

DISCLOSURE ON LIQUIDITY COVERAGE RATIO (LCR) AS ON 30.09.2025

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 days' 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, funding from other legal entity and net derivative cash outflow.

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 241.96 % based on daily average position of the quarter (Q2 FY25-26) and remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹ 134782 crore, with the majority 98.84% of HQLA being in Level 1 assets.

The average HQLA for the quarter ended September 30, 2025 was ₹ 134782 crore as against was ₹ 112772 crore for the quarter ended June 30, 2025.

The average LCR for the quarter ended **September 30, 2025** was at **241.96%**.

Central Bank of India		Quarter Ended June 30, 2025		Quarter Ended September 30, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(Rs in crore)					
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)		112772		134782
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
(i)	Stable deposits	28575	1429	29074	1454
(ii)	Less stable deposits	329075	32908	338296	33830
3	Unsecured wholesale funding, of which:				
(i)	Operational deposits (all counterparties)	0	0	0	0
(ii)	Non-operational deposits (all counterparties)	42304	21777	48149	24522
(iii)	Unsecured debt	0	0	0	0
4	Secured wholesale funding		0		0
5	Additional requirements, of which				
(i)	Outflows related to derivative exposures and other collateral requirements	9914	9914	10373	10373
(ii)	Outflows related to loss of funding on debt products	0	0	0	0
(iii)	Credit and liquidity facilities	2730	2723	2911	2904
6	Other contractual funding obligations	3348	3348	3431	3431
7	Other contingent funding obligations	35425	1497	35151	1493
8	TOTAL CASH OUTFLOWS		73595		78006
Cash Inflows					
9	Secured lending (e.g reverse repo)	505	0	561	0
10	Inflows from fully performing exposures	3678	3678	3863	3863
11	Other cash inflows	25693	21944	22167	18440
12	TOTAL CASH INFLOWS	29877	25622	26591	22303
			TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
13	TOTAL HQLA		112772		134782
14	TOTAL NET CASH OUTFLOWS		47972		55703
15	LIQUIDITY COVERAGE RATIO (%)		235.08%		241.96%

