

DISCLOSURE ON LIQUIDITY COVERAGE RATIO (LCR) AS ON 30.06.2025

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 235.08 % based on daily average position of the quarter (Q1 FY25-26) and remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹ 112772 crore, with the majority 98.57% of HQLA being in Level 1 assets.

The average HQLA for the quarter ended June 30, 2025 was ₹ 112772 crore as against was ₹ 92665 crore for the quarter ended March 31, 2025.

The average LCR for the quarter ended **June 30, 2025** was at **235.08%**.

Central Bank of India		Quarter Ended March 31, 2025		Quarter Ended June 30, 2025	
(Rs in crore)		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)		92665		112772
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
(i)	Stable deposits	28459	1423	28575	1429
(ii)	Less stable deposits	322084	32208	329075	32908
3	Unsecured wholesale funding, of which:				
(i)	Operational deposits (all counterparties)	0	0	0.00	0
(ii)	Non-operational deposits (all counterparties)	37771	19119	42304	21777
(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	10252	10252	9914	9914
(ii)	Outflows related to loss of funding on debt products	0	0	0	0
(iii)	Credit and liquidity facilities	2659	2652	2730	2723
6	Other contractual funding obligations	3251	3251	3348	3348
7	Other contingent funding obligations	33540	1413	35425	1497
8	TOTAL CASH OUTFLOWS		70318		73595
Cash Inflows					
9	Secured lending (e.g reverse repo)	62	0	505	0
10	Inflows from fully performing exposures	3607	3607	3678	3678
11	Other cash inflows	22649	19164	25693	21944
12	TOTAL CASH INFLOWS	26319	22771	29877	25622
			TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
13	TOTAL HQLA		92665		112772
14	TOTAL NET CASH OUTFLOWS		47547		47972
15	LIQUIDITY COVERAGE RATIO (%)		194.89%		235.08%