

CONSOLIDATED LIQUIDITY COVERAGE RATIO DISCLOSURE AT SEPTEMBER 30, 2016

The Basel Committee for 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. As per the RBI guidelines the minimum LCR required to be maintained by banks on a standalone level shall be implemented in a phased manner from January 1, 2015.

The RBI through a supplementary guideline issued on March 31, 2015 had stipulated the implementation of LCR at a consolidated level from January 1, 2016. The minimum LCR (phase-in arrangements) set out in the RBI guideline for standalone Bank issued on June 9, 2014 is applicable for the consolidated LCR as well as set out below.

Starting from January 1	2016	2017	2018	2019
Minimum LCR	70.0%	80.0%	90.0%	100.0%

ICICI Group has been computing the consolidated LCR on a monthly basis since January 2016 as per the extant RBI guidelines.

The 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. Further, 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 averages are computed based on month end values for the months of July 2016, August 2016 and September 2016.

₹ in million

Particulars		Total unweighted value (average)	Total weighted value (average)
High quality liquid assets			
1	Total high quality liquid assets	N.A.	884,235.1
Cash outflows			
2	Retail deposits and deposits from small business customers, of	2,760,617.5	257,077.3

Particulars		Total unweighted value (average)	Total weighted value (average)
	which:		
(i)	Stable deposits	487,702.9	24,007.4
(ii)	Less stable deposits	2,272,914.6	233,069.9
3	Unsecured wholesale funding, of which:	1,175,720.5	702,504.6
(i)	Operational deposits (all counterparties)	209,027.9	52,257.0
(ii)	Non-operational deposits (all counterparties)	906,823.7	590,378.7
(iii)	Unsecured debt	59,868.9	59,868.9
4	Secured wholesale funding	N.A.	1,183.6
5	Additional requirements, of which:	565,816.5	161,986.6
(i)	Outflows related to derivative exposures and other collateral requirements	98,769.1	98,769.1
(ii)	Outflows related to loss of funding on debt products	338.8	338.8
(iii)	Credit and liquidity facilities	466,708.6	62,878.7
6	Other contractual funding obligations	91,925.4	91,925.4
7	Other contingent funding obligations	1,914,204.5	71,335.1
8	Total Cash Outflows	N.A.	1,286,012.6
9	Secured lending (e.g. reverse repos)	14,248.5	-
10	Inflows from fully performing exposures	391,642.3	315,927.3
11	Other cash inflows	49,214.4	26,035.6
12	Total Cash Inflows	455,105.2	341,962.9
13	Total HQLA	N.A.	884,235.1
14	Total Net Cash Outflows	N.A.	944,049.7
15	Liquidity coverage ratio (%)	N.A.	93.66%

The Group, during the quarter ended on September 30, 2016, had maintained average HQLA (after haircut) of ₹ 884,235.1 million as against the average liquidity requirement of ₹ 660,834.7 million at a minimum LCR requirement of 70%. 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 and the overseas central banks form part of level 1 HQLA. Level 2 HQLA primarily consisted of AA- and above rated corporate bonds and commercial papers.

Based on the above, the monthly average LCR of the ICICI Group for the quarter ended September 30, 2016 was 93.66%.