

Disclosure on Liquidity Coverage Ratio for the Quarter ended September 30, 2024

The Basel Committee on Banking Supervision (BCBS) had introduced the Liquidity Coverage Ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days.

The Bank is required to maintain the LCR on a Standalone basis. The minimum LCR requirement set out in the RBI guidelines for the standalone basis is 100%.

The following table sets out the average unweighted and weighted values of the LCR components of the Bank. The simple average has been computed based on daily values for the three months ended June 30, 2024 and September 30, 2024.

(Amounts in Rs. Cr.)

Particulars	Day end Average for quarter ended June 30, 2024		Day end Average for quarter ended September 30, 2024	
	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)		35,714.41		32,690.42
Cash Outflows				
2) Retail Deposits and deposits from small business customers, of which:	72,451.17	6,752.93	74,893.26	6,962.59
a) Stable deposits	9,843.75	492.19	10,534.77	526.74
b) Less Stable Deposits	62,607.43	6,260.74	64,358.49	6,435.85
3) Unsecured wholesale funding, of which:	23,998.32	15,257.86	22,820.89	14,688.41
a) Operational deposits (all counterparties)	-	-	-	-
b) Non-operational deposits (all counterparties)	23,998.32	15,257.86	22,820.89	14,688.41
c) Unsecured debt	-	-	-	-
4) Secured wholesale funding		-		-
5) Additional Requirements, of Which	5,997.03	811.20	7,420.93	2,312.61
a) Outflows related to derivative exposures and other collateral requirements	196.97	196.97	1,331.10	1,331.10
b) Outflows related to loss of funding on debt products	-	-	-	-
c) Credit and liquidity facilities	5,800.06	614.24	6,089.83	981.51
6) Other contractual funding obligations	3,828.24	3,828.24	4,041.69	4,041.69
7) Other contingent funding obligations	2,063.92	69.47	1,968.41	61.19
8) TOTAL CASH OUTFLOWS		26,719.70		28,066.48
Cash Inflows				
9) Secured lending	2,418.07	-	961.90	-
10) Inflows from fully performing exposures	7,803.90	4,906.56	8,007.83	4,964.28
11) Other cash inflows	297.03	297.03	1,453.28	1,393.91
12) Total Cash Inflows	10,519.00	5,203.59	10,423.01	6,358.20
13) TOTAL HQLA		35,714.41		32,690.42
14) TOTAL NET CASH OUTFLOWS		21,516.11		21,708.29
15) LIQUIDITY COVERAGE RATIO (%)		165.99%		150.59%



Bank's LCR comes to 150.59% based on the daily average position of past three months (Q2 FY2024-25). The position remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹ 32,690.42 crores with 100% of the HQLAs being Level 1 Assets. Government Securities constituted 94.45% of Level 1 Assets and Cash in Hand/Excess CRR constituted 5.55% of Level 1 Assets.

During the Quarter, the HQLA level (weighted value) has decreased by ₹ 3,023.99 Crores. The weighted total net cash outflows (weighted value) increased by ₹ 192.18 Crores mainly on account of increase in Retail and Small Business Customers deposits, other contractual funding obligations and offset by increase in cash inflow.

Bank liquidity management is guided by the ALM Policy and regulatory guidelines. The Treasury, which report to the Asset Liability Management Committee (ALCO), is authorized by the Bank's Board to develop funding strategies ensuring diversification and alignment with operational needs. ALCO's key decisions are regularly communicated to the Bank's Board. Apart from regular LCR reporting, the Bank prepares Structural Liquidity Statements on a daily basis to monitor its ongoing liquidity needs. The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits are the major source of funding, offering diversification. Management believes the Bank possesses adequate liquidity to meet current and foreseeable short-term needs.