Annexure - I

QUALITATIVE DISCLOSURE ON LIQUIDITY COVERAGE RATIO

The bank has implemented RBI guidelines on Liquidity Coverage Ratio (LCR) from 1st January 2015.

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)–*The Numerator*.

ii. Total Net Cash Outflows: Total expected cash outflows minus Total expected cash inflows, in stress scenario, for the subsequent 30 calendar days - *The Denominator.*

Definition of 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 minimum LCR requirement set out in the RBI guideline for the standalone Bank and for Group effective April 1, 2021, is 100%.

For Q2 FY'2026-27, the daily average LCR was 141.47% (based on simple average of daily observations) at consolidated level, as 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. The retail and small business customers contribute about 62.74% of total deposit portfolio of the bank, which attracts low run-off factor of 5/7.5/10/12.5% as on 30.09.2026.

Composition of High-Quality Liquid Assets (HQLA)

HQLAs comprises 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.

Level 1 assets are those assets which are highly liquid. For the Q.E. September 30, 2026, the Level 1 asset of the bank includes Cash in Hand, Excess CRR, Government Securities in excess of minimum SLR, Marketable securities issued or guaranteed by foreign sovereign, MSF and FALLCR totalling to ₹ 3,44,591.95 Cr (based on simple average of daily data points.)

Level-2A & 2B assets are those assets which are less liquid, and their weighted amount comes to ₹ 8,078.33 Cr (based on simple average of daily observations). Break-up of daily observation Average HQLA during the quarter ended September 30, 2026 is given hereunder:

High Quality Liquid Assets (HQLAs)	Average % age contribution to HQLA
Level 1 Assets	
Cash in hand	1.29%
Excess CRR balance	0.66%
Government Securities in excess of minimum SLR requirement	13.76%
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)	9.00%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk-weight under Basel II Standardized Approach	1.00%
Facility to avail Liquidity for Liquidity Coverage Ratio – FALLCR (Presently to the extent of 16 per cent of NDTL)	71.98%
Total Level 1 Assets	97.71%
Total Level 2A Assets	2.06%
Total Level 2B Assets	0.23%
Total Stock of HQLAs	100%

Concentration of Funding Sources

This metric includes those sources of funding, whose withdrawal could trigger liquidity risks. It aims to address the funding concentration of bank by monitoring its funding requirement from each significant counterparty and each significant product/ instrument. As per RBI guidelines, a "significant counterparty/Instrument/product" is defined as a single counterparty/Instrument/product or group of connected or affiliated counter-parties accounting in aggregate for more than 1% of the bank's total liabilities.

The bank has no significant counterparty (deposits/borrowings) as of 30.09.2026. Top 20 depositors of the bank constitute 4.24% of bank’s total Deposit as on September 30, 2026. The significant product/ instrument includes Saving Fund, Current deposit and Core Term Deposit the funding from which are widely spread and cannot create concentration risk for the bank.

Derivative exposure

The bank has low exposure in derivatives, having negligible impact on its liquidity position.

Currency Mismatch

As per RBI guidelines, a currency is considered as "significant" if the aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities. In our case, only USD (9.27% of bank's total liabilities) falls in this criterion whose impact on total outflows in LCR horizon can be managed easily as the impact is not large considering the size of balance sheet of the bank.

Degree of centralization of liquidity management and interaction between group's units.

Punjab National Bank (PNB) has established a Group Risk Management Philosophy and Policy that serves as a guiding framework for all its group entities. This policy is central to how the bank manages risks across the entire group.

At the group level, PNB maintains a zero-tolerance stance toward defaulting on payment obligations. To uphold this commitment, the bank ensures that it holds an adequate liquidity buffer capable of withstanding potential liquidity crises.

PNB also adheres to regulatory standards by maintaining both the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) at a consolidated level, encompassing the bank and its subsidiaries, in line with its defined risk appetite.

While each group entity is responsible for managing its own liquidity independently, PNB has implemented a Group-wide Contingency Funding Plan. This plan is designed to address liquidity needs across the group during periods of financial stress, ensuring coordinated support and resilience.

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punjab national bank

ALM CELL, IRMD
HO: NEW DELHI
Annexure-A
Date: 16.10.2026

LCR Disclosure Template as at 30.09.2026

QUANTITATIVE DISCLOSURE (On consolidated basis { including domestic & foreign subsidiaries})

Rs. in Crore

		Sep'26		Jun'26	
		Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
	Based on the simple average of daily observations	72 Data Points		72 Data Points	
	High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)		3,51,173.38		3,51,969.80
	Cash Outflows				
2	Retail deposits and deposits from small business customers of which :	11,14,989.06	1,18,495.62	10,77,122.42	1,14,154.61
(i)	Stable deposits	1,16,902.80	7,226.55	1,16,594.05	7,208.61
(ii)	Less stable deposits	9,98,086.26	1,11,269.06	9,60,528.37	1,06,946.00
3	Unsecured wholesale funding, of which:	3,81,114.63	1,86,733.63	3,76,702.41	1,78,705.85
(i)	Operational deposits (all counterparties)	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	3,81,114.63	1,86,733.63	3,76,702.41	1,78,705.85
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding		1,419.54		1,377.89
5	Additional requirements, of which	1,30,524.70	12,564.53	1,45,115.79	16,660.35
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,30,524.70	12,564.53	1,45,115.79	16,660.35
6	Other contractual funding obligations	15,262.73	15,262.73	21,237.77	21,237.77
7	Other contingent funding obligations	2,22,004.11	9,499.59	1,70,608.68	6,619.25
8	Total Cash Outflows		3,43,975.64		3,38,755.72
	Cash Inflows				
9	Secured lending (e.g. reverse repos)	8,167.12	-	7,432.34	-
10	Inflows from fully performing exposures	1,08,694.87	81,150.19	1,03,165.16	74,678.19
11	Other cash inflows	21,840.49	14,587.45	32,513.96	15,076.85
12	Total Cash Inflows	1,38,702.48	95,737.65	1,43,111.47	89,755.04
	Total Adjusted Value				
13	TOTAL HQLA		3,51,173.38		3,51,969.80
14	Total Net Cash Outflows		2,48,237.99		2,49,000.68
15	Liquidity Coverage Ratio (%)		141.47%		141.35%

** Simple averages of Daily observations over previous quarter*