

STATE BANK OF INDIA
Liquidity Coverage Ratio (LCR) for the Quarter ending 30-Jun-2015

(Rs in Crore)

| | | Total Unweighted Value(Average) | Total Weighted Value(Average) |
|-----------------------------------|--|---------------------------------|-------------------------------|
| High Quality Liquid Assets | | | |
| 1 | Total High Quality Liquid Assets(HQLA) | | 243577.67 |
| Cash Outflows | | | |
| 2 | Retail Deposits and deposits from small business customers, of which: | | |
| (i) | Stable deposits | 132377.83 | 6618.89 |
| (ii) | Less Stable Deposits | 992899.18 | 99289.92 |
| 3 | Unsecured wholesale funding, of which: | | |
| (i) | Operational deposits(all counterparties) | 0.00 | 0.00 |
| (ii) | Non-operational deposits(all counterparties) | 388878.86 | 228815.76 |
| (iii) | Unsecured debt | 0.00 | 0.00 |
| 4 | Secured wholesale funding | 3685.67 | 0.00 |
| 5 | Additional requirements, of which | | |
| (i) | Outflows related to derivative exposures and other collateral requirements | 64780.24 | 64780.24 |
| (ii) | Outflows related to loss of funding on debt products | 0.00 | 0.00 |
| (iii) | Credit and liquidity facilities | 160954.70 | 23680.07 |
| 6 | Other contractual funding obligations | 10469.74 | 10469.74 |
| 7 | Other contingent funding obligations | 369760.38 | 18488.02 |
| 8 | TOTAL CASH OUTFLOWS | 2123806.59 | 452142.64 |
| Cash Inflows | | | |
| 9 | Secured lending (eg. Reverse repos) | 10532.33 | 0.00 |
| 10 | Inflows from fully performing exposures | 129136.56 | 114289.76 |
| 11 | Other cash inflows | 37277.13 | 27549.06 |
| 12 | Total Cash Inflows | 176946.02 | 141838.82 |
| | | | Total Adjusted Value |
| 21 | TOTAL HQLA | | 243577.67 |
| 22 | TOTAL NET CASH OUTFLOWS | | 310303.82 |
| 23 | LIQUIDITY COVERAGE RATIO(%) | | 78.50% |

Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA)s 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. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

LCR has been defined as Stock of high quality liquid assets (HQLAs)

Total net cash outflows over the next 30 calendar days

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds 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. Level 1 assets are with 0% haircut while Level 2A assets are with a minimum 15% haircut and Level 2B Assets, with a minimum 50% haircut.

The total net cash outflows 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.

Bank's LCR **78.50%** (based on average of last three months position) is above the minimum 60% prescribed by RBI. We have sufficient liquid cover for outflows and management is of the view that we are adequately liquid for our short term requirements. Retail deposits constitute major portion of total funding sources, as such, funding sources are well diversified.