

## DISCLOSURE ON LIQUIDITY COVERAGE RATIO (LCR) AS ON 30.06.2024

Liquidity Coverage Ratio (LCR) standard has been introduced in the Bank with an objective to maintain 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.

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

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a stress scenario. 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 attract 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively. The total net cash outflows is the total expected cash outflows less 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 crore			
		Quarter ended June 30, 2024		Quarter ended March 31, 2024	
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	<b>Total High Quality Liquid Assets (HQLA)</b>		12,93,543		13,13,148
<b>CASH OUTFLOWS</b>					
2	<b>Retail Deposits and deposits from small business customers, of which:</b>				
(i)	<b>Stable deposits</b>	9,89,176	49,459	9,73,866	48,693
(ii)	<b>Less Stable Deposits</b>	23,52,707	2,35,271	22,91,273	2,29,127
3	<b>Unsecured wholesale funding, of which:</b>				
(i)	<b>Operational deposits(all counterparties)</b>	0	0	0	0
(ii)	<b>Non-operational deposits (all counterparties)</b>	12,61,845	7,40,152	12,70,853	7,46,617
(iii)	<b>Unsecured debt</b>	0	0	0	0
4	<b>Secured wholesale funding</b>	1,65,343	364	1,48,018	188
5	<b>Additional requirements, of which</b>				
(i)	<b>Outflows related to derivative exposures and other collateral requirements</b>	4,76,429	4,76,429	4,13,077	4,13,077
(ii)	<b>Outflows related to loss of funding on debt products</b>	0	0	0	0
(iii)	<b>Credit and liquidity facilities</b>	1,14,050	33,921	1,15,723	33,872
6	<b>Other contractual funding obligations</b>	54,003	54,003	52,747	52,747
7	<b>Other contingent funding obligations</b>	9,44,579	37,735	9,50,450	38,029
8	<b>TOTAL CASH OUTFLOWS</b>	63,58,132	16,27,334	62,16,008	15,62,351
<b>CASH INFLOWS</b>					
9	<b>Secured lending(eg. Reverse repos)</b>	3,833	0	4,445	0
10	<b>Inflows from fully performing exposures</b>	5,96,895	5,57,826	5,35,048	4,94,161
11	<b>Other cash inflows</b>	63,986	51,723	65,374	50,401
12	<b>TOTAL CASH INFLOWS</b>	6,64,714	6,09,549	6,04,867	5,44,562
13	<b>TOTAL HQLA</b>		12,93,543		13,13,148
14	<b>TOTAL NET CASH OUTFLOWS</b>		10,17,785		10,17,789
<b>LIQUIDITY COVERAGE RATIO(%)</b>			<b>127.09%</b>		<b>129.02%</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. The Bank has considered 65 data points for the quarter April to June 2024. The figures have been rounded off to the nearest digit.

Bank's LCR comes to 127.09% based on daily average position of three months (Q1 FY24-25) and remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹12,93,543 crore, with 96.77% being Level 1 assets. Level 2A and Level 2B assets constitute 2.60% and 0.63% of total HQLA, respectively. Government Securities constituted 93.83% of Total Level 1 Assets. During the quarter, the weighted average HQLA level got reduced by ₹19,605 crore primarily on account of decline in excess SLR balance. Further, the weighted average net cash outflows position remained almost at the same level with a negligible fall by ₹4 crore during the quarter. 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 497.65%, 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. Besides 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.