

QUALITATIVE DISCLOSURE ON BANK'S LIQUIDITY COVERAGE RATIO

Liquidity Coverage Ratio: The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be readily converted into cash at little/no loss of value to meet its liquidity needs for a 30-calendar daytime horizon under a liquidity stress scenario.

LCR has two components:

- i. The value of the stock of High-Quality Liquid Assets (HQLA) as a Numerator.
- ii. Total Net Cash Outflows: Total expected cash outflows minus Total expected cash inflows, in stress scenario, for the subsequent 30 calendar days as a denominator.

Definition of Liquidity Coverage Ratio (LCR):

$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\% \text{ (w.e.f 01.04.2021)}$$

The Liquidity Coverage Ratio arrived for the quarter ended September 2025 was 141.92% (on basis of simple averages of daily observations during the period 01-07-2025 to 30-09-2025) against the regulatory requirement of 100%.

The main drivers of LCR of the bank are High Quality Liquid Assets (HQLAs) to meet liquidity needs of the bank at all times and basic funding from retail and small business customers.

- i) Main drivers of LCR:

The Bank on a consolidated basis, during the quarter ended 30th September 2025, had maintained average HQLA (after haircut) of Rs.30905.66 Crore. The HQLA is primarily driven by Government securities in excess of minimum SLR, Government securities within mandatory SLR requirement, to the extent allowed by RBI under MSF and the facility to avail liquidity for Liquidity coverage ratio. Also, cash, excess CRR maintained with RBI are important factors for Level 1 HQLA.

Level 2 HQLAs primarily consisted of corporate debt securities including commercial papers.

- ii) Intra-period changes as well as changes over time:

LCR were 132.53%, 137.30% and 147.43% for the months ending July 2025, August 2025 and September 2025 respectively as against regulatory requirement of 100%.

- iii) **Composition of High-Quality Liquid Assets (HQLA)**

HQLAs comprise of Level 1 and Level 2 assets. Level 2 assets are further divided into Level 2A and Level 2B assets, keeping in view their marketability and price volatility. Total weighted value (average) of HQLA for the quarter ended September 30th 2025 is Rs. 30905.66 Crore.

HQLAs consists of following components:

(Amount in INR Crore)

	Unweighted value	Weighted value
Level 1 assets	30730.06	30730.06
Level 2 A assets	184.39	156.73
Level 2 B assets	37.74	18.87

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, netted by inflows from assets maturing within 30 days. Average LCR on a daily basis for the quarter ended 30th September 2025 is 141.92%, above RBI prescribed minimum requirement of 100%.

iv) Concentration of funding sources:

A significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the bank's total liabilities. Top 20 depositors (other than Certificate of Deposits) of the Bank constitute 8.90% of our total deposits which is well within limit of 25% as per ALM Policy.

v) Derivative exposures and potential collateral calls:

Derivative exposure is shown as Net Derivative cash inflows within 30 days. Inflows from derivative exposure arose due to maturing forwards.

vi) Currency mismatch in the LCR

As per the RBI guidelines while the LCR standard is required to be met on one single currency, in order to better capture potential currency mismatch the LCR in each currency needs to be monitored. Accordingly, Bank is maintaining LCR on daily basis in INR and the same is compared against the regulatory requirement. Further bank does not have exposure to any other significant currencies*, hence LCR is prepared for INR currency.

(*A significant currency is one where aggregate liabilities denominated in the currency amount to 5% or more of the bank's total liabilities).

vii) A description of the degree of centralization of liquidity management and interaction between the group's units:
NIL

The liquidity management for the bank on enterprise wide basis is the responsibility of the Board of Directors. Board of Directors has delegated its responsibilities to a Committee of the Board called as the "Risk Management Committee of Board". The committee is responsible for overseeing the inter linkages between different types of risk and its impact on liquidity.

Bank has ALM policy which provides the broad guidelines under which all the entities within the group operate in terms of liquidity and interest rate risk.

LCR is computed and monitored on daily basis by the Bank and the same is shared with Treasury/Mid office for liquidity management and discussed in Investment committee.

Further LCR for the latest month along with comparison of previous months is placed before ALCO on monthly basis. Moreover, LCR position along with other liquidity parameters is also placed before RMC.

viii) Details of average Outflows (Amt in Crore) arising from contingent liabilities for year-end 30.09.2025 are as under:

Particulars	Unweighted value	Weighted value
Currently undrawn committed credit and liquidity facilities provided to	7998.54	1254.33
Retail and small business clients	2554.13	127.71
Non-financial corporates, sovereigns and central banks, multilateral development banks, and PSEs – Credit facilities	4028.60	402.86
Non-financial corporates, sovereigns and central banks, multilateral development banks, and PSEs – Liquidity facilities	522.05	156.62
banks	0.00	0.00
Other financial institutions (including securities firms, insurance companies) – Credit facilities	544.34	217.74
Other financial institutions (including securities firms, insurance companies) – Liquidity facilities	233.88	233.88
Other legal entity customers	115.53	115.53
Other contingent funding liabilities	14076.57	617.94
Guarantees, Letters of credit and Trade Finance	4294.26	128.83
Revocable credit and liquidity facilities	9782.31	489.12
Any other	0.00	0.00

Composition of High-Quality Liquid Assets (HQLA)

HQLAs comprise of Level 1 and Level 2 assets. Level 2 assets are further divided into Level 2A and Level 2B assets, keeping in view their marketability and price volatility. Total weighted value (average) of HQLA for the quarter ended September 30th 2025 is Rs. 30905.66 crore.

Break-up of daily observation Average HQLA during quarter ended September 30th 2025, is given hereunder:

High Quality Liquid Assets (HQLAs)	Average % age contribution to HQLA
Level 1 Assets	
Cash in hand	1.15%
Excess CRR balance	0.07%
Government Securities in excess of minimum SLR requirement	21.72%
Government securities within the mandatory SLR requirement, to the extent allowed by RBI under MSF (presently to the extent of 2 per cent of NDTL)	8.50%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk-weight under Basel II Standardized Approach	0.00%
Facility to avail Liquidity for Liquidity Coverage Ratio – FALLCR (presently to the extent of 16 per cent of NDTL)	68.00%
Total Level 1 Assets	99.43%
Total Level 2A Assets	0.51%
Total Level 2B Assets	0.06%
Total Stock of HQLAs	100.00%

Liquidity Coverage Ratio		(Rs. in crore)	
		30.09.2025	
		Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets(HQLA)		30905.66
Cash Outflows			0
2	Retail deposits and deposits from small business customers, of which	89807.18	8929.69
(i)	Stable Deposits	1020.65	51.03
(ii)	Less stable deposits	88786.53	8878.65
3	Unsecured wholesale funding of which	20586.54	11589.11
(i)	Operational Deposits (all counterparties)	0	0
(ii)	Non -operational deposits (all counterparties)	20586.54	11589.11
(iii)	Unsecured debt	0	0
4	Secured wholesale funding	0	0
5	Additional requirements, of which	8089.69	1345.48
(i)	Outflows related to derivative exposures and other collateral requirements	91.15	91.15
(ii)	Outflows related to loss of funding on debt product	0	0
(iii)	Credit and liquidity facilities	7998.54	1254.33
6	Other contractual funding obligations	536.45	536.45
7	Other contingent funding obligations	14076.57	617.94
8	Total Cash Outflows	0	23018.68
Cash Inflows			0
9	Secured lending (e.g. reverse repos)	0	0
10	Inflows from fully performing exposures	1574.19	925.75
11	Other Cash Inflows	377.97	315.86
12	Total Cash Inflows	1952.16	1241.61
13	TOTAL HQLA		30905.66
14	Total Net Cash Outflows		21777.07
15	Liquidity Coverage Ratio (%)		141.92%

QUALITATIVE DISCLOSURE ON NET STABLE FUNDING RATIO

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. “Available stable funding” (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

Minimum Requirement of NSFR should be equal to at least 100% on an ongoing basis.

$$\text{NSFR} = \frac{\text{Available Stable Funding [ASF]}}{\text{Required Stable Funding [RSF]}} \geq 100\%$$

The minimum NSFR requirement set out in the RBI guideline for the standalone Bank and for Group is 100% w.e.f 1st October 2021.

As on 30th September 2025, PSB maintained weighted Available Stable Funding (ASF) of Rs. 116393.28 crore against the weighted Required Stable Funding (RSF) of Rs. 92214.17 crore. The NSFR for the quarter ended 30th September 2025, was at 126.22%.

As on 30th June 2025, PSB maintained weighted Available Stable Funding (ASF) of Rs.116073.10 crore against the weighted Required Stable Funding (RSF) of Rs.87475.85 crore. The NSFR for the quarter ended June 30th, 2025, was at 132.69%.

Brief about NSFR of the Bank

The Available Stable Funding (ASF) mainly constitutes of the capital base, retail deposit base and funding from non-financial companies and long-term funding from institutional clients. After applying the relevant weights, the capital base remained around 11.19%, retail deposits (including deposit from small sized business customers) remained 71.29% and wholesale funding remained 14.67 % of the total Available Stable Funding (ASF),

Required Stable Funding (RSF) consists of 27.89% from “Other unencumbered performing loans with risk weights greater than 35% under the Standardized Approach and residual maturities of one year or more, excluding loans to financial institutions” line item.

Main drivers of NSFR:

The Bank as on 30th September 2025,, had maintained ASF of Rs. 116393.28 cr. ASF consists of 69.96% from less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers and 0.85 % from Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers.

RSF consists of 27.89% from “Other unencumbered performing loans with risk weights greater than 35% under the Standardized Approach and residual maturities of one year or more, excluding loans to financial institutions” line item.

NSFR for the quarter ended 30th September 2025 is 126.22%, above RBI prescribed minimum requirement of 100%.

NSFR has decreased from 132.69% as of 30.06.2025 to 126.22% as of 30.09.2025 mainly due to increase in RSF factor component “Other unencumbered performing loans with risk weights greater than 35% under the Standardised Approach and residual maturities of one year or more, excluding loans to financial institutions”.

Net Stable Funding ratio (NSFR) as on 30.09.2025

(Rs. in crore)

NSFR Disclosure Template						
Particulars		Un-weighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to <1yr	≥1yr	
Available Stable Funds						
1	Capital:(2+3)	11789.11	0.00	0.00	1237.30	13026.41
2	Regulatory capital	11789.11	0.00	0.00	1237.30	13026.41
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)	36175.12	55448.96	96.93	375.78	82976.81
5	Stable deposits	861.16	181.08	0.00	0.00	990.12
6	Less stable deposits	35313.97	55267.88	96.93	375.78	81986.68
7	Wholesale funding:(8+9)	4479.01	27833.33	9763.86	2848.10	17077.82
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	4479.01	27833.33	9763.86	2848.10	17077.82
10	Other liabilities:(11+12)	0.00	4952.18	544.68	2333.15	3312.25
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	0.00	4952.18	544.68	2333.15	3312.25
13	Total ASF(1+4+7+10)					116393.28
Required Stable Funds						
14	Total NSFR high-quality liquid assets(HQLA)					1616.85
15	Deposits held at other financial institutions for operational purposes	0.00	0.00	0.00	0.00	0.00
16	Performing loans and securities:(17+18+19+21+23)	0.00	22169.95	16233.49	60510.16	64639.86

NSFR Disclosure Template						
Particulars		Un-weighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to <1yr	≥1yr	
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	512.26	1000.03	0.27	577.12
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	21573.46	15122.65	53276.01	59052.64
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	2698.81	427.75	23799.59	17033.01
21	Performing residential mortgages, of which:	0.00	84.24	110.82	7233.88	5010.10
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	80.03	108.41	6181.13	4111.96
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	0.00	0.00
24	Other assets: (sum of rows 25 to 29)	6043.00	979.02	598.79	19618.20	24760.97
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	589.60	0.00	0.00	0.00	501.16
27	NSFR derivative assets	0.00	282.35	0.00	0.00	282.35
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	5453.40	696.67	598.79	19618.20	23977.47
30	Off-balance sheet items	25878.64	0.00	0.00	0.00	1196.48
31	Total RSF (14+15+16+24+30)	37073.88	25699.58	18775.82	107475.67	92214.17
32	Net Stable Funding Ratio (%)					126.22%