DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.03.2018

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.

LCR has been defined as: $\dfrac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$

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 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											INR in Crs
		Quarter ended March 31, 2018 #		**Quarter ended December 31, 2017**		**Quarter ended September 30, 2017**		**Quarter ended June 30, 2017**		**Quarter ended March 31, 2017 $**	
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)		6,74,894		6,72,029		6,58,888		6,19,383		5,10,555
CASH OUTFLOWS											
2	Retail Deposits and deposits from small business customers, of which:										
(i)	Stable deposits	2,78,238	13,912	2,90,650	14,532	2,43,833	12,192	2,34,526	11,726	1,90,776	9,539
(ii)	Less Stable Deposits	17,51,396	1,75,140	17,24,041	1,72,404	17,27,038	1,72,704	16,80,569	1,68,057	13,27,592	1,32,759
3	Unsecured wholesale funding, of which:										
(i)	Operational deposits(all counterparties)	63	16	13	3	0	0	1	0	0	0
(ii)	Non-operational deposits(all counterparties)	5,56,336	3,27,440	5,45,715	3,25,181	5,61,715	3,34,075	5,81,337	3,40,759	4,70,093	2,82,965
(iii)	Unsecured debt	0	0	0	0	0	0	0	0	0	0
4	Secured wholesale funding	30,025	0	29,234	0	7,885	0	3,520	0	3,687	0
5	Additional requirements, of which										
(i)	Outflows related to derivative exposures and other collateral requirements	1,50,911	1,50,911	1,50,497	1,50,497	1,40,940	1,40,940	1,51,397	1,51,397	1,26,314	1,26,314
(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	43,416	6,376	48,665	7,254	41,979	6,888	59,524	8,219	78,531	10,964
6	Other contractual funding obligations	39,838	39,838	29,400	29,400	33,360	33,360	28,623	28,623	22,157	22,157
7	Other contingent funding obligations	5,63,500	20,659	5,63,395	20,686	5,27,855	19,084	5,51,619	19,851	4,65,170	16,683
8	TOTAL CASH OUTFLOWS	34,13,722	7,34,290	33,81,610	7,19,957	32,84,604	7,19,243	32,91,115	7,28,632	26,84,321	6,01,381
CASH INFLOWS											
9	Secured lending(eg. Reverse repos)	7,075	0	6,743	0	53,171	0	54,138	0	50,698	0
10	Inflows from fully performing exposures	2,20,510	2,02,086	2,26,044	2,07,518	2,27,422	2,09,011	2,37,759	2,14,036	2,35,209	2,13,985
11	Other cash inflows	38,779	28,758	39,193	28,656	47,814	36,762	38,784	29,302	40,317	32,989
12	TOTAL CASH INFLOWS	2,66,364	2,30,844	2,71,980	2,36,174	3,28,407	2,45,773	3,30,681	2,43,338	3,26,224	2,46,974
13	TOTAL HQLA		6,74,894		6,72,029		6,58,888		6,19,383		5,10,555
14	TOTAL NET CASH OUTFLOWS		5,03,446		4,83,783		4,73,470		4,85,294		3,54,407
15	LIQUIDITY COVERAGE RATIO(%)		**134.05%**		**138.91%**		**139.16%**		**127.63%**		**144.06%**

In accordance with RBI Circular No. RBI/ 2014-15/ 529 DBR. No. BP.BC.80/ 21.06.201/2014-15 dated March 31, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1st January 2017 and taking 66 data points for the quarter January-March 2018.

\# Bank has automated computation of Domestic LCR since 1st March 2018.

$ LCR position for the quarter ended March 31, 2017 is based on figures of SBI standalone basis i.e. excluding figures of erstwhile Associate Banks, which have merged with SBI on 1st April 2017

The LCR position is above the minimum 90% prescribed by RBI. Bank's LCR comes to 134.05% based on daily average of three months (Q4 FY17-18). The average HQLA for the quarter was Rs 6,74,894 Crs, of which, Level 1 assets constituted 93.58% of total HQLA. Government securities constituted 96.92% of Total Level 1 Assets. Level 2A Assets constitutes 5.39% of total HQLA and Level 2B assets constitutes 1.03% of total HQLA. The net cash outflow position has slightly gone up on account of decrease in receivable RBI/Central Bank. 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 77.98% on average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). 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 periodically. In addition to daily/monthly LCR reporting, Bank 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 short term requirements.