



### Liquidity Coverage Ratio: Mar 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 Mar 31, 2019 at the consolidated level was at 127.80% which is well above the regulatory threshold of 100%.

The following table sets out average LCR of the Bank (Consolidated) for quarter ended Mar 31, 2019 and Dec 31, 2018.

		Average Q4 2018-2019		Average Q3 2018-2019	
<b>High Quality Liquid Assets</b>					
1	Total High Quality Liquid Assets (HQLA)		53,134		53,088
<b>Cash Outflows</b>					
2	Retail deposits and deposits from small business customers, of which:				
	(i) Stable deposits	17,911	896	17,413	871
	(ii) Less stable deposits	1,09,062	10,906	1,05,184	10,518
3	Unsecured wholesale funding, of which :				
	(i) Operational deposits (all counterparties)				
	(ii) Non-operational deposits (all counterparties)	69,436	35,432	68,933	36,665
	(iii) Unsecured debt	3,482	3,444	4,821	4,785
4	Secured wholesale funding		1,161		679
5	Additional requirements, of which				
	(i) Outflows related to derivative exposures and other collateral requirements	11,252	10,967	11,959	11,772
	(ii) Outflows related to loss of funding on debt products				
	(iii) Credit and liquidity facilities	4,006	491	3,588	406
6	Other contractual funding obligations	3,603	3,603	3,567	3,567
7	Other contingent funding obligations	78,259	3,162	74,571	2,990
8	<b>Total Cash Outflows</b>		<b>70,062</b>		<b>72,254</b>

		Average Q4 2018-2019		Average Q3 2018-2019	
<b>Cash Inflows</b>					
9	Secured lending (e.g. reverse repos)	6,686	0	6,621	-
10	Inflows from fully performing exposures*	35,135	27,730	36,336	28,902
11	Other cash inflows	1,511	756	1,643	821
12	<b>Total Cash Inflows</b>	<b>43,332</b>	<b>28,486</b>	<b>44,600</b>	<b>29,724</b>
13	<b>TOTAL HQLA</b>		<b>53,134</b>		<b>53,088</b>
14	<b>Total Net Cash Outflows</b>		<b>41,577</b>		<b>42,530</b>
15	<b>Liquidity Coverage Ratio (%)</b>		<b>127.80%</b>		<b>124.83%</b>

\*Incl. Derivative inflows