Bank of India

Risk Management Dept., Head Office

Amount in INR Crore

LCR DISCLOSURE TEMPLATE for the Financial year ended March 31, 2023

		FY 2022-23*		FY 2021-22*	
	AMOUNT IN RS CRS	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)		141,772.51		152,978.82
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	490,439.65	42,687.67	481,892.84	42,040.18
(i)	Stable deposits	127,125.93	6,356.30	122,982.07	6,149.10
(ii)	Less stable deposits	363,313.73	36,331.37	358,910.77	35,891.08
3	Unsecured wholesale funding of which:	82,100.09	46,746.70	79,063.20	43,190.90
(i)	Operational deposits (all counterparties)	-	-	179.42	44.85
(ii)	Non -operational deposits (all counterparties)	58,922.31	23,568.93	59,562.89	23,825.16
(iii)	unsecured debts	23,177.77	23,177.77	19,320.89	19,320.89
4	Secured wholesale funding		2,975.64		9.47
5	Additional requirements, of which	31,037.31	10,727.82	23,506.27	7,852.73
(i)	Outflows related to derivative exposures and other collateral requirement	5,414.68	5,414.68	3,133.31	3,133.31
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	25,622.63	5,313.14	20,372.95	4,719.42
6	Other contractual funding obligations	14,865.49	14,865.49	19,509.66	19,509.66
7	Other contingent funding obligations	37,109.90	1,113.29	37,416.21	1,125.66
8	TOTAL CASH OUTFLOWS		119,116.61		113,728.60
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	5,533.88	3,487.53	9,036.03	6,766.98
10	Inflows from fully performing exposurs	27,354.34	21,745.10	29,487.00	20,462.70
11	Other cash inflows	15,855.87	15,685.38	15,390.67	14,621.87
12	TOTAL CASH INFLOWS	48,744.10	40,918.00	53,913.71	41,851.55
13	TOTAL HQLA		141,772.51		152,978.82
14	TOTAL NET CASH OUTFLOWS		78,198.61		71,877.05
15	LIQUIDITY COVERAGE RATIO(%)		181.30		212.83

Note-

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

@ Disclosure as on 31.03.2023 as well as 31.03.2022 has been done by taking simple average of daily observations over previous 4 quarters (i.e. average for the FY 2022-23 & FY 2021-22 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 & CRO

Statutory Auditors

Classification: Internal

Bank of India

LCR Disclosure Template for the Financial Year ended March 31, 2023

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.

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

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%

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	1.89%
Excess CRR balance	3.91%
Government securities in excess of minimum SLR Requirement	13.98%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 2 percent of NDTL as allowed for MSF)	8.08%
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	6.11%
Facility to Avail Liquidity for Liquidity Coverage Ratio	64.05%
Level 2 Assets	1.98%

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.

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 & CRO ***Statutory Auditors***

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

बैंक ऑफ इंडिया / BANK OF INDIA

	NSFR Disclosure Template - 31.03.2023 (Audited)					
		Unweighted value by residual maturity				Weighted value
	Amount in (Rs. Crores)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	63,906.47	0.00	0.00	0.00	63,906.47
2	*Regulatory capital*	63,906.47	0.00	0.00	0.00	63,906.47
3	*Other capital instruments*	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	222,661.15	129,987.37	75,255.91	0.00	389,424.69
5	*Stable deposits*	37,846.81	27,624.59	20,742.65	0.00	81,903.34
6	*Less stable deposits*	184,814.35	102,362.79	54,513.26	0.00	307,521.35
7	Wholesale funding: (8+9)	23,250.71	20,900.77	16,702.03	0.00	30,426.75
8	*Operational deposits*	0.00	0.00	0.00	0.00	0.00
9	*Other wholesale funding*	23,250.71	20,900.77	16,702.03	0.00	30,426.75
10	Other liabilities: (11+12)	1,223.62	37,292.71	0.00	228,192.75	124,597.18
11	*NSFR derivative liabilities*		0.00	0.00	0.00	0.00
12	*All other liabilities and equity not included in the above categories*	1,223.62	37,292.71	0.00	228,192.75	124,597.18
13	**Total ASF (1+4+7+10)**					608,355.10
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					7,566.34
15	Deposits held at other financial institutions for operational purposes	5,423.09	0.00	0.00	0.00	2,711.55
16	Performing loans and securities: (17+18+19+21+23)	0.00	229,201.65	19,381.85	243,714.97	286,812.06
17	*Performing loans to financial institutions secured by Level 1 HQLA*	0.00	0.00	0.00	0.00	0.00
18	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	0.00	9,049.87	3,957.02	0.00	3,335.99
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:*	0.00	220,151.78	15,424.83	187,226.42	239,485.48
20	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit*	0.00	220,151.78	15,424.83	187,226.42	239,485.48
21	*Performing residential mortgages, of which:*	0.00	0.00	0.00	20,123.40	13,080.21
22	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit*	0.00	0.00	0.00	20,123.40	13,080.21
23	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	0.00	0.00	0.00	36,365.16	30,910.38
24	Other assets: (sum of rows 25 to 29)	0.00	26,277.14	4,665.99	145,432.23	168,879.45
25	*Physical traded commodities, including gold*	0.00				0.00
26	*Assets posted as initial margin for derivative contracts and contributions to default funds of*		0.00	0.00	0.00	0.00
27	*NSFR derivative assets*		20,188.56	3,359.81	632.03	24,180.40
28	*NSFR derivative liabilities before deduction of variation margin posted*		352.03	69.39	0.00	421.42
29	*All other assets not included in the above*	0.00	5,736.54	1,236.80	144,800.20	144,277.63
30	Off-balance sheet items		12,838.40	48,296.83	45,442.92	4,560.90
31	**Total RSF**					470,530.29
32	**NSFR %**					**129.29%**
#	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 & CRO

Statutory Auditors

Classification: Internal

Bank of India
NSFR Disclosure for the quarter ended March 31, 2023

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 11%, retail deposits (including deposits from small sized business customers) formed 64% and wholesale funding formed 5% 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 61% 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 36% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of Rs.608,355.10 Cr against Rs.470,530.29 Cr of Required Stable Funding, resulting in a consolidated NSFR of 129.29% as on 31st March, 2023.

General Manager & CRO

Statutory Auditors

V. SANKAR AIYAR & CO
CHARTERED ACCOUNTANTS
MUMBAI

बैंक ऑफ इंडिया
जोखिम प्रबंधन विभाग
RISK MANAGEMENT DEPT
प्र.का./H.O.