Disc 25

Bank of India

Risk Management Dept., Head Office

Amount in INR Crore

LCR DISCLOSURE TEMPLATE for the quarter ended March 31, 2017

		As on 31.03.2017 #		As on 31.03.2016 #	
	AMOUNT IN RS CRS	Total Unweighted Value (average)1@	Total Weighted Value(average)2 @	Total Unweighted Value (average)1*	Total Weighted Value(average)2 *
HIGH QUALITY LIQID ASSETS					
1	Total High Quality Assets(HQLA)		38,891.96		61,786.45
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	175,535.97	17,382.02	339,339.09	33,610.35
(i)	Stable deposits	3,860.05	193.01	6,476.05	324.05
(ii)	Less stable deposits	171,675.91	17,189.01	332,863.04	33,286.30
3	Unsecured wholesale funding of which:	36,182.95	18,554.63	89,564.67	43,561.91
(i)	Operational deposits (all counterparties)	1,150.32	134.19	27,838.57	9,585.16
(ii)	Non -operational deposits (all counterparties)	30,859.54	14,247.35	55,471.05	27,721.70
(iii)	unsecured debts	4,173.09	4,173.09	6,255.05	6,255.05
4	Secured wholesale funding		-		-
5	Additional requirements, of which	16,704.80	3,780.59	17,928.45	6,209.24
(i)	Outflows related to derivative exposures and other collateral requirement	1,940.62	1,988.06	581.20	581.20
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	14,764.19	1,792.53	17,347.24	5,628.04
6	Other contractual funding obligations	5,670.86	5,197.92	8,942.68	7,936.45
7	Other contingent funding obligations	23,736.24	748.57	43,144.31	2,157.22
8	TOTAL CASH OUTFLOWS		45,663.73		93,475.17
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	6,708.06	3,897.59	4,829.40	2,901.55
10	Inflows from fully performing exposurs	5,327.61	3,861.77	28,447.53	20,089.11
11	Other cash inflows	10,406.71	9,460.41	9,808.54	6,428.85
12	TOTAL CASH INFLOWS	14,745.61	10,553.11	43,085.47	29,419.51
			Total Adjusted Value 3		
21	TOTAL HQLA		38,891.96		61,786.45
22	TOTAL NET CASH OUTFLOWS		35,110.61		64,055.66
23	LIQUIDITY COVERAGE RATIO(%)		110.77		96.46

Note- Data to be entred only in blank & light grey cells

1.Unweighted values must be calculated as outstanding balances maturing or callable within 30 days(or inflows and outflows) except where otherwise mentioned in the circular and LCR template

2.weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)

3.Adjusted values must be calculated after the application of both (i)haircuts and inflow and outflow rates and (ii)any applicable caps(i.e.cap on level 2B nd level 2 assets for HQLA and cap on inflows

@ Disclosure as on 31.03.2017 has been done by taking simple averages of monthly observations over previous quarter (i.e. average over a period of 90 days) for data till quarter ended December 31, 2016. For the quarter ended March 31, 2017 the simple average is calculated on daily observations over the previous quarter. This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

** Simple averages of monthly observations over previous quarter (i.e. average over a period of 90 days)*

 # On consolidated basis (including domestic and foreign subsidiaries)

Bank of India

LCR Disclosure Template for the quarter ended March 31, 2017

Qualitative disclosures with regard to LCR

W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.

- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.

- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.

- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019
Minimum LCR	60%	70%	80%	90%	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of HQLA as on date of disclosure is given below:

Cash in hand	8%
Excess CRR balance	5%
Government securities in excess of minimum SLR Requirement	26%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 7 percent of NDTL as allowed for MSF)	11%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3%
Facility to Avail Liquidity for Liquidity Coverage Ratio	45%
Level 2 Assets	3%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities. In our case, USD is the only significant currency. Therefore, Bank also calculates LCR in USD currency.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: No such items as per our notice.