

Liquidity Coverage Ratio

As of September 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 September 2024, maintained an average HQLA of ₹9,011 crores to cover the average net cash outflows of ₹5,854 crores over the next 30 days. The average LCR of ESFBL for the quarter ended 30th September 2024 is at 153.93%, which is well above the regulatory requirement.

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

(Rs. in Crores)

Liquidity Coverage Ratio	For Q2 2024-25	
	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets		
Total High Quality Liquid Assets (HQLA)		9,011
Retail deposits and deposits from small business customers, of which:		
Stable deposits	3,671	184
Less stable deposits	20,121	2,012
Unsecured wholesale funding, of which:		
Operational deposits (all counterparties)	-	-
Non-operational deposits (all counterparties)	4,460	3,602
Unsecured debt	-	-
Secured wholesale funding	543	-
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	195	10
Other contractual funding obligations	835	835
Other contingent funding obligations	472	23
TOTAL CASH OUTFLOWS	30,296	6,665
Secured lending (e.g. reverse repos)	233	-
Inflows from fully performing exposures	1,066	692
Other cash inflows	240	120
TOTAL CASH INFLOWS	1539	812
TOTAL HQLA		9,011
TOTAL NET CASH OUTFLOWS		5,854
LIQUIDITY COVERAGE RATIO (%)		153.93%