

DISCLOSURE ON LIQUIDITY COVERAGE RATIO (LCR) AS ON 31.03.2025

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms to develop a more resilient banking sector. The LCR is expected to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spill over from the financial sector to the real economy. The Liquidity Risk Management of the Bank is governed by the Asset Liability Management (ALM) Policy approved by the Board. Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) 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.

The LCR is calculated as under:

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total Net Cash Outflows}} \geq 100\%$$

The LCR is calculated by dividing a Bank's stock of HQLA by its total net cash outflows over a 30-day stress period.

The main drivers of the liquidity coverage ratio:

- 1) High Quality Liquid Asset (HQLA) is one of the major drivers of LCR. The major portion of HQLA consists of facility to avail liquidity under Marginal Standing Facility (MSF), FALLCR & excess SLR investments.
- 2) Cash Outflow is another major driver of LCR. The main components of cash outflows are less stable retail deposit, Non-financial corporates and net derivative cash outflows.
- 3) Another major driver of LCR is Cash Inflow. The main components of cash inflows are inflows by counterparty and net derivative cash inflow.

The composition of HQLA:

Level 1 assets comprises of surplus SLR investments and 2% of NDTL applicable for MSF and 16% of NDTL (FALLCR) as per RBI circular no. RBI/2022-23/25 DOR.LRG.REC.19/21.04.098/2022-23 dated 18/04/2022 and overnight balances held by banks with RBI under SDF as per RBI circular no RBI/2022-23/141 DOR.LRG.REC.83/03.10.001/2022-23 dated 23/11/2022.

Level 2A assets comprises of Bonds issued by State Government, Central Government PSUs excluding the finance companies and bonds of private corporates having rating of AA- and above excluding the finance companies.

Level 2B assets comprises of bonds of corporates having rating of BBB- to A+ excluding the finance companies. Level 2B assets also comprises of NIFTY/SENSEX shares excluding the finance companies.

Central Bank of India's LCR comes to 194.89 % based on daily average position of the quarter (Q4 FY24-25) and remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹ 92665 crore, with the majority 97.60% of HQLA being in Level 1 assets.

(iii)	Credit and liquidity facilities	2651	2628	2681	2674	2659	2652	2659	2652
6	Other contractual funding obligations	2599	2599	2548	2548	2713	2713	3251	3251
7	Other contingent funding obligations	32652	1387	32637	1388	32878	1392	33540	1413
8	TOTAL CASH OUTFLOWS		67031		64280		66697		70318
Cash Inflows									
9	Secured lending (e.g reverse repo)	0	0	0	0	11	0	62	0
10	Inflows from fully performing exposures	3103	3103	3611	3611	3237	3237	3607	3607
11	Other cash inflows	17743	15027	18614	16584	18818	16619	22649	19164
12	TOTAL CASH INFLOWS	20846	18130	22225	20195	22067	19856	26319	22771
			TOTAL ADJUSTED VALUE						
13	TOTAL HQLA		96294		105888		109418		92665
14	TOTAL NET CASH OUTFLOWS		48901		44085		46840		47547
15	LIQUIDITY COVERAGE RATIO (%)		196.92%		240.19%		233.60%		194.89%

In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. The Bank has considered 90 data points for the quarter January 2025 to March 2025 .