



Liquidity Coverage Ratio: June 30, 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 June 30, 2018 at the consolidated level was at 104.20% which is well above the regulatory threshold of 90%.

The following table sets out average LCR of the Bank (Consolidated) for quarter ended June 30, 2018 and Mar 31, 2018.

		Average Q1 2018-2019		Average Q4 2017-2018	
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)		41,145		43,703
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
	(i) Stable deposits	15,696	785	15,118	756
	(ii) Less stable deposits	89,772	8,977	84,802	8,480
3	Unsecured wholesale funding, of which :				
	(i) Operational deposits (all counterparties)				
	(ii) Non-operational deposits (all counterparties)	64,001	36,162	63,986	37,305
	(iii) Unsecured debt	4,592	4,559	4,885	4,849
4	Secured wholesale funding		998		762
5	Additional requirements, of which				
	(i) Outflows related to derivative exposures and other collateral requirements	11,556	11,143	12,115	11,693
	(ii) Outflows related to loss of funding on debt products				
	(iii) Credit and liquidity facilities	3,276	444	3,564	469
6	Other contractual funding obligations	3,036	3,036	2,805	2,805
7	Other contingent funding obligations	72,284	2,890	71,410	2,836
8	Total Cash Outflows		68,994		69,955
Cash Inflows					
9	Secured lending (e.g. reverse repos)	6,006	-	12,347	-
10	Inflows from fully performing exposures*	36,764	28,767	37,483	29,451

		Average Q1 2018-2019		Average Q4 2017-2018	
11	Other cash inflows	1,477	739	1,105	553
12	Total Cash Inflows	44,248	29,506	50,935	30,004
13	TOTAL HQLA		41,145		43,703
14	Total Net Cash Outflows		39,488		39,952
15	Liquidity Coverage Ratio (%)		104.20%		109.39%

*Incl. Derivative inflows