DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.03.2023

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 days 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:

LIQUIDITY COVERAGE RATIO											
	State Bank of India										₹ in Crs
		Quarter ended March 31, 2023		**Quarter ended December 31, 2022**		**Quarter ended September 30, 2022**		**Quarter ended June 30, 2022**		**Quarter ended March 31, 2022**	
LCR COMPONENTS		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS (HQLA)											
1	Total High Quality Liquid Assets(HQLA)		12,13,100		11,73,646		11,94,963		11,94,891		11,26,684
CASH OUTFLOWS											
2	Retail Deposits and deposits from small business customers, of which:										
(i)	Stable deposits	9,08,572	45,429	8,69,034	43,452	8,61,427	43,071	8,54,050	42,702	8,54,540	42,727
(ii)	Less Stable Deposits	21,03,084	2,10,308	19,65,126	1,96,513	19,26,234	1,92,623	18,93,530	1,89,353	18,66,220	1,86,622
3	Unsecured wholesale funding, of which:										
(i)	Operational deposits(all counterparties)	0	0	0	0	0	0	0	0	0	0
(ii)	Non-operational deposits (all counterparti	10,48,772	6,07,493	11,34,193	7,21,643	11,55,449	7,25,980	11,26,583	6,86,012	10,33,929	6,30,544
(iii)	Unsecured debt	0	0	0	0	0	0	0	0	0	0
4	Secured wholesale funding	1,37,680	222	1,59,708	1,004	1,43,236	457	1,66,298	88	1,76,267	25
5	Additional requirements, of which										
(i)	Outflows related to derivative exposures and other collateral requirements	3,92,263	3,92,263	4,20,855	4,20,855	4,30,256	4,30,256	4,83,581	4,83,581	4,01,193	4,01,193
(ii)	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	78,921	13,327	53,708	8,259	56,886	8,763	50,843	8,090	47,971	7,990
6	Other contractual funding obligations	46,656	46,656	42,354	42,354	39,279	39,279	40,079	40,079	38,146	38,146
7	Other contingent funding obligations	7,94,503	30,705	6,52,860	23,421	6,43,086	22,947	6,31,938	22,492	6,37,250	22,598
8	TOTAL CASH OUTFLOWS	55,10,450	13,46,403	52,97,838	14,57,501	52,55,854	14,63,376	52,46,901	14,72,398	50,55,515	13,29,845
CASH INFLOWS											
9	Secured lending(eg. Reverse repos)	15,796	0	11,056	0	27,428	0	92,946	0	75,185	0
10	Inflows from fully performing exposures	5,07,787	4,75,478	5,40,938	5,10,381	5,37,306	5,08,882	5,97,328	5,68,504	5,04,133	4,77,011
11	Other cash inflows	54,824	43,516	51,257	40,506	48,817	39,387	45,615	38,649	44,252	36,201
12	TOTAL CASH INFLOWS	5,78,408	5,18,994	6,03,251	5,50,887	6,13,551	5,48,268	7,35,888	6,07,154	6,23,571	5,13,212
13	TOTAL HQLA		12,13,100		11,73,646		11,94,963		11,94,891		11,26,684
14	TOTAL NET CASH OUTFLOWS		8,27,409		9,06,613		9,15,108		8,65,244		8,16,633
15	LIQUIDITY COVERAGE RATIO(%)		**146.61%**		**129.45%**		**130.58%**		**138.10%**		**137.97%**

In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. The Bank has considered 66 data points for the quarter January to March 2023.

Bank's LCR comes to 146.61% based on daily average of three months (Q4 FY22-23) and is above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹12,13,100 crore, with 95.90% being Level 1 assets. Level 2A and Level 2B assets constitute 3.45% and 0.65% of total HQLA, respectively. Government Securities constituted 95.77% of Total Level 1 Assets. During the quarter, the weighted average HQLA level has increased by ₹39,454 crore primarily on account of increase in excess SLR balance. Further, weighted average net cash outflows position has declined by ₹79,204 crore during the quarter, mainly on account of decline in cash outflows under the head other legal entity customers. 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 295.17%, 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 the 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.