

## **Liquidity Coverage Ratio**

**As of December 31, 2024**

Liquidity Coverage Ratio (LCR) is a measure to assess short-term resilience of the banks to potential liquidity disruptions by ensuring sufficient High Quality Liquid Assets (HQLA) are maintained to survive net cash outflows over next 30 calendar days under stress conditions. LCR is calculated by dividing a bank's stock of HQLA by its total net cash outflows over a 30-day stress period.

High Quality Liquid Assets (HQLA) under LCR are divided into two parts i.e. Level-1 HQLA which comprises of cash, excess CRR balance, excess SLR securities and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level-2 HQLA which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories/types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in under stress conditions.

Equitas Small Finance Bank Limited (ESFBL) during the quarter ended 31<sup>st</sup> December 2024, maintained an average HQLA of ₹9,330 crores to cover the average net cash outflows of ₹6,222 crores over the next 30 days. The average LCR of ESFBL for the quarter ended 31<sup>st</sup> December 2024 is at 149.95%, which is well above the regulatory requirement.

The table below sets out the average LCR of ESFBL for quarter ended December 31, 2024.

(Rs. in Crores)

Liquidity Coverage Ratio	For Q3 2024-25	
	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>		
<b>Total High Quality Liquid Assets (HQLA)</b>		<b>9,330</b>
<b>Retail deposits and deposits from small business customers, of which:</b>		
Stable deposits	4,592	230
Less stable deposits	20,123	2,012
<b>Unsecured wholesale funding, of which:</b>		
Operational deposits (all counterparties)	-	-
Non-operational deposits (all counterparties)	4,866	4,061
Unsecured debt	-	-
<b>Secured wholesale funding</b>	<b>585</b>	<b>-</b>
<b>Additional requirements, of which</b>		
Outflows related to derivative exposures and other collateral requirements	-	-
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	218	11
Other contractual funding obligations	485	485
Other contingent funding obligations	661	110
<b>TOTAL CASH OUTFLOWS</b>	<b>31,529</b>	<b>6,909</b>
Secured lending (e.g. reverse repos)	143	-
Inflows from fully performing exposures	946	567
Other cash inflows	240	120
<b>TOTAL CASH INFLOWS</b>	<b>1,329</b>	<b>687</b>
<b>TOTAL HQLA</b>		<b>9,330</b>
<b>TOTAL NET CASH OUTFLOWS</b>		<b>6,222</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>149.95%</b>