

DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 30.09.2020

Qualitative Disclosure for LCR:

Liquidity Coverage Ratio (LCR) BLR-1 aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted easily and immediately into cash to meet liquidity needs for a 30 calendar day time horizon.

LCR has been defined as =
$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

Liquid assets comprise of high quality assets that can be readily converted into cash or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of High Quality Liquid Assets (HQLA), viz. Level 1 and Level 2 assets. Level 2 assets are further classified as Level 2A and Level 2B assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively. High Quality Liquid Assets (HQLA) primarily include government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Cash & balances in excess of cash reserve requirement with RBI also constitute High Quality Liquid Assets (HQLA).

The Bank has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress scenario. The Bank has put in place Contingency Funding Plan approved by ALCO and IRMC of the Board. These investments can be liquidated any time to generate cash and maintain sufficient liquidity for funding, growth and meeting repayment obligations.

LCR is being computed strictly as per RBI guidelines issued vide circular DBOD.BP.BC.No.120/21.04.098/2013-14 and subsequent amendments.

LCR statement in the prescribed format is being submitted to RBI at the end of every month and put up to the Board and Management as part of ICAAP at quarterly rests.

Average LCR of the Bank for the Quarter Sept. 2020 is **316.89%** and is well above the minimum regulatory requirement of 80% prescribed by RBI. (RBI reduced the minimum benchmark temporarily from 100% to 80%).

Quantative Disclosure

LCR Disclosure for Quarter Sept. 2020

		Quarter Sept 2020		Quarter June 2020	
		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)	27948.94	27930.12	27256.52	27237.00
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which	44678.98	2843.25	43674.01	3039.54
(i)	Stable deposits	32492.79	1624.64	26557.20	1327.86
(ii)	Less stable deposits	12186.19	1218.61	17116.81	1711.68
3	Unsecured wholesale funding ,of which	12815.91	5915.19	13083.15	6034.38
(i)	Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00
(ii)	Non Operational deposits (all counterparties)	12815.91	5915.19	13083.15	6034.38
(iii)	Unsecured debt	0.00	0.00	0.00	0.00
4	Secured Wholesale funding	2771.83	0.00	5339.17	0.00
5	Additional requirements of which	0.00	0.00	0.00	0.00
(i)	Outflows related to derivative exposure and other collateral requirements	0.00	0.00	0.00	0.00
(ii)	outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii)	credit and liquidity facilities	0.00	0.00	0.00	0.00
6	Other contractual funding Obligations	8410.55	627.66	8359.80	684.66
7	Other contingent funding Obligations	3244.54	97.33	3245.57	97.37
8	Total cash outflows	71921.81	9483.43	73701.70	9855.95
Cash Inflows					
9	secured Lending (e.g. reverse repo)	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposure	1077.22	669.69	592.45	484.07
11	Other cash inflows	0.00	0.00	0.00	0.00
12	Total cash inflows	1077.22	669.69	592.45	484.07
			Total adjusted value		Total adjusted value
	TOTAL HQLA	27948.94	27930.12	27256.52	27237.00
	Total Net Cash Outflows	70844.59	8813.74	73109.25	9371.88
	Liquidity Coverage ratio (%)		316.89%		290.62%