



Liquidity Coverage Ratio: Dec 31, 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 Dec 31, 2019 at the consolidated level was at 116.22% which is well above the regulatory threshold of 100%.

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

		(Amt in INR million)			
		Average Q3 2019-2020		Average Q2 2019-2020	
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)		6,10,006		5,54,571
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
	(i) Stable deposits	1,98,448	9,922	1,89,205	9,460
	(ii) Less stable deposits	12,87,998	1,28,800	12,00,261	1,20,026
3	Unsecured wholesale funding, of which :				
	(i) Operational deposits (all counterparties)				
	(ii) Non-operational deposits (all counterparties)	7,18,972	4,08,863	7,32,676	3,70,387
	(iii) Unsecured debt	46,435	45,120	47,820	45,853
4	Secured wholesale funding		8,777		9,154
5	Additional requirements, of which				
	(i) Outflows related to derivative exposures and other collateral requirements	1,04,709	1,00,911	1,00,279	95,876
	(ii) Outflows related to loss of funding on debt products				
	(iii) Credit and liquidity facilities	13,030	1,312	11,594	1,099
6	Other contractual funding obligations	38,748	38,748	37,793	37,793
7	Other contingent funding obligations	11,38,058	50,468	12,18,651	54,017

		Average Q3 2019-2020		Average Q2 2019-2020	
8	Total Cash Outflows		7,92,922		7,43,665
Cash Inflows					
9	Secured lending (e.g. reverse repos)	74,265	0	28,081	0
10	Inflows from fully performing exposures*	3,26,327	2,57,865	3,51,725	2,75,682
11	Other cash inflows	20,352	10,176	17,080	8,540
12	Total Cash Inflows	4,20,944	2,68,041	3,96,886	2,84,222
13	TOTAL HQLA		6,10,006		5,54,571
14	Total Net Cash Outflows		5,24,880		4,59,444
15	Liquidity Coverage Ratio (%)		116.22%		120.70%

*Incl. Derivative inflows