CONSOLIDATED LIQUIDITY COVERAGE RATIO DISCLOSURE AT SEPTEMBER 30, 2020

The Basel Committee on Banking Supervision (BCBS) had introduced 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.

The Bank is required to maintain the LCR on a standalone Bank and on a Group Level. The minimum LCR requirement set out in the RBI guideline for the standalone Bank and for Group effective January 1, 2019 is 100%. In order to accommodate the burden on banks' cash flows on account of the Covid-19 pandemic, RBI permitted banks to maintain LCR at 80.0% with effect from April 17, 2020. This requirement will be gradually restored back in two phases – 90.0% by October 1, 2020 and 100% by April 1, 2021.

The key entities covered in the Group LCR are ICICI Bank Limited, ICICI Bank UK PLC, ICICI Bank Canada, ICICI Home Finance Company Limited, ICICI Prudential Asset Management Company Limited, ICICI Securities Limited, ICICI Securities Primary Dealership Limited and ICICI Venture Fund Management Company Limited.

As per the RBI guidelines, for the LCR on a consolidated basis, a cross-border banking group should apply the liquidity parameters adopted in the home jurisdiction to all legal entities being consolidated except for the treatment of retail and small business deposits which would be based on the relevant parameters adopted in the host jurisdictions in which the entities operate. ICICI Bank Canada and ICICI Bank UK PLC have followed the treatment for retail and small business deposits as specified by their respective regulators. For all other parameters, the RBI-prescribed LCR factors are applicable for the purposes of the Group LCR computation. The excess HQLA maintained at the group entities over their respective regulatory requirement has not been considered in the Group LCR computation.

The following table sets out the average of unweighted and weighted value of the LCR components of the ICICI Group. The simple average has been computed based on daily values for the three months ended September 30, 2020.

₹ in million

Particulars		Total unweighted value (average)	Total weighted value (average)
High quality liquid assets			
1	Total high quality liquid assets	**N.A.**	**2,739,221.4**
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	5,047,968.4	428,196.9
(i)	Stable deposits	1,740,945.2	86,772.2
(ii)	Less stable deposits	3,307,023.2	341,424.7
3	Unsecured wholesale funding, of which:	2,581,190.3	1,362,873.5
(i)	Operational deposits (all counterparties)	0.0	0.0
(ii)	Non-operational deposits (all counterparties)	2,508,451.2	1,290,134.4

Particulars		**Total unweighted value (average)**	**Total weighted value (average)**
(iii)	Unsecured debt	72,739.1	72,739.1
4	Secured wholesale funding	N.A.	506.3
5	Additional requirements, of which:	366,072.6	147,891.7
(i)	Outflows related to derivative exposures and other collateral requirements	112,677.9	112,677.9
(ii)	Outflows related to loss of funding on debt products	137.4	137.4
(iii)	Credit and liquidity facilities	253,257.3	35,076.4
6	Other contractual funding obligations	199,276.2	199,276.2
7	Other contingent funding obligations	2,923,812.5	121,834.0
8	**Total Cash Outflows**	**N.A.**	**2,260,578.6**
9	Secured lending (e.g. reverse repos)	471,176.2	10.1
10	Inflows from fully performing exposures	427,557.3	323,388.6
11	Other cash inflows	87,013.0	48,960.1
12	**Total Cash Inflows**	**985,746.5**	**372,358.8**
13	**Total HQLA**	**N.A.**	**2,739,221.4**
14	**Total Net Cash Outflows**	**N.A.**	**1,888,219.8**
15	**Liquidity coverage ratio (%)**	**N.A.**	**145.07%**

The Group, during the three months ended September 30, 2020, had maintained average HQLA (after haircut) of 2,739,221.4 million as against the average HQLA requirement of 1,510,575.8 million. HQLA primarily included government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash, balances in excess of cash reserve requirement with RBI & the overseas central banks and marketable securities issued by foreign sovereigns form part of level 1 HQLA. Level 2 HQLA primarily consisted of AA- and above rated corporate bonds and commercial papers.

RBI through its circular dated March 27, 2020 permitted banks to grant a moratorium to their customers on the payment of instalments and/or interest, falling due between March 1, 2020 and May 31, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank extended the moratorium to borrowers in accordance with its Board approved policies. The LCR computation includes the impact of the moratorium as implemented in the Bank's systems.

The average LCR of the ICICI Group for the three months ended September 30, 2020 was 145.07%.