

Liquidity Coverage Ratio

As of June 30, 2024

Liquidity Coverage Ratio (LCR) is a measure to assess short-term resilience of the banks to potential liquidity disruptions by ensuring sufficient High Quality Liquid Assets (HQLA) are maintained to survive net cash outflows over next 30 calendar days under stress conditions. LCR is calculated by dividing a bank's stock of HQLA by its total net cash outflows over a 30-day stress period.

High Quality Liquid Assets (HQLA) under LCR are divided into two parts i.e. Level-1 HQLA which comprises of cash, excess CRR balance, 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/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 under stress conditions.

Equitas Small Finance Bank Limited (ESFBL) during the quarter ended 30th June 2024, maintained an average HQLA of ₹9,033 crore to cover the average net cash outflows of ₹5,294 crore over the next 30 days. The average LCR of ESFBL for the quarter ended 30th June 2024 is at 170.61%, which is well above the regulatory requirement.

The table below sets out the average LCR of ESFBL for quarter ended June 30, 2024.

(Rs. in Crores)

Liquidity Coverage Ratio	For Q1 2024-25	
	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets		
Total High Quality Liquid Assets (HQLA)		9,033
Retail deposits and deposits from small business customers, of which:		
Stable deposits	3,636	182
Less stable deposits	19,104	1,910
Unsecured wholesale funding, of which:		
Operational deposits (all counterparties)	-	-
Non-operational deposits (all counterparties)	4,252	3,253
Unsecured debt	-	-
Secured wholesale funding	356	-
Additional requirements, of which		
Outflows related to derivative exposures and other collateral requirements	-	-
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	181	9
Other contractual funding obligations	545	545
Other contingent funding obligations	259	13
TOTAL CASH OUTFLOWS	28,334	5,913
Secured lending (e.g. reverse repos)	355	-
Inflows from fully performing exposures	849	499
Other cash inflows	238	119
TOTAL CASH INFLOWS	1,441	618
TOTAL HQLA		9,033
TOTAL NET CASH OUTFLOWS		5,294
LIQUIDITY COVERAGE RATIO (%)		170.61%