

Liquidity Coverage Ratio for the quarter ended Sep 30, 2024

The Basel Committee for Banking Supervision (BCBS) had proposed the liquidity coverage ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days.

in crs

Particulars	Quarter Ended Sep 30, 2024		Quarter Ended Jun 30, 2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets				
1 Total High Quality Liquid Assets (HQLA)		58,898		53,722
Cash Outflows				
Retail deposits and deposits from small business				
2 customers, of which:				
(i) Stable deposits	19,350	968	18,517	926
(ii) Less stable deposits	114,863	11,486	105,946	10,595
3 Unsecured wholesale funding, of which				
(i) Operational deposits (all counterparties)	-	-	-	-
(ii) Non-operational deposits (all counterparties)	39,161	15,664	38,268	15,307
(iii) Unsecured debt	21,647	21,647	17,426	17,426
4 Secured wholesale funding	9,749	-	18,780	-
5 Additional requirements, of which				
Outflows related to derivative exposures and other				
(i) collateral requirements	28,252	28,252	42,641	42,641
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and liquidity facilities	8,033	817	7,901	843
6 Other contractual funding obligations	4,832	4,832	4,229	4,229
7 Other contingent funding obligations	67,194	2,892	68,813	2,974
8 TOTAL CASH OUTFLOWS		86,558		94,940
Cash Inflows				
9 Secured lending (e.g. reverse repos)	1,316	-	2,233	-
10 Inflows from fully performing exposures	10,722	6,677	10,341	6,182
11 Other cash inflows	30,088	29,013	44,371	43,374
12 TOTAL CASH INFLOWS	42,125	35,690	56,945	49,556
		Total Adjusted Value		Total Adjusted Value
21 TOTAL HQLA		58,898		53,722
22 TOTAL NET CASH OUTFLOWS		50,868		45,384
23 LIQUIDITY COVERAGE RATIO (%)		115.78%		118.37%

* The average weighted and unweighted amounts are calculated taking simple daily average of all 3 months of the quarter.

IDFC FIRST Bank follows the guidelines laid down by the RBI for calculation of HQLA, gross outflows and inflows within the next 30 days period. HQLA predominantly comprises cash, excess CRR and investments qualifying to be HQLA as per RBI guidelines. The Liquidity Risk Management of the Bank is governed by the Asset Liability Management (ALM) Policy approved by the Board. The Asset Liability Committee (ALCO) is responsible for implementing the liquidity and interest rate risk management strategy of the Bank in line with its risk management objectives set by the Board. The Bank's ALCO has prescribed an internal threshold for LCR which is over the regulatory threshold of 100%. The Bank has maintained LCR well above RBI and Internal thresholds on an ongoing basis.

The Bank is funded through retail CASA, retail term deposits, wholesale term deposits and borrowings viz. Bonds and Refinance Borrowings. All outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation. The Bank closely monitors its LCR daily and proactively manages its liquidity in order to maintain this ratio well above the internal thresholds. The Bank is continuously striving to maintain a robust funding profile driven by granular retail deposits. The above LCR disclosure pertains to standalone as well as consolidated entity, since IDFC FIRST Bank's subsidiaries are not engaged in any lending or borrowing business.