

Liquidity Coverage Ratio Disclosure

LCR, as applicable to schedule commercial banks, will be applicable to small finance Banks.

The transition period for the SFB's for achieving the prescribed level of LCR would be as follows:

Particulars	Till December 31, 2017	By January 01, 2018	By January 01, 2019	By January 01, 2020	By January 01, 2021
Minimum LCR	60%	70%	80%	90%	100%

The table below sets out the average LCR of Capital Small Finance Bank Limited for the quarter ending September 2017 & June 2017.

Liquidity Coverage Ratio (LCR)	Quarter Ended June 30, 2017		Quarter Ended September 30, 2017	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets				
1 Total High Quality Liquid Assets (HQLA)		688.37		673.94
Cash Outflows				
2 Retail deposits and deposits from small business customers, of which:		-		
(i) Stable deposits	641.62	32.08	647.22	32.36
(ii) Less stable deposits	1,590.87	159.09	1,658.60	165.86
3 Unsecured wholesale funding, of which:		-		
(i) Operational deposits (all counterparties)	0.27	0.06	0.02	0.00
(ii) Non-operational deposits (all counterparties)	141.64	37.57	124.47	47.27
(iii) Unsecured debt		0.00	0.00	0.00

4	Secured wholesale funding		-		-
5	Additional requirements, of which				
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	0.00	0.00
(ii)	Outflows related to loss of funding on debt products	-	-	0.00	0.00
(iii)	Credit and liquidity facilities	168.50	9.62	118.74	9.28
6	Other contractual funding obligations	0.71	0.71	4.42	4.42
7	Other contingent funding obligations	24.73	2.38	23.75	0.71
8	Total Cash Outflows		241.51		259.91
Cash Inflows					
9	Secured lending (e.g. reverse repos)	41.31	41.31	3.33	3.33
10	Inflows from fully performing exposures	12.30	12.30	13.10	13.10
11	Other cash inflows	40.62	10.24	61.19	25.44
12	Total Cash Inflows	94.24	63.86	77.62	41.87
13	Total HQLA		688.37		673.94
14	Total Net Cash Outflows		177.66		218.04
15	Liquidity Coverage Ratio (%)		387.47%		309.09%

Capital Small Finance Bank Limited during the quarter ended September 30, 2017 maintained average HQLA of 673.94 crores against the average net cash outflows of 210.04 crores. The entire HQLA was Level 1 HQLA. The average LCR of CSFB for the quarter ended September 30, 2017 was at 309.09%, which is well above the regulatory threshold of 60%.

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 sovereign's form part of level 1 HQLA.

For the purposes of LCR computation, the Bank has considered all inflows and outflows that may have a quantifiable impact under the liquidity stress scenario.