



Liquidity Coverage Ratio: Jun 30, 2019

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, 2019 at the consolidated level was at 124.91% which is well above the regulatory threshold of 100%.

The following table sets out average LCR of the Bank (Consolidated) for quarter ended Jun 30, 2019 and Mar 31, 2019.

		Average Q1 2019-2020		Average Q4 2018-2019	
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)		57,060		53,134
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
	(i) Stable deposits	18,396	920	17,911	896
	(ii) Less stable deposits	1,13,975	11,398	1,09,062	10,906
3	Unsecured wholesale funding, of which :				
	(i) Operational deposits (all counterparties)				
	(ii) Non-operational deposits (all counterparties)	75,556	38,086	69,436	35,432
	(iii) Unsecured debt	5,685	5,457	3,482	3,444
4	Secured wholesale funding		1,063		1,161
5	Additional requirements, of which				
	(i) Outflows related to derivative exposures and other collateral requirements	11,539	11,098	11,252	10,967
	(ii) Outflows related to loss of funding on debt products				
	(iii) Credit and liquidity facilities	2,723	333	4,006	491
6	Other contractual funding obligations	3,960	3,960	3,603	3,603
7	Other contingent funding obligations	1,10,400	4,765	78,259	3,162
8	Total Cash Outflows		77,078		70,062

		Average Q1 2019-2020		Average Q4 2018-2019	
Cash Inflows					
9	Secured lending (e.g. reverse repos)	6,116	0	6,686	0
10	Inflows from fully performing exposures*	38,002	30,494	35,135	27,730
11	Other cash inflows	1,804	902	1,511	756
12	Total Cash Inflows	45,922	31,396	43,332	28,486
13	TOTAL HQLA		57,060		53,134
14	Total Net Cash Outflows		45,682		41,577
15	Liquidity Coverage Ratio (%)		124.91%		127.80%

*Incl. Derivative inflows