

## DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.12.2021

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 day time horizon under a significantly severe liquidity stress scenario.

$$L C R = \frac{\text{Stock of High Quality Liquid Assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 (Level 2A and Level 2B) assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively. The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected 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 up to an aggregate cap of 75% of total expected cash outflows.

### Quantitative Disclosure:

<b>LIQUIDITY COVERAGE RATIO</b>					
<b>State Bank of India</b>					
INR in Crs					
		Quarter ended December 31, 2021		Quarter ended September 30, 2021	
LCR COMPONENTS		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>					
1	Total High Quality Liquid Assets (HQLA)		12,04,678		12,18,824
<b>CASH OUTFLOWS</b>					
2	Retail Deposits and deposits from small business customers, of which:				
(i)	Stable deposits	8,54,954	42,748	8,53,988	42,699
(ii)	Less Stable Deposits	18,30,855	1,83,085	18,08,831	1,80,883
3	Unsecured wholesale funding, of which:				
(i)	Operational deposits(all counterparties)	0	0	0	0
(ii)	Non-operational deposits (all counterparties)	9,78,700	5,95,527	9,65,937	5,90,798
(iii)	Unsecured debt	0	0	0	0
4	Secured wholesale funding	1,50,878	631	1,01,830	966
5	Additional requirements, of which				
(i)	Outflows related to derivative exposures and other collateral requirements	3,41,852	3,41,852	2,51,345	2,51,345
(ii)	Outflows related to loss of funding on debt products	0	0	0	0
(iii)	Credit and liquidity facilities	48,280	8,428	44,694	7,887
6	Other contractual funding obligations	33,522	33,522	32,885	32,885
7	Other contingent funding obligations	6,21,723	22,080	6,00,776	21,438
8	<b>TOTAL CASH OUTFLOWS</b>	<b>48,60,765</b>	<b>12,27,873</b>	<b>46,60,286</b>	<b>11,28,902</b>
<b>CASH INFLOWS</b>					
9	Secured lending(eg. Reverse repos)	1,04,007	0	1,16,529	0
10	Inflows from fully performing exposures	4,29,257	4,07,358	3,40,078	3,14,257
11	Other cash inflows	50,861	43,821	60,045	52,093
12	<b>TOTAL CASH INFLOWS</b>	<b>5,84,125</b>	<b>4,51,179</b>	<b>5,16,653</b>	<b>3,66,350</b>
13	<b>TOTAL HQLA</b>		<b>12,04,678</b>		<b>12,18,824</b>
14	<b>TOTAL NET CASH OUTFLOWS</b>		<b>7,76,695</b>		<b>7,62,552</b>
<b>LIQUIDITY COVERAGE RATIO(%)</b>			<b>155.10%</b>		<b>159.83%</b>

In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March 2015, average weighted and unweighted amounts have been calculated taking simple daily average since 1<sup>st</sup> January 2017. We have considered 68 data points for the quarter October to December 2021.

Bank's LCR comes to 155.10% based on daily average of three months (Q3 FY21-22) and is above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was Rs. 12,04,678 crs, with 95.06% being Level 1 assets. Level 2A and Level 2B assets constitute 4.32% and 0.62% of total HQLA, respectively. Government Securities constituted 96.76% of Total Level 1 Assets. During the quarter, the weighted average HQLA level has decreased by Rs. 14,146 crs and the weighted average net cash outflows position has gone up by Rs. 14,143 crs, mainly on account of increase in cash outflows in non-operational deposits. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was at 279.92%, on an average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are apprising the liquidity position to the Asset Liability Management Committee (ALCO) of the Bank. 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 the Bank's Board subsequently. In addition to daily/monthly LCR reporting, Bank also prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future commitments.