

DISCLOSURE ON LIQUIDITY COVERAGE RATIO (LCR) AS ON 30.06.2023

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms to develop a more resilient banking sector. The LCR is expected to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spill over from the financial sector to the real economy. The Liquidity Risk Management of the Bank is governed by the Asset Liability Management (ALM) Policy approved by the Board. Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is calculated by dividing a Bank's stock of HQLA by its total net cash outflows over a 30-day stress period.

The average LCR for the quarter ended June 30, 2023 was at 260.73% as against 285.51% for the quarter ended March 31, 2023 and well above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended June 30, 2023 was 103787 crore as against was 106207 crore for the quarter ended March 31, 2023.

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		Quarter Ended June 2023		Quarter Ended March 2023	
(Rs in crore)		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)		103787		106207
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
(i)	Stable deposits	169133	8457	167247	8362
(ii)	Less stable deposits	153213	15321	148598	14860
3	Unsecured wholesale funding, of which:				
(i)	Operational deposits (all counterparties)	0	0	0	0
(ii)	Non-operational deposits (all counterparties)	35509	14894	30823	12951
(iii)	Unsecured debt	0	0	0	0
4	Secured wholesale funding		0		0

5	Additional requirements, of which				
(i)	Outflows related to derivative exposures and other collateral requirements	12273	12273	14977	14977
(ii)	Outflows related to loss of funding on debt products	0	0	0	0
(iii)	Credit and liquidity facilities	2791	2493	1457	1414
6	Other contractual funding obligations	3150	3150	3326	3326
7	Other contingent funding obligations	157141	7630	125701	6044
8	TOTAL CASH OUTFLOWS		64216		61935
Cash Inflows					
9	Secured lending (e.g reverse repo)	0	0	0	0
10	Inflows from fully performing exposures	3264	3264	2854	2854
11	Other cash inflows	23416	21146	22891	21882
12	TOTAL CASH INFLOWS	26680	24410	25745	24736
			TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
13	TOTAL HQLA		103787		106207
14	TOTAL NET CASH OUTFLOWS		39806		37199
15	LIQUIDITY COVERAGE RATIO (%)		260.73%		285.51%