

Qualitative Disclosure on Liquidity Coverage Ratio (LCR)

For Quarter Ended June 2026

RBI introduced the Liquidity Coverage Ratio (LCR) vide circular NoRBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31, 2015 which has been modified from time to time, in order to ensure short term resilience of banks to potential liquidity disruptions by ensuring that bank have sufficient high quality liquid assets (HQLA) to survive an acute stress scenario lasting for 30 days. The minimum LCR requirement set out in the RBI guidelines for the banks is 100%.

Definition of LCR: **Stock of high-quality liquid assets (HQLAs)**
Total net cash outflows over the next 30 calendar days

Composition of HQLA:

In the stock of high-quality liquid assets (HQLA), there are two categories of assets, viz. Level 1 and Level 2 assets. Level 2 assets are sub-divided into Level 2A and Level 2B assets on the basis of their price-volatility. Each category includes assets which the bank is holding on the first day of the stress period. Level 1 assets are with 0% haircut while in Level 2, 2A assets are with a minimum 15% haircut and Level 2B Assets, with a minimum 50% haircut.

Main drivers of LCR:

The Bank on a consolidated basis, during the three months ended June 30, 2026, had maintained average HQLA (after haircut) of Rs. 85,036.65 Crs. The HQLA is primarily driven by government securities in excess of minimum SLR, Government securities within the 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. Level 2 HQLA primarily consisted of AA- and above rated corporate bonds and commercial papers.

Intra-period changes as well as changes over time:

LCR on consolidated basis were 138.63% and 122.01% for the quarter ended June 2026 and March 2026 respectively as against the regulatory requirement of 100%. The details of the average LCR on consolidated basis for the last four quarters are as follows:

(Rs. In Crore)

Details	Quarter Ended June'2026	Quarter Ended March'2026
HQLA (Weighted Value)	85,036.65	94,248.85
Total Net cash Outflows (Weighted Value)	61,341.76	77,248.10
LCR in %	138.63	122.01

Concentration of Funding Sources

A significant counterparty is defined as a single counterparty or a group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Bank's total liabilities.

There was no significant counterparty deposit as on 30th June 2026.

A significant instrument/product is defined as a single instrument or product, or a group of similar instruments/products, which in aggregate account for more than 1% of the Bank's total liabilities. Examples of funding instruments/products include wholesale deposits, certificates of deposit, long-term bonds, etc.

Currency Mismatch in the LCR

As per RBI guidelines, the Liquidity Coverage Ratio (LCR) standard is required to be met on a single-currency basis. However, in order to better capture potential currency-specific liquidity risks, LCR in each significant currency is required to be monitored.

Accordingly, the Bank monitors LCR on a daily basis in INR and compares the same against the regulatory requirement. In addition, for other significant currencies—defined as those in which aggregate liabilities denominated in that currency amount to 5 per cent or more of the Bank's total liabilities. The aggregate liabilities of any significant currency other than INR are less than 5% of the bank's total liabilities.

Derivative Exposures and Potential Collateral Calls

The Bank's average net derivative cash outflow for the next 30 days as on 30th June 2026 is Rs. 164.62 Crores.

Degree of Centralization of Liquidity Management and Interaction Between Group Entities

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and Overseas Centres are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to Risk Management Committee of Board (RMCB) periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank does not have any group entities. Accordingly, the disclosure pertaining to interaction between group entities is not applicable. Liquidity management is carried out at the Bank level in accordance with the Bank's ALM Policy and applicable regulatory guidelines.

LCR DISCLOSURE TEMPLATE AS ON QUARTER ENDED JUNE' 2026 (April-June, 2026)					
LIQUIDITY COVERAGE RATIO					
INDIAN OVERSEAS BANK			(Rs. In Crore)		
		Quarter ended- June 30,2026		Quarter ended-March 31,2026	
		Total Unweighted Value(average) ¹	Total Weighted Value(average) ²	Total Unweighted Value(average) ¹	Total Weighted Value(average) ²
LCR COMPONENTS					
High Quality Liquid Assets					
1	Total High Quality Liquid Assets		85,036.65		94,248.85
Cash Outflows					
2	Retail Deposits and deposits from small business customers, of which:	2,60,703.11	28,346.89	2,52,546.91	24,508.77
(i)	Stable Deposits	15,461.30	1,010.85	14,918.38	745.92
	(i)(a) Deposits with IMB	9,511.55	713.36	0.00	0.00
	(i)(b) Deposits without IMB	5,949.75	297.49	0.00	0.00
(ii)	less Stable Deposits	2,45,241.81	27,336.04	2,37,628.53	23,762.85
	(ii)(a) Deposits with IMB	1,12,474.34	14,059.29	0.00	0.00
	(ii)(b) Deposits without IMB	1,32,767.47	13,276.75	0.00	0.00
3	Unsecured wholesale funding, of which:	84,963.16	39,837.41	89,766.64	55,027.79
(i)	Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00
(ii)	Non-Operational Deposits (all counterparties)	84,963.16	39,837.41	89,766.64	55,027.79
(iii)	Unsecured debt	0.00	0.00	0.00	0.00
4	Secured wholesale funding	3505.72	0.00	370.38	0.00
5	Additional requirements, of which	40,097.50	4,503.54	29,006.42	4,240.22
(i)	Outflows related to derivative exposures and other collateral requirements	164.62	164.62	170.82	170.82
(ii)	Outflows related to loss of finding on debt products	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	39,932.88	4,338.92	28,835.60	4,069.40
6	Other contractual funding obligations	3,720.07	3,720.07	4,337.54	4,337.54
7	Other contingent funding obligations	29,199.40	875.98	27,839.15	835.17
8	TOTAL CASH OUTFLOWS	4,22,188.96	77,283.89	4,03,867.04	88,949.49
Cash Inflows					
9	Secured Lending (e.g. reverse repos)	61.11	0.00	0.00	0.00
10	Inflows from fully performing exposures	22,824.93	15,916.52	17,375.03	11,679.14
11	Other cash inflows	25.61	25.61	22.25	22.25
12	TOTAL CASH INFLOWS	22,911.65	15,942.13	17,397.28	11,701.39
			Total Adjusted Value³		
13	TOTAL HQLA		85,036.65		94,248.85
14	TOTAL NET CASH OUTFLOWS		61,341.76		77,248.10
15	LIQUIDTY COVERAGE RATIO (%)		138.63%		122.01%

1. Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the circular and LCR template.

2. Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)

3. Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on inflows).