Bank of India
Risk Management Dept., Head Office

Amount in INR Crore

LCR DISCLOSURE TEMPLATE for the Financial year ended March 31, 2022

	AMOUNT IN RS CRS	FY 2021-22*		FY 2020-21*	
		Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		152,978.82		142,882.62
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	481,892.84	42,040.18	422,053.05	38,301.74
(i)	Stable deposits	122,982.07	6,149.10	77,198.78	3,814.62
(ii)	Less stable deposits	358,910.77	35,891.08	344,854.27	34,487.12
3	Unsecured wholesale funding of which:	79,063.20	43,190.90	78,645.06	42,663.37
(i)	Operational deposits (all counterparties)	179.42	44.85	70.41	17.62
(ii)	Non-operational deposits (all counterparties)	59,562.89	23,825.16	59,026.50	23,501.40
(iii)	unsecured debts	19,320.89	19,320.89	19,548.15	19,144.35
4	Secured wholesale funding		9.47		78.51
5	Additional requirements, of which	23,506.27	7,852.73	22,320.24	7,081.92
(i)	Outflows related to derivative exposures and other collateral requirement	3,133.31	3,133.31	3,057.01	3,046.87
(ii)	Outflows related to loss of funding on debt products	-	-	228.50	91.40
(iii)	Credit and liquidity facilities	20,372.95	4,719.42	19,034.72	3,943.65
6	Other contractual funding obligations	19,509.66	19,509.66	14,596.73	14,534.23
7	Other contingent funding obligations	37,416.21	1,125.66	33,118.98	1,050.29
8	TOTAL CASH OUTFLOWS		113,728.60		103,710.05
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	9,036.03	6,766.98	10,992.44	8,867.75
10	Inflows from fully performing exposurs	29,487.00	20,462.70	23,154.33	15,306.84
11	Other cash inflows	15,390.67	14,621.87	18,424.21	17,353.96
12	TOTAL CASH INFLOWS	53,913.71	41,851.55	52,570.98	41,528.56
21	TOTAL HQLA		152,978.82		142,882.62
22	TOTAL NET CASH OUTFLOWS		71,877.05		62,181.50
23	LIQUIDITY COVERAGE RATIO(%)		212.83		229.78

Note-

** On consolidated basis (including domestic operations, overseas Centres and overseas subsidiaries)*

@ Disclosure as on 31.03.2022 as well as 31.03.2021 has been done by taking simple average of daily observations over previous 4 quarters (i.e. average for the FY 2020-21 & FY 2019-20 respectively). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

General Manager (RMD) & CRO

Statutory Auditors

MUKUND M CHITALE & CO.
MUMBAI
CHARTERED ACCOUNTANTS

Classification: Internal

Bank of India

LCR Disclosure Template for the Financial Year ended March 31, 2022

Qualitative disclosures with regard to LCR

W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.

- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.

- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.

- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01. 2015	01.01. 2016	01.01. 2017	01.01. 2018	01.01. 2019	01.04. 2020	01.10. 2020
Minimum LCR	60%	70%	80%	90%	100%	80%	90%

Classification: Internal

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However , in order to accommodate the burden on bank's cash flow on account of Covid 19 pandemic , RBI vide circular no DOR.BP.BC.No.65/21.04.098/2019-20, dated April 17,2020 permitted Banks to maintain LCR as under:

From date of Circular to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of HQLA as on date of disclosure is given below:

Cash in hand	2.00%
Excess CRR balance	7.48%
Government securities in excess of minimum SLR Requirement	19.02%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 15 percent of NDTL as allowed for MSF)	10.14%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3.97%
Facility to Avail Liquidity for Liquidity Coverage Ratio	54.97%
Level 2 Assets	2.42%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

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Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

General Manager (RMD) & CRO

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MUMBAI

बैंक ऑफ़ इंडिया BOI
Bank of India

Head office
Risk Management Department

This modification in Disclosure requirement (for NSFR) is arising out of the Additional Disclosure to Sch-18 (notes forming part of Accounts) in Annual Report 2021-22 (approved in BM dt. 30.07.2022) effecting modification in the Regulatory Capital for 31.03.2022.

Net Stable Funding Ratio (Consolidated)

NSFR Disclosure Template - 31.03.2022

	` in crore	Unweighted value by residual maturity				Weighted value
		No maturity#	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital (2+3)	0	0	0	59,206	59,206
2	Regulatory Capital	0	0	0	59,206	59,206
3	*Other Capital Instruments*	0	0	0	0	0
4	Retail Deposits and deposits from small business customers: (5+6)	220,660	55,280	21,318	253,284	524,537
5	*Stable Deposits*	55,258	13,843	5,339	63,428	134,146
6	*Less Stable Deposits*	165,402	41,436	15,980	189,856	390,392
7	Wholesale Funding (8+9)	31,004	13,317	2,995	39,299	62,958
8	*Operational Deposits*	77	19	7	89	141
9	*Other wholesale funding*	30,927	13,298	2,988	39,210	62,817
10	Other Liabilities: (11+12)	0	15,753	28,302	0	0
11	*NSFR Derivative Liabilities*		0	0	0	
12	*All other liabilities and equity not included in the above categories*	0	15,753	28,302	0	0
13	Total ASF (1+4+7+10)					646,701
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					7,988
15	Deposits held at other financial institutions for operational purposes	0	2,660	0	25	1,342
16	Performing Loans and securities (17+18+19+21+23)	0	180,252	10,929	195,253	277,368
17	Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	6,666	2,629	46,973	49,288
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0	170,623	6,970	124,522	210,491
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	170,623	6,970	124,522	210,491
21	Performing residential mortgages, of which:		2,962	1,330	23,759	17,589
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2,962	1,330	23,759	17,589
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0	0	0	0	
24	Other assets: (sum of rows 25 to 29)	35,960	94,150	14,832	90,143	150,064
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0	0	0	0	0
27	NSFR derivative assets	0	15627	0	0	15,627
28	NSFR derivative liabilities before deduction of variation margin posted	0	236	0	0	236
29	All other assets not included in the above categories	35960	78,286	14,832	90,143	134,200
30	Off-balance sheet items		79,782	0	0	3,139
31	Total RSF (14+15+16+24+30)					439,901
32	Net Stable Funding Ratio (%)					147.01%

\# Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

General Manager and CRO

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NSFR Disclosure for the quarter ended March 31, 2022

Qualitative disclosures with regard to NSFR

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$NSFR = \frac{Available\ Amount\ of\ Stable\ Funding\ (ASF)}{Required\ Amount\ of\ Stable\ Funding\ (RSF)} \geq 100\%$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 9%, retail deposits (including deposits from small sized business customers) formed 81% and wholesale funding formed 10% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 68% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 2% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 32% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of Rs.646,701 Cr against Rs.439,901 Cr of Required Stable Funding, resulting in a consolidated NSFR of 147.01% as on 31st March, 2022.

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