.00 0.00 (ii) Non-operational deposits (all counterparties) 5597.14 1901.23 (iii) Unsecured debt 0.00 0.00 4 Secured Wholesale funding 0.00 0.00 5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 480.84 480.84 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL NET CASH OUTFLOWS 4753.73	2		36078.15	2899.77			
3 Unsecured Wholesale funding 5597.14 1901.23 (i) Operational Deposits (all counterparties) 0.00 0.00 (ii) Non-operational deposits (all counterparties) 5597.14 1901.23 (iii) Unsecured debt 0.00 0.00 0.00 4 Secured Wholesale funding 0.00 0.00 0.00 5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 49648.08 5386.83 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL NET CASH OUTFLOWS 4753.73		(i) Stable Deposits	14160.87	708.04			
(i) Operational Deposits (all counterparties) 0.00 0.00 (ii) Non-operational deposits (all counterparties) 5597.14 1901.23 (iii) Unsecured debt 0.00 0.00 4 Secured Wholesale funding 0.00 0.00 5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 9 Secured Lending 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL NET CASH OUTFLOWS 4753.73		(ii) Unstable Deposits	21917.28	2191.73			
(iii) Non-operational deposits (all counterparties) 5597.14 1901.23 (iii) Unsecured debt 0.00 0.00 4 Secured Wholesale funding 0.00 0.00 5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 49648.08 5386.83 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	3	Unsecured Wholesale funding	5597.14	1901.23			
(iii) Unsecured debt 0.00 0.00 4 Secured Wholesale funding 0.00 0.00 5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 9 Secured Lending 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73		(i) Operational Deposits (all counterparties)	0.00	0.00			
4 Secured Wholesale funding 0.00 0.00 5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 49648.08 5386.83 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73		(ii) Non-operational deposits (all counterparties)	5597.14	1901.23			
5 Additional requirements 6102.09 529.71 (i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73		(iii) Unsecured debt	0.00	0.00			
(i) Outflows related to derivative exposures and other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	4	Secured Wholesale funding	0.00	0.00			
other collateral requirements 120.82 120.82 (ii) Outflows related to loss of funding on debt products 0.00 0.00 (iii) Credit and liquidity facilities 5981.27 408.89 6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	5	Additional requirements	6102.09	529.71			
Discrete Contract Contract			120.82	120.82			
6 Other Contractual Funding Obligations 0.00 0.00 7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 9 Secured Lending 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73			0.00	0.00			
7 Other Contingent funding Obligations 1870.70 56.12 8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 9 Secured Lending 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73		(iii) Credit and liquidity facilities	5981.27	408.89			
8 TOTAL CASH OUTFLOWS 49648.08 5386.83 Cash Inflows 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	6	Other Contractual Funding Obligations	0.00	0.00			
Cash Inflows 9 Secured Lending 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	7	Other Contingent funding Obligations	1870.70	56.12			
9 Secured Lending 304.51 152.26 10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	8	TOTAL CASH OUTFLOWS	49648.08	5386.83			
10 Inflows from fully performing exposures 0.00 0.00 11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73		<u>Cash Inflows</u>					
11 Other Cash Inflows 480.84 480.84 12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	9	Secured Lending	304.51	152.26			
12 TOTAL CASH INFLOWS 785.35 633.10 Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	10	Inflows from fully performing exposures	0.00	0.00			
Total adjusted value 13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	11	Other Cash Inflows	480.84	480.84			
13 TOTAL HQLA 12570.06 14 TOTAL NET CASH OUTFLOWS 4753.73	12	TOTAL CASH INFLOWS	785.35	633.10			
14 TOTAL NET CASH OUTFLOWS 4753.73			Total adjusted value				
	13	TOTAL HQLA					
15 LIQUIDITY COVERAGE RATIO (%) 264.43%	14	TOTAL NET CASH OUTFLOWS					
	15	LIQUIDITY COVERAGE RATIO (%)	264.4	3%			