



Liquidity Coverage Ratio: Mar 31, 2018

Liquidity Coverage Ratio (LCR) is aimed at measuring and promoting short-term resilience of banks to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive net cash outflows over next 30 days under stress conditions.

High quality liquid assets (HQLA) under LCR are divided into two parts i.e. Level 1 HQLA which comprises of primarily cash, excess CRR, excess SLR securities and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

Kotak Mahindra Bank has implemented LCR framework across all its group companies since Jan 2016 and the average LCR for the quarter ended Mar 31, 2018 at the consolidated level was at 109.39% which is well above the regulatory threshold of 90%.

The following table sets out average LCR of the Bank (Consolidated) for quarter ended Mar 31, 2018 and Dec 31, 2017.

		Average Q4 2017-2018		Average Q3 2017-2018	
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)		43,703		37,544
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
	(i) Stable deposits	15,118	756	14,432	722
	(ii) Less stable deposits	84,802	8,480	80,046	8,005
3	Unsecured wholesale funding, of which :				
	(i) Operational deposits (all counterparties)				
	(ii) Non-operational deposits (all counterparties)	63,986	37,305	60,539	36,012
	(iii) Unsecured debt	4,885	4,849	5,866	5,708
4	Secured wholesale funding		762		502
5	Additional requirements, of which				
	(i) Outflows related to derivative exposures and other collateral requirements	12,115	11,693	11,366	10,914
	(ii) Outflows related to loss of funding on debt products				
	(iii) Credit and liquidity facilities	3,564	469	3,963	525
6	Other contractual funding obligations	2,805	2,805	2,898	2,898
7	Other contingent funding obligations	71,410	2,836	68,867	2,732
8	Total Cash Outflows		69,955		68,016
Cash Inflows					
9	Secured lending (e.g. reverse repos)	12,347	-	13,059	-
10	Inflows from fully performing exposures*	37,483	29,451	34,100	26,986

		Average Q4 2017-2018		Average Q3 2017-2018	
11	Other cash inflows	1,105	553	1,249	625
12	Total Cash Inflows	50,935	30,004	48,408	27,611
13	TOTAL HQLA		43,703		37,544
14	Total Net Cash Outflows		39,952		40,405
15	Liquidity Coverage Ratio (%)		109.39%		92.92%

*Incl. Derivative inflows