



Liquidity Coverage Ratio: Sep 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 Sep 30, 2019 at the consolidated level was at 120.70% which is well above the regulatory threshold of 100%.

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

(Amt in INR million)

		Average Q2 2019-2020		Average Q1 2019-2020	
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)		5,54,571		5,70,596
Cash Outflows					
	Retail deposits and deposits from small business customers, of which:				
2	(i) Stable deposits	1,89,205	9,460	1,83,965	9,198
	(ii) Less stable deposits	12,00,261	1,20,026	11,39,755	1,13,975
	Unsecured wholesale funding, of which :				
3	(i) Operational deposits (all counterparties)				
	(ii) Non-operational deposits (all counterparties)	7,32,676	3,70,387	7,55,564	3,80,856
	(iii) Unsecured debt	47,820	45,853	56,853	54,573
4	Secured wholesale funding		9,154		10,629
	Additional requirements, of which				
5	(i) Outflows related to derivative exposures and other collateral requirements	1,00,279	95,876	1,15,394	1,10,978
	(ii) Outflows related to loss of funding on debt products				
	(iii) Credit and liquidity facilities	11,594	1,099	27,235	3,327
6	Other contractual funding obligations	37,793	37,793	39,597	39,597
7	Other contingent funding obligations	12,18,651	54,017	11,04,003	47,648

		Average Q2 2019-2020		Average Q1 2019-2020	
8	Total Cash Outflows		7,43,665		7,70,780
Cash Inflows					
9	Secured lending (e.g. reverse repos)	28,081	0	61,158	0
10	Inflows from fully performing exposures*	3,51,725	2,75,682	3,80,023	3,04,938
11	Other cash inflows	17,080	8,540	18,042	9,021
12	Total Cash Inflows	3,96,886	2,84,222	4,59,223	3,13,959
13	TOTAL HQLA		5,54,571		5,70,596
14	Total Net Cash Outflows		4,59,444		4,56,821
15	Liquidity Coverage Ratio (%)		120.70%		124.91%

*Incl. Derivative inflows