| | |
|---|---|
| **The Listing Department,**<br>**BSE Limited,**<br>**Phiroje Jeejeebhoy Towers,**<br>**25th Floor, Dalal Street,**<br>**Mumbai – 400001.** | **The Listing Department,**<br>**National Stock Exchange of India Limited,**<br>**Exchange Plaza, 5th Floor,**<br>**Plot No.: C / 1, 'G' Block,**<br>**Bandra Kurla Complex, Bandra (East),**<br>**Mumbai – 400051.** |

**CC/S&B/SK/2021/084** **03.06.2021**

Madam / Dear Sir,

**Sub: Submission of Annual Report of the Bank for the FY 2020 – 21 as required under Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to the applicable provisions of the SEBI LODR, 2015 we submit herewith copy of Annual Report of the Bank for the FY 2020 – 21 and the Notice of the Annual General Meeting of the Bank (contained in the Annual Report).

Please take the same on record.

Yours faithfully,

**(Sham K.)**
**Asst. General Manager (Compliance & Company Secretary)**

भारतीय स्टेट बैंक/S.B.I. शेयर एवं बाण्ड विभाग Shares & Bonds Dept. कॉरपोरेट केन्द्र/CORPORATE CENTRE

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शेयर एवं बॉन्ड विभाग,
कॉर्पोरेट केन्द्र,
14वा माळा, स्टेट बँक भवन,
मादाम कामा रोड,
मुंबई – ४०००२१, भारत

शेयर आणि बॉन्ड विभाग,
कारपोरेट केन्द्र,
14वाँ तल, स्टेट बैंक भवन,
मादाम कामा रोड,
मुंबई – ४०००२१, भारत

Shares & Bonds Dept,
Corporate Centre,
14thFloor, State Bank Bhavan,
Madame Cama Road,
Mumbai - 400021, India

SBI

STATE BANK OF INDIA

# RESILIENCE. PEOPLE. TECHNOLOGY.

## PILLARS OF FUTURE GROWTH

Unabridged

**ANNUAL REPORT 2020 – 2021**

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# NOTICE

## STATE BANK OF INDIA

(Constituted under the State Bank of India Act, 1955)

The 66th Annual General Meeting of Shareholders of the State Bank of India will be held at the **"State Bank Auditorium", State Bank Bhavan, Madame Cama Road, Mumbai – 400021 on Friday, the 25th June, 2021 at 3.00 P.M.** The Meeting will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility to transact the following business:

"To discuss and adopt the Balance Sheet and the Profit and Loss Account of the State Bank of India made up to the 31st day of March 2021, the report of the Central Board on the working and activities of the State Bank of India for the period covered by the Accounts and the Auditor's Report on the Balance Sheet and Accounts."

Corporate Centre,
State Bank Bhavan,
Madame Cama Road
Mumbai - 400 021
Date: 21st May, 2021

**(Dinesh Kumar Khara)**
*Chairman*

# GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE ANNUAL GENERAL MEETING THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India ("SEBI Circular"), physical attendance of the Shareholders at Annual General Meeting (AGM) venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). The Central Board of the Bank has decided to adopt the above guidelines issued by MCA and SEBI in conducting Annual General Meeting of the Bank. Hence, Shareholders can attend and participate in the ensuing Annual General Meeting through VC / OAVM, which may not require physical presence of shareholders at a common venue. The deemed venue for the meeting shall be State Bank Auditorium, Corporate Centre of the Bank.

2. In view of the VC facility being provided to the shareholders of the Bank, the facility to appoint proxy to attend and cast vote for the shareholders as provided in Regulation 34 of SBI General Regulations, 1955 is not available for this Annual General Meeting. However, the shareholders being Body Corporates are entitled to appoint authorised representatives as provided in Regulation 32 and 33 of SBI General Regulations, 1955 to attend the Annual General Meeting through VC / OAVM and participate thereat and cast their votes through e-voting.

3. The Shareholders can join the Annual General Meeting in the VC / OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC / OAVM will be made available for at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.

4. The attendance of the Shareholder attending the Annual General Meeting through VC / OAVM will be counted for the purpose of reckoning the quorum under Regulation 24 of SBI General Regulations, 1955.

5. Pursuant to the provisions Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) read with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, (as amended), and the MCA Circulars, the Bank is providing facility of remote e-voting to its Shareholders in respect of the business to be transacted at the Annual General Meeting. For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on 25th June, 2021 the date of the Annual General Meeting will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice convening the Annual General Meeting has been uploaded on the website of the Bank at www.sbi.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and the Annual General Meeting Notice is also available on the website of NSDL (agency for providing the remote e-voting facility) i.e. www.evoting.nsdl.com

7. Annual General Meeting is being convened through VC / OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circular dated May 12, 2020 and if conditions are conducive and the local authorities permit for conducting the Annual General Meeting, Meeting may be convened in terms of SBI Act, 1955 and SBI General Regulations, 1955.

8. In terms of Regulation 7 of SBI General Regulations, 1955, in case of joint holders, the person whose name appears first as per the Register of Shareholders of the Bank will be entitled to vote at the Annual General Meeting provided the votes are not already cast through remote e-voting.

9. Members who opt to be present through VC and who do not cast their vote through remote e-voting will be allowed to vote through e-voting at the Annual General Meeting.

# INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS GIVEN BELOW:

The remote e-voting period commences on 21st June, 2021 at 10:00 AM IST and ends on 24th June, 2021 at 05:00 PM IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

During the above period, Shareholders of the Bank, holding shares either in physical form or in dematerialized form as on the cut-off date as provided in Regulation 31 of SBI General Regulations, 1955 may cast their vote by remote e-voting.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of Shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. |

| Type of Shareholders | Login Method |
|---|---|
| | 2. After successful login of Easi / Easiest, the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.<br><br>3. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br><br>4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository website after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login Type | Helpdesk Details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542 - 43 |

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | | Your User ID is: |
|---|---|---|
| a) | For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) | For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example, if your Beneficiary ID is 12********** then your user ID is 12********** |

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details / Password?" (if you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and for casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to both the Scrutinizers by e-mail to: raj.nj4227@gmail.com and info@mehta-mehta.com with a copy marked to evoting@nsdl.co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Sanjeev Yadav / Ms. Pallavi Mhatre at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.complaints@sbi.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor. complaints@sbi.co.in If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholders / members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE ANNUAL GENERAL MEETING ARE AS UNDER:

1. The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.

2. Only those Members / Shareholders, who will be present in the Annual General Meeting through VC / OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting.

3. Members who have voted through Remote e-Voting will be eligible to attend the Annual General Meeting. However, they will not be eligible to vote at the Annual General Meeting.

4. The details of the person who may be contacte d for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same person mentioned for Remote e-voting.

## INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC / OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the Annual General Meeting through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation

in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name, demat account number / folio number, email id, mobile number at investor.complaints@sbi.co.in in advance before the start of Annual General Meeting on 25th June, 2021 at 03.00 PM. The same will be replied by the Bank suitably.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions.

Determination of voting rights - Subject to the provisions contained in Section 11 of the State Bank of India Act, 1955, each shareholder who has been registered as a shareholder for a period of not less than three months prior to the date of a general meeting shall, at such meeting, have one vote for each fifty shares held by him or it. i.e. 24.03.2021.

Every shareholder other than the Central Government entitled to vote as aforesaid who, not being a company is present in person or by proxy or who being a company is present by a duly authorised representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each fifty shares held by him or it for the whole period of three months prior to the date of such meeting. i.e. 24.03.2021.

The duly authorized person representing the Central Government shall have one vote on a show of hands and, in case of a poll, shall have one vote for each fifty shares held by it for the whole period of three months prior to the date of such meeting. i.e. 24.03.2021.

The Scrutinizers shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the Annual General Meeting, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The result declared along with the Scrutinizer's Report shall be placed on the Bank's website www.sbi.co.in and on the website of NSDL https://www.evoting.nsdl.com immediately. The Bank shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Bank are listed.

**(DINESH KUMAR KHARA)**
CHAIRMAN

Corporate Centre,
State Bank Bhavan,
Madame Cama Road,
Mumbai – 400 021
Date : 21.05.2021

# ABOUT SBI

With a legacy of over 200 years, State Bank of India is an Indian multinational, public sector banking and financial services statutory body. For SBI, the interests of the common man have always remained at the core of its business. The Bank has a strong portfolio of distinctive products & services, and leverages technology to deliver and manage them in a personalised and customer centric way.

Headquartered in Mumbai, SBI provides a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers through its various branches and outlets, joint ventures, subsidiaries, and associate companies. It has always been in the forefront to embrace changes without losing sight of its values such as Service, Transparency, Ethics, Politeness and Sustainability.

## Vision

Be the Bank of Choice for a Transforming India

## Mission

Committed to providing Simple, Responsive and Innovative Financial Solutions

## Values

Service —
Transparency —
Ethics —
Politeness —
Sustainability —

## Our Services

### Personal Banking

SBI offers integrated Personal Banking services to through a wide range of loan products, Salary Packages, Digital Loan offerings, NRI Business, and Wealth Management services, amongst others.

**41** Lakh / SBI's Home loan Customers

### Rural Banking

SBI caters to the need of India's rural citizens through its offerings in Financial Inclusion Micro Credit, Agriculture Business.

**1.37** cr. / Farmers catered by SBI

### SME Banking

SBI is a market leader in SME financing. We provide simple and innovative financial solutions to our SME clientele while also ensuring high quality customer services.

**₹2,78,949** cr./ Total SME Advances

### Corporate Banking

At State Bank of India, the Corporate Account Group is a one-stop-shop, which provides a wide range of financial products and services, exclusively to major top corporates of the country and Navratna PSUs.

**₹8,18,705** cr./ Total Corporate Advances

### International Banking Group

SBI is a pioneer of International Banking among the Indian PSBs. The IBG arm is a consistent contributor in transforming the industry landscape through its specialised verticals on various fronts.

**229** Offices / Presence across all Time Zones

### Government Banking

SBI is a market leader in Government business. It significantly contributes towards e-governance initiatives taken by the GOI and is instrumental in the development of e-Solutions for both Central and State Governments.

**₹50,77,446** cr./ Total Government Business Turnover

### Investments

Our subsidiary, SBI Card, released its IPO in 2020. The Company is the second largest credit card issuer in India with deep industry expertise and a demonstrated track record of growth and profitability.

**16.60%** ROE recorded by SBI Card

# SBI'S JOURNEY THROUGH NUMBERS

**45.92** cr.
Customers

Market Share
**23.29%**
Deposits

Market Share
**19.77%**
Advances

**22,219**
Total branches

**71,968**
BC Outlets

**13.19%**
Market Share in no. of POS

**93%**
Share of Transactions on Alternate Channels

**29.23%**
Market Share in Debit Card Spends

**16.23** cr.
Final Inclusion Accounts

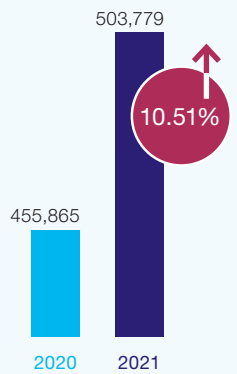
**₹2,52,470** cr.
Financial Inclusion Transaction Amount

**62,617**
Pan-India ATMs & ADWMs (Automated Deposit & Withdrawal Machines CDMs & Recyclers

**58.78** cr.
Financial Inclusion Transactions Through BC Channel

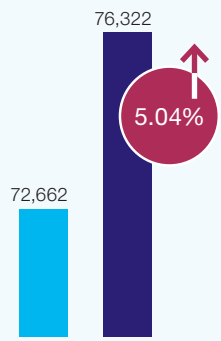
## Home Loans

(₹ Crore)



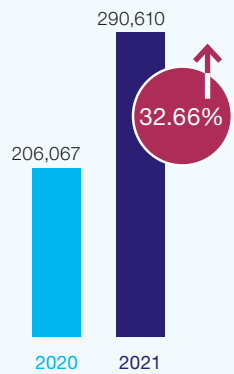

## Auto Loans

(₹ Crore)

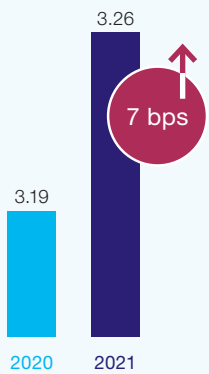



## Other Personal Loans

(₹ Crore)




## Domestic Net Interest Margin



# RESILIENCE. PEOPLE. TECHNOLOGY

## PILLARS OF FUTURE GROWTH

**State Bank of India is India's largest bank, serving consumers and businesses of all walks of life. In the wake of an extraordinary year, we placed foremost priority on the safety of our employees and customers, while enhancing the quality of our loan book. We struck a working balance between strengthening business resilience and acting as a compassionate banker to every Indian. At the same time continued to innovate to be able to serve our stakeholders in a world adapting to a new normal.**

### Resilience.

Over the years, we have been steadfast in our journey of enhancing business resilience. The central theme of this endeavour has been our continuous efforts in strengthening our financials and enhancing our Return On Investments. Even as challenging a year that FY2021 was, we have been able to enhance your Bank's performance, profitability, asset quality and the pace of capital generation. We have successfully navigated the last year and have come out stronger and better prepared for tomorrow.

### Technology.

At SBI, we use technology extensively in every aspect of our value proposition: from business, designing products, streamlining processes, and improving delivery to credit monitoring. In response to the evolving business environment, we are continuously on course to always be technologically relevant and be a smart partner to bank with. During FY2021, our YONO platform proved to be the perfect medium to serve our customers in the digital space in which the boundaries of physical presence were pushed to phygital presence. Completely committed to digital transformation, SBI continues to invest in cutting edge technology in order to maintain its pole position as the most digital-enabled bank in India.

### People.

As the business environment becomes complex, we understand the need of having a robust human capital that is well-trained to face a dynamic world. During FY2021, we implemented various measures to motivate, reskill and upgrade our employees, so that they can cater to our customers' growing needs, and thereby contribute to SBI's success. As we embark upon achieving new milestones in our growth story, we depend on the unflinching dedication and commitment of our employees.

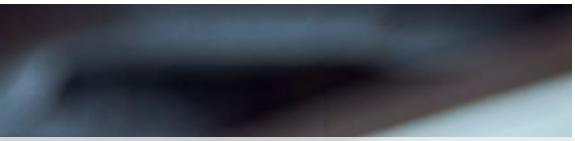
As we recover from this global pandemic, SBI intends to be a key player in India's healing and revival. We remain committed in our journey towards strengthening our financial position, while building our future growth through the key pillars of **Resilience, People and Technology.**

To safeguard the interests of stakeholders, we have intensified our efforts to make State Bank of India a reliable partner to bank with. To realise this, we are rigorously strengthening our digital presence, investing in our people, and enhancing our services to cater to the diverse needs of our customers.

OUR ROLE IN THE TIMES OF ADVERSITY:

# RESPONSIBLE

intensifying our efforts in response to the COVID-19 pandemic



**The outbreak of the COVID-19 pandemic has challenged governments, industries, and businesses across the world. The sudden emergence of this health crisis has tested the strength of even the most evolved economies. This has compelled all of us to re-think and re-strategize our approach in this challenging environment.**

In State Bank of India, we understand that the pandemic has affected the economy, industry and businesses at different levels besides testing human endurance most significantly. We have responded to this crisis by implementing various measures to ensure the safety and well-being of our employees and customers. Our strategies involved ensuring the protection of our human capital while focusing on providing uninterrupted service to our customers across India and abroad. Today, the role we play in society has become even more crucial. To this end, we enhanced our social initiatives to help our communities deal with the contagion.

*All our employees rose valiantly to the challenge of keeping the banking operations running during this critical period and serving our customers uninterruptedly.*

## Customers

Being the Banker to Every Indian household, it was of paramount importance to take care of the safety of our customers without compromising on service quality. During the pandemic, our wide network of 22,219 branches and 62,617 ATMs were kept functional to cater to our customers' needs. As a safety measure, we carried out regular sanitisation of our branch premises to contain the spread of the virus. In addition to this, we also embraced digital readiness to meet our customers online and organised 816 e-townhall meetings for our Micro, Small, and Medium enterprises (MSME) clientele. All our employees rose to the challenge of keeping banking operations functional during this critical period and serving our customers uninterruptedly. We are extremely proud of the collective efforts of our employees in these trying times.

## Employees

While we accorded high priority to providing uninterrupted services to our customers, we also took several measures to ensure that our employees work in a safe and protected environment. To this end, we undertook various initiatives for employee benefit such as reimbursement of expenses incurred on COVID-19 tests and treatment, special support to all the Covid-affected employees, and sanction of Special Leaves to employees on quarantine to contain the spread of the virus. These measures helped in keeping the employees motivated and equipped to handle the crisis. The WFH arrangement provides flexibility to our employees to continue working from home thereby eliminating the risk of contracting infection during travel by public transport.

## Society

In the wake of the pandemic, our role in coming to the aid of society has become more important than before. While the government and healthcare systems have made significant measures to combat the virus, our role as a responsible Corporate citizen has driven us to contribute towards our communities. We have contributed ₹43 crore, which constitutes around 0.30% of our net profit, to support the country in fighting this crisis. These funds were allocated for initiatives such as distribution of PPE kits; and strengthening healthcare infrastructure by procuring ventilators and other health equipment for government hospitals across India.

**62,617**
ATMs kept functional to cater customers need smoothly

**₹43 crore**
to support in fighting this crisis

Leading the digital transformation journey:

# TECHNOLOGY

yono by SBI

**Technology has always been a key strategic pillar of our business model particularly in the last decade. Long before the outbreak of the pandemic-led crisis, we have been continuously focussing on enhancing our digital platforms to cater to the increasing aspirations of our customers. Much before the COVID-19 crisis, almost 88.1% of our customer transactions were happening digitally. Now that the crisis has proved the operational resilience of our platform, we are not resting on our laurels and continue to invest in our digital capabilities, to run our business more efficiently and serve our customers better.**

As the world transitions into the new normal, technology has become an essential factor in our productivity and efficiency. Over the years, we have closely engaged with our customers to cater to their broad range of banking needs. As technology took the front seat, customers started to seek services that did not require them to travel, particularly for their routine banking needs. This evolving landscape of customer preferences led us to build YONO, which is today driving much of our business. This path-breaking and industry leading digital platform has crossed 70.5 million downloads, with a registered user base of 37.09 million and averages daily logins of around 10 million.

Launched in 2019, YONO Krishi possesses features such as Agri gold loan, YONO Mandi and YONO Mitra. The application caters to the banking needs of farmers. To handle high volume and low ticket loans in the Agri business optimally through a digital strategy, we are exploring opportunities to enter into partnerships with selected Agri-techs who have differentiated business model that will help in facilitating the transformation of the Agri supply chain to improve farm production opportunities for the farmers with the use of digital tools such as Artificial Intelligence (AI), BlockChain, IoT (Internet of Things) and ML-powered capabilities.

Further, we have also launched YONO Business for corporate customers, which is designed to provide a world-class, user-friendly platform for transaction banking as well as for the trade finance business. Earlier, there were five customer interfaces viz. Corporate Internet Banking (CINB), Cash Management Product (CMP), e-Trade, e-Forex and Supply Chain Finance (SCF), which now have been merged into a single platform named "YONO Business". Through this, we aim to offer seamless services while catering to the varied needs of our corporate clientele.

We have also extended YONO to our overseas offices as well. YONO has been successfully launched in the UK, Mauritius, Maldives, Bangladesh, Sri Lanka and Canada. As of 31.03.2021, over 40,000 overseas customers have been onboarded on the YONO platform. We are on course to launch YONO in Singapore, Bahrain, South Africa, and the USA by the end of FY2022.

Apart from YONO, we are expanding our digital offerings in other areas through the online loan application and tracking facility for MSME borrowers; introduction of Customer Relationship Management (CRM) for customer engagement; contactless lending platform; Project Vivek; and Pre-Approved Business Loan, amongst others.

**37.09** million
Registered user base

**10** million
Daily logins

**40,000**
Overseas customers onboarded through the YONO platform

*At State Bank of India, we are leveraging technology in every aspect of the value proposition: from business, designing products, streamlining processes, and improving delivery.*

In response to the evolving business environment, we are continuously upgrading ourselves to always be technologically-ready for meeting the increasing aspirations of our customers and being seen as a smart partner to bank with.

LEADING THE DIGITAL TRANSFORMATION JOURNEY:

# TECHNOLOGY

gearing up for a tech-driven world in the new normal

We believe that in uncertain times like these, it is imperative to have a strong business foundation that helps the organisation in navigating through any crisis. For this, it is especially important to have a motivated human capital that can steer the business through testing times.

BUILDING A TEAM FOR TOMORROW:

# PEOPLE

investing in our human capital to prepare them for a challenging world

**At State Bank of India, we recognise that our employees are the cornerstone of our growth and success. As we move towards achieving new milestones in our growth story, we count on the unwavering dedication and commitment of our employees. To support this momentum, we continuously invest in them, thereby empowering them to reach new goals.**

We have a strong human resource arm that is continuously engaged in designing and implementing various HR policies, procedures and programmes to develop and upgrade knowledge, skills, creativity, aptitude and talent of our workforce and for using them optimally. Additionally, it goes beyond the routine and encompasses all aspects of people management by building a positive work culture for realising our business goals. In a fast-changing business environment, the HR management continuously aligns its strategies with the increasing aspirations of the workforce to increase efficiency and promote a participative work culture in the organisation.

During the year, we implemented various measures to train and develop our employees so that they can cater to our customers' needs, thereby contributing to the organisation's success. During the extraordinary circumstances of FY2021, we utilised the pandemic caused limitations as an opportunity to drive user ease through online learning; promote pull mode of learning; teach new skills and broaden the knowledge horizon of our workforce. In addition, our strong team of over 475 in-house educators and banking experts executed innovative measures at the 6 Apex Training Institutes (ATIs) and 51 Regional Institutes (SBILDs) to train and upskill our employees via online methods. Furthermore, to provide constant learning support despite restrictions on mobility, a robust virtual learning system, which is capable of connecting the manifold functionaries and providing a deep understanding of contemporary circumstances, was also put in place.

As the business environment becomes more complex, it is imperative to have robust human capital that is well-trained to face challenges while delivering quality service to customers. We believe that having a committed human capital is extremely important to ensure consistent and sustainable growth of the organisation. As we move ahead, we shall continue to invest in the well-being as well as the productivity enhancement of our employees to realise the true growth potential of our organisation.

*We understand the need of having a robust human capital that is well-trained to face challenges, while delivering quality services to the customers.*

**475**
In-house educators

**6**
Apex Training Institutes

**51**
Regional Institutes of L&D (SBILDs)

# SBI GROUP STRUCTURE

as on 31st March, 2021

## Non-Banking Subsidiaries / Joint Ventures

- 100% SBI Capital Markets Limited
  - SBI CAP Securities Limited
  - SBI CAP Ventures Limited
  - SBI CAP Trustees Co. Limited
  - SBI CAP (Singapore Limited)
- 72.17% SBI DFHI Limited
- 100% SBI Mutual Fund Trustee Company Private Limited
- 86.18% SBI Global Factors Limited
- 92.58% SBI Pension Funds Private Limited
- 62.88% SBI Funds Management Private Limited
  - SBI Funds Mgt. (International) Private Limited
- 69.39% SBI Cards & Payment Services Limited
- 55.50% SBI Life Insurance Company Limited
- 65% SBI-SG Global Securities Services Private Limited
- 70% SBI General Insurance Company Limited
- 49% C-Edge Technologies Limited
- 45% Macquarie SBI Infrastructure Management. Pte. Limited
  - Macquarie SBI Infrastructure Trustee Pte. Limited
- 45% SBI Macquarie Infrastructure Management Private Limited
- 45% SBI Macquarie Infrastructure Trustee Private Limited
- 50% Oman India Joint Investment Fund-Management. Co. Private Limited
- 50% Oman India Joint Investment Fund-Trustee Co. Private Limited
- 99.72% SBI Foundation
- 100% SBI Infra Management Solutions Pvt. Ltd.
- 30% JIO Payments Bank Ltd.
- 74% SBI Payment Services Pvt. Ltd.

## Foreign Banking Subsidiaries / Joint Ventures / Associates

- 100% State Bank of India (California)
- 100% SBI Canada Bank
- 100% State Bank of India (UK) Limited
- 60% CIBL Moscow
- 99% PT Bank SBI Indonesia
- 55% Nepal SBI Bank Limited
  - Nepal SBI Merchant Banking Limited
- 100% Bank SBI Botswana Limited
- 96.60% SBI (Mauritius) Limited
- 20% Bank of Bhutan Limited

## Foreign Non-Banking Subsidiaries

- 100% SBI Servicos Limitada, Brazil

**SBI's international operations are guided by the overarching principle of supporting the global Indian diaspora spread across the world.**

# FINANCIAL HIGHLIGHTS: 10 YEARS AT A GLANCE

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-2019 | 2019-2020 | 2020-2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | |
| Capital (₹in crore) | 671 | 684 | 747 | 747 | 776 | 797 | 892 | 892 | 892 | 892 |
| Reserves & Surplus (₹in crore) | 83,280 | 98,200 | 1,17,536 | 1,27,692 | 1,43,498 | 1,87,489 | 2,18,236 | 2,20,021 | 2,31,115 | 2,52,983 |
| Deposits (₹in crore) | 10,43,647 | 12,02,740 | 13,94,409 | 15,76,793 | 17,30,722 | 20,44,751 | 27,06,344 | 29,11,386 | 32,41,621 | 36,81,277 |
| Borrowings (₹in crore) | 1,27,006 | 1,69,183 | 1,83,131 | 2,05,150 | 3,23,345 | 3,17,694 | 3,62,142 | 4,03,017 | 3,14,656 | 4,17,298 |
| Other's (₹in crore) | 80,915 | 95,404 | 96,927 | 1,37,698 | 1,59,276 | 1,55,235 | 1,67,138 | 1,45,597 | 1,63,110 | 1,81,980 |
| **Total(₹in crore)** | **13,35,519** | **15,66,211** | **17,92,748** | **20,48,080** | **23,57,617** | **27,05,966** | **34,54,752** | **36,80,914** | **39,51,394** | **45,34,430** |
| **Assets** | | | | | | | | | | |
| Investments (₹in crore) | 3,12,198 | 3,50,878 | 3,98,800 | 4,81,759 | 5,75,652 | 7,65,990 | 10,60,987 | 9,67,022 | 10,46,954 | 13,51,705 |
| Advances (₹in crore) | 8,67,579 | 10,45,617 | 12,09,829 | 13,00,026 | 14,63,700 | 15,71,078 | 19,34,880 | 21,85,877 | 23,25,290 | 24,49,498 |
| Other Assets (₹in crore) | 1,55,742 | 1,69,716 | 1,84,119 | 2,66,295 | 3,18,265 | 3,68,898 | 4,58,885 | 5,28,015 | 5,79,150 | 7,33,227 |
| **Total (₹in crore)** | **13,35,519** | **15,66,211** | **17,92,748** | **20,48,080** | **23,57,617** | **27,05,966** | **34,54,752** | **36,80,914** | **39,51,394** | **45,34,430** |
| Net Interest Income (₹in crore) | 43,291 | 44,329 | 49,282 | 55,015 | 57,195 | 61,860 | 74,854 | 88,349 | 98,085 | 1,10,710 |
| Provisions for NPA (₹in crore) | 11,546 | 11,368 | 14,224 | 17,908 | 26,984 | 32,247 | 70,680 | 54,529 | 42,776 | 27,244 |
| Operating Result (₹in crore) | 31,574 | 31,082 | 32,109 | 39,537 | 43,258 | 50,848 | 59,511 | 55,436 | 68,133 | 71,554 |
| Net Profit Before Taxes (₹in crore) | 18,483 | 19,951 | 16,174 | 19,314 | 13,774 | 14,855 | -15,528 | 1,607 | 25,063 | 27,541 |
| Net Profit (₹in crore) | 11,707 | 14,105 | 10,891 | 13,102 | 9,951 | 10,484 | -6,547 | 862 | 14,488 | 20,410 |
| Return on Average Assets (%) | 0.88 | 0.97 | 0.65 | 0.68 | 0.46 | 0.41 | -0.19 | 0.02 | 0.38 | 0.48 |
| Return on equity (%) | 14.36 | 15.94 | 10.49 | 11.17 | 7.74 | 7.25 | -3.78 | 0.48 | 7.74 | 9.94 |
| Expenses to Income (%) (operating Expenses to total Net Income) | 45.23 | 48.51 | 52.67 | 49.04 | 49.13 | 47.75 | 50.18 | 55.70 | 52.46 | 53.60 |
| Profit Per employee (₹in 000) | 531 | 645 | 485 | 602 | 470 | 511 | -243 | 33 | 578.98 | 828.35 |
| Earnings Per Share (₹)* | 184.31 | 210.06 | 156.76 | 17.55 | 12.98 | 13.43 | -7.67 | 0.97 | 16.23 | 22.87 |
| Dividend Per Share (₹)* | 35 | 41.5 | 30 | 3.5 | 2.60 | 2.60 | Nil | Nil | Nil | 4.00 |
| SBI Share Price (on NSE) (₹)* | 2,096.35 | 2,072.75 | 1,917.70 | 267.05 | 194.25 | 293.40 | 249.90 | 320.75 | 196.85 | 364.30 |
| Dividend Pay out Ratio % (₹) | 20.06 | 20.12 | 20.56 | 20.21 | 20.28 | 20.11 | NA | NA | NA | 17.49 |
| **Capital Adequacy Ratio (%)** | | | | | | | | | | |
| Basel-II Total Capital (₹ in crore) | 1,16,325 | 1,29,362 | 1,45,845 | 1,54,491 | 1,81,800 | 2,06,685 | 2,34,056 | 2,41,073 | 2,66,596 | 3,01,980 |
| % | 13.86 | 12.92 | 12.96 | 12.79 | 13.94 | 13.56 | 12.74 | 12.85 | 13.13 | 13.82 |
| Tier I Capital (₹in crore) | 82,125 | 94,947 | 1,12,333 | 1,22,025 | 1,35,757 | 1,56,506 | 1,84,146 | 1,94,655 | 2,17,477 | 2,44,421 |
| % | 9.79 | 9.49 | 9.98 | 10.1 | 10.41 | 10.27 | 10.02 | 10.38 | 10.71 | 11.19 |
| Tier II Capital (₹in crore) | 34,200 | 34,415 | 33,512 | 32,466 | 46,043 | 50,179 | 49,910 | 46,418 | 49,119 | 57,559 |
| % | 4.07 | 3.43 | 2.98 | 2.69 | 3.53 | 3.29 | 2.72 | 2.47 | 2.42 | 2.63 |
| Basel-III Total Capital (₹ in crore) | N.A | N.A | 1,40,151 | 1,46,519 | 1,75,903 | 2,04,731 | 2,38,154 | 2,45,225 | 2,74,036 | 3,08,893 |
| % | | | 12.44 | 12 | 13.12 | 13.11 | 12.60 | 12.72 | 13.06 | 13.74 |
| Tier I Capital (₹in crore) | N.A | N.A | 1,09,547 | 1,17,157 | 1,33,035 | 1,61,644 | 1,95,820 | 2,05,238 | 2,30,769 | 2,57,177 |
| % | | | 9.72 | 9.6 | 9.92 | 10.35 | 10.36 | 10.65 | 11 | 11.44 |
| Tier II Capital (₹in crore) | N.A | N.A | 30,604 | 29,362 | 42,868 | 43,087 | 42,334 | 39,987 | 43,267 | 51,716 |
| % | | | 2.72 | 2.4 | 3.20 | 2.76 | 2.24 | 2.07 | 2.06 | 2.30 |
| Net NPA to Net Advances (%) | 1.82 | 2.1 | 2.57 | 2.12 | 3.81 | 3.71 | 5.73 | 3.01 | 2.23 | 1.50 |
| Number of Domestic Branches | 14,097 | 14,816 | 15,869 | 16,333 | 16,784 | 17,170 | 22,414 | 22,010 | 22,141 | 22,219 |
| Number of Foreign Branches /offices | 173 | 186 | 190 | 191 | 198 | 195 | 206 | 208 | 233 | 229 |

*The face value of shares of the Bank was split from ₹10 per share to ₹1 per share - wef. 22nd November, 2014.
The data is on ₹1 per share from 2014-15 onwards and ₹10 per share for remaining previous year.

# RATINGS

as on 31st March, 2021

| | Rating | Rating Agency |
|---|---|---|
| **Bank Rating** | Baa3/Negative/P-3 | Moody's |
| | BBB-/Stable/A-3 | S & P |
| | BBB-/Stable/F3 | Fitch Ratings |
| **₹ Denominated Instruments** | | |
| **Innovative Perpetual Debt** | AAA/Stable | CRISIL |
| | AAA/Stable | CARE |
| **Upper Tier II Subordinated Bonds** | AAA/Stable | CRISIL |
| | AAA/Stable | CARE |
| **Lower Tier II Subordinated Bonds** | AAA/Stable | CRISIL |
| | AAA/Stable | CARE |
| | AAA/Stable | ICRA |
| **Basel III Tier 2 Debt** | AAA/Stable | CRISIL |
| | AAA/Stable | CARE |
| | AAA/Stable | ICRA |
| **Basel III AT1 Perpetual Debt** | AA + /Stable | CRISIL |
| | AA + /Stable | CARE |
| | AA + /Stable | ICRA |

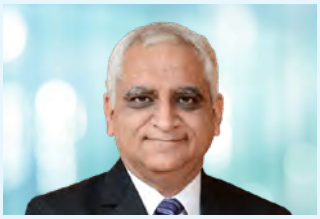
CARE : Credit Analysis & Research Limited
ICRA : ICRA Limited
CRISIL : CRISIL Limited
S&P : Standard & Poor

# CENTRAL BOARD OF DIRECTORS

as on 31st March, 2021

**Shri Dinesh Kumar Khara**
*Chairman*

**Shri Challa Sreenivasulu Setty**
*Managing Director*



**Shri Ashwani Bhatia**
*Managing Director*

**Shri Swaminathan J.**
*Managing Director*

**Shri Ashwini Kumar Tewari**
*Managing Director*

**Shri B. Venugopal**
*Shareholder Director*

**Dr. Ganesh Natarajan**
*Shareholder Director*

**Shri Ketan S. Vikamsey**
*Shareholder Director*

**Shri Mrugank M. Paranjape**
*Shareholder Director*

**Dr. Pushpendra Rai***
*Director Nominated by GoI*

**Shri Sanjeev Maheshwari**
*Director Nominated by GoI*

**Shri Debasish Panda**
*Secretary, DFS*
*Director Nominated by GoI*

**Shri Chandan Sinha**
*Ex. Executive Director, RBI*
*Ex. Additional Director, CAFRAL*
*Director Nominated by GoI*

**Chairman**
Shri Dinesh Kumar Khara

**Managing Directors**
Shri Challa Sreenivasulu Setty
Shri Ashwani Bhatia
Shri Swaminathan J.
Shri Ashwini Kumar Tewari

**Directors elected under Section 19(c) of SBI Act**
Shri B. Venugopal
Dr. Ganesh Natarajan
Shri Ketan S. Vikamsey
Shri Mrugank M. Paranjape

**Directors under Section 19(d) of SBI Act**
Dr. Pushpendra Rai*
Shri Sanjeev Maheshwari

**Director under Section 19(e) of SBI Act**
Shri Debasish Panda

**Director under Section 19(f) of SBI Act**
Shri Chandan Sinha

** Re-nominated by GOI vide notification no. F.No.6/19/2019-BO-I dated 29.04.2020 for a period of two years beyond 05.02.2020, or until further orders, whichever is earlier.*

# COMMITTEES OF THE BOARD

as on 31.03.2021

## Executive Committee of the Central Board (ECCB)

**Shri Dinesh Kumar Khara**,
Chairman - Chairman of the Committee
**Shri Challa Sreenivasulu Setty** - MD (R&DB) - Member
**Shri Ashwani Bhatia** - MD (CB & GM) - Member
**Shri Swaminathan J** - MD (R, C & SARG)- Member
**Shri Ashwini Kumar Tewari** - MD (IB, T & S)- Member

**Director nominated under Section 19(f)** of the SBI Act (Reserve Bank of India nominee) **and all or any of the other Directors** who are normally residents, or may, for the time being be present at any place within India where the meeting is held.

## Audit Committee of the Board (ACB)

**Shri Ketan S. Vikamsey,**
Independent Director - Chairman of the Committee
**Shri B. Venugopal,** Independent Director - Member
**Shri Mrugank M. Paranjape,** Independent Director - Member
**Shri Sanjeev Maheshwari,** Non-Executive Director - Member
**Shri Debasish Panda,** GOI Nominee Director - Member
**Shri Chandan Sinha,** RBI Nominee Director - Member
**Shri Challa Sreenivasulu Setty,** MD (R&DB) - Member (Ex-Officio)
**Shri Ashwani Bhatia,** MD (CB & GM) - Member (Ex-Officio)

## Risk Management Committee of the Board (RMCB)

**Shri Mrugank M. Paranjape,**
Independent Director - Chairman of the Committee
**Shri B. Venugopal,** Independent Director - Member
**Dr. Ganesh Natarajan,** Independent Director - Member
**Shri Ketan S. Vikamsey,** Independent Director - Member
**Dr. Pushpendra Rai,** Independent Director - Member
**Shri Sanjeev Maheshwari,** Non-Executive Director - Member
**Shri Challa Sreenivasulu Setty,** MD (R&DB) - Member (Ex-Officio)
**Shri Swaminathan J,** MD (R, C & SARG)- Member (Ex-Officio)

## IT Strategy Committee of the Board (ITSC)

**Dr. Ganesh Natarajan,**
Independent Director - Chairman of the Committee
**Shri B. Venugopal,** Independent Director - Member
**Shri Mrugank M. Paranjape,** Independent Director - Member
**Dr. Pushpendra Rai,** Independent Director - Member
**Shri Sanjeev Maheshwari,** Non-Executive Director - Member
**Shri Swaminathan J,** MD (R, C & SARG)- Member (Ex-Officio)
**Shri Ashwini Kumar Tewari,** MD (IB, T & S)- Member (Ex-Officio)

## Special Committee of the Board for Monitoring of Large Value Frauds (SCBMF)

**Shri Ketan S. Vikamsey,**
Independent Director - Chairman of the Committee
**Dr. Ganesh Natarajan,** Independent Director - Member
**Dr. Pushpendra Rai,** Independent Director - Member
**Shri Sanjeev Maheshwari,** Non-Executive Director - Member
**Shri Challa Sreenivasulu Setty,** MD (R&DB) - Member (Ex-Officio)
**Shri Swaminathan J,** MD (R, C & SARG)- Member (Ex-Officio)

## Stakeholders Relationship Committee (SRC) cum Customer Service Committee of the Board (CSCB)

**Dr. Pushpendra Rai,**
Independent Director - Chairman of the Committee
**Shri B. Venugopal,** Independent Director - Member
**Dr. Ganesh Natarajan,** Independent Director - Member
**Shri Ketan S. Vikamsey,** Independent Director - Member
**Shri Mrugank M. Paranjape,** Independent Director - Member
**Shri Sanjeev Maheshwari,** Non-Executive Director - Member
**Shri Challa Sreenivasulu Setty,** MD (R&DB) - Member (Ex-Officio)
**Shri Swaminathan J,** MD (R, C & SARG)- Member (Ex-Officio)

## Nomination & Remuneration Committee of the Board

**Shri B. Venugopal,**
Independent Director - Chairman of the Committee
**Dr. Ganesh Natarajan,** Independent Director - Member
**Shri Ketan S. Vikamsey,** Independent Director - Member
**Shri Mrugank M. Paranjape,** Independent Director - Member
**Dr. Pushpendra Rai,** Independent Director - Member

## Board Committee to Monitor Recovery (BCMR)

**Shri Dinesh Kumar Khara,**
Chairman - Chairman of the Committee
**Dr. Ganesh Natarajan,** Independent Director - Member
**Shri Ketan S. Vikamsey,** Independent Director - Member
**Dr. Pushpendra Rai,** Independent Director - Member
**Shri Sanjeev Maheshwari,** Non-Executive Director - Member
**Shri Debasish Panda,** GOI Nominee Director - Member
**Shri Challa Sreenivasulu Setty,** MD (R&DB) - Member (Ex-Officio)
**Shri Ashwani Bhatia,** MD (CB & GM) - Member (Ex-Officio)
**Shri Swaminathan J,** MD (R, C & SARG)- Member (Ex-Officio)
**Shri Ashwini Kumar Tewari,** MD (IB, T & S)- Member (Ex-Officio)

## Corporate Social Responsibility Committee (CSRC)

**Shri Challa Sreenivasulu Setty,**
MD (R&DB) - Chairman of the Committee (Ex-Officio)
**Shri Ashwani Bhatia,** MD (CB & GM) - Member (Ex-Officio)
**Shri B. Venugopal,** Independent Director - Member
**Dr. Ganesh Natarajan,** Independent Director - Member
**Shri Ketan S. Vikamsey,** Independent Director - Member
**Shri Mrugank M. Paranjape,** Independent Director - Member
**Dr. Pushpendra Rai,** Independent Director - Member

## Committee to review the Identification of Wilful Defaulters/ Non- Co-operative Borrowers

**Shri Swaminathan J,**
MD (R, C & SARG)- Chairman of the Committee (Ex-Officio)
**Shri B. Venugopal,** Independent Director - Member
**Shri Ketan S. Vikamsey,** Independent Director - Member
**Shri Mrugank M. Paranjape,** Independent Director - Member
**Dr. Pushpendra Rai,** Independent Director - Member
**Shri Sanjeev Maheshwari,** Non-Executive Director - Member

# MEMBERS OF CENTRAL MANAGEMENT COMMITTEE

as on 31.03.2021

**Shri Dinesh Kumar Khara**
Chairman

**Shri Challa Sreenivasulu Setty**
Managing Director
(Retail & Digital Banking)

**Shri Ashwani Bhatia**
Managing Director
(Corporate Banking & Global Markets)

**Shri Swaminathan J.**
Managing Director
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**
Managing Director
(International Banking, Technology & Subsidiaries)

**Shri C. Venkat Nageswar**
Deputy Managing Director
(International Banking Group)

**Shri Sanjeev Nautiyal**
Deputy Managing Director
(Financial Inclusion & Micro Market)

**Shri T. Keshav Kumar**
Deputy Managing Director
(Commercial Clients Group-II)

**Shri Alok Kumar Choudhary**
Deputy Managing Director
(Finance)

**Shri Sandeep Tewari**
Deputy Managing Director
(Internal Audit)

**Shri Soma Sankara Prasad**
Deputy Managing Director &
Group Compliance Officer

**Shri Natrajan Sundar**
Deputy Managing Director &
Chief Credit Officer

**Shri Sastry S Venkataramana**
Deputy Managing Director
(Global Markets)

**Shri Ravindra Pandey**
Deputy Managing Director (Strategy) &
Chief Digital Officer

**Shri V. S. Radhakrishnan**
Deputy Managing Director (Commercial Clients Group- I)
with additional charge of DMD (Corporate Accounts Group)

**Shri S. Salee**
Deputy Managing Director
(Stressed Assets Resolution Group)

**Shri Rana Ashutosh Kr. Singh**
Deputy Managing Director (Human Resources) &
Corporate Development Officer

**Shri Prabodh Parikh**
Deputy Managing Director
(Chief Operating Officer)

**Shri S. S. Rao**
Deputy Managing Director &
Chief Risk Officer

**Shri Anup Kumar Mahapatra**
Deputy Managing Director &
Chief Information Officer

**Smt. Saloni Narayan**
Deputy Managing Director
(Retail Business)

# MEMBERS OF LOCAL BOARDS,

other than Managing Director (Retail & Digital Banking) - Nominated by Chairman in terms of Section 21(1)(a) of SBI Act, 1955 as on 31.03.2021

### Ahmedabad
**Shri Shamsher Singh**
Chief General Manager (Ex-Officio)

### Amaravati
**Shri Sanjay Sahay**
Chief General Manager (Ex-Officio)

### Bengaluru
**Shri Abhijit Majumder**
Chief General Manager (Ex-Officio)

### Bhopal
**Shri Umesh Kumar Pandey**
Chief General Manager (Ex-Officio)

### Bhubaneswar
**Smt. Ruma Dey**
Chief General Manager (Ex-Officio)

### Chandigarh
**Shri Anukool Bhatnagar**
Chief General Manager (Ex-Officio)

### Chennai
**Shri B. Sankar**
Chief General Manager (Ex-Officio)

### Guwahati
**Shri R S Ramesh**
Chief General Manager (Ex-Officio)

### Hyderabad
**Shri Om Prakash Mishra**
Chief General Manager (Ex-Officio)

### Jaipur
**Shri Amitava Chatterjee**
Chief General Manager (Ex-Officio )

### Kolkata
**Shri Ranjan Kumar Mishra**
Chief General Manager (Ex-Officio)

### Lucknow
**Shri Ajay Kumar Khanna**
Chief General Manager (Ex-Officio)

### Maharashtra
**Shri Deepak Kumar Lalla**
Chief General Manager (Ex-Officio)

**Dr. Ganesh Natarajan**
Director *

### Mumbai - Metro
**Shri Pravin Raghavendra**
Chief General Manager (Ex-Officio),

**Shri B Venugopal**
Director*

**Shri Ketan S. Vikamsey**
Director*

**Shri Mrugank M. Paranjape**
Director*

**Shri Sanjeev Maheshwari**
Director*

### New Delhi
**Shri Vijuy Ronjan**
Chief General Manager (Ex-Officio)

**Dr.Pushpendra Rai**
Director*

### Patna
**Shri Mahesh Deepchand Goel**
Chief General Manager (Ex-Officio)

### Thiruvananthapuram
**Shri Mrigendra Lal Das**
Chief General Manager (Ex-Officio)

**Directors on the Central Board nominated on the Local Boards as per Section 21(1) (B) of SBI Act.*

# BANK'S AUDITORS

**M/s A S A & Associates LLP**
(Kerala Circle)

**M/s Guha Nandi & Co.**
(Kolkata Circle)

**M/s Prem Gupta & Co.**
(Delhi Circle)

**M/s Khandelwal Jain & Co.**
(Bangalore Circle)

**M/s Shah Gupta & Co.**
(Ahmedabad Circle)

**M/s S C V & Co. LLP**
(Jaipur Circle)

**M/s K Venkatachalam Aiyer & Co.**
(Hyderabad and North- Eastern Circle)

**M/s N C Rajagopal & Co.**
(Chennai and Bhubneswar Circle)

**M/s O P Totla & Co.**
(Bhopal Circle)

**M/s S.K. Kapoor & Co.**
(Lucknow circle)

**M/s Karnavat & Co.**
(Maharashtra Circle)

**M/s G P Agrawal & Co.**
(Patna and Mumbai Metro Circle)

**M/s J C Bhalla & Co.**
(Chandigarh Circle)

**M/s Umamaheswara Rao & Co.**
(Amaravati Circle)

# CHAIRMAN'S MESSAGE

*Dear Shareholders,*

It gives me great pleasure to place before you the highlights of your Bank's performance during FY2021. Details of the achievements and initiatives taken by your Bank are provided in the enclosed Annual Report for FY2021.

**Despite the ongoing pandemic, your Bank's business growth has remained robust in FY2021, with deposits growing at a double digit and advances rebounding compared to last year.**

*– Dinesh Kumar Khara*

**16.47%**
Retail Personal Loan growth in FY2021

## Economic Overview

COVID-19 pandemic impaired economic activity last year across the board with global growth expected to contract at -3.3% in 2020 as against 2.8% growth in 2019. No major country except China showed positive growth during the year. Contraction of economic activity has been unprecedented but worse has been avoided thanks to the fiscal and the monetary support extended by the authorities across the world. Central banks provided liquidity support along with various credit extension policies to a wide range of borrowers. This was augmented with the government measures to support households and firms through a number of measures, including transfers, wage subsidies, liquidity support and other safety nets such as unemployment insurance and nutrition assistance. All these measures enabled increased momentum of economic activity in the second half of the year.

Global trade volumes also rebounded sharply in H2 2020 reflecting pent-up demand for consumer durables and resumption of supply chains. However, cross-border trade in services remained subdued. Overall, trade volume contracted -8.5% in 2020 following a mere 0.9% growth in 2019. Meanwhile, oil prices have been on a continuous gradual upswing since May 2020.

Against this backdrop, growth in India contracted to -7.3% in FY2021. With the country experiencing a second wave of infection since February, there have been localised lockdowns again which are likely to impair economic activity going forward. Vaccinating a large population soon is the only way to shorten the current second wave. With the Government now allowing all above 18 years to get themselves vaccinated, it will help in fighting this pandemic. Overall, notwithstanding the second wave of COVID-19, Indian economy, through its resilience, is poised for a recovery in FY2022.

## Your Bank's Performance

Despite the ongoing pandemic, your Bank's business growth has remained robust in FY2021, with deposits growing at a double digit and advances rebounding compared to last year.

### Deposits Growth

During FY2021, your Bank's deposits growth has remained in double digits and well above the ASCBs' growth rate. In FY2021, your Bank's total deposits grew at 13.56% (ASCBs growth: 11.40%) to ₹36,81,277 crore from the previous year's level of ₹32,41,621 crore. This high growth in deposits pushed your Bank's market share up by 45 bps to 23.29%. However, the foreign offices' deposits contracted by -5.04% to ₹1,11,112 crore, while domestic deposits grew by 14.26% to ₹35,70,165 crore. On a positive note, the CASA deposits grew at a faster pace of 16.73%, compared to term deposits growth of 12.23%. Within CASA, the current account deposit grew by 27.36%, while Saving Bank Deposits grew by 14.79%, which has resulted in the CASA ratio improving by 97 bps to 46.13% in FY2021.

### Credit Growth

In FY2021, ASCBs credit off-take has continued its downward momentum and grew at 59-years low of 5.6%. However, your Bank's domestic advances growth has rebounded in the current year and grew by 5.67% to ₹21,82,516 crore, compared to 3.75% growth in FY2020. The foreign offices advances growth contracted by 0.14% to ₹3,56,877 crore. So, the gross advances of your Bank grew by 4.81% to the level of ₹25,39,393 crore in FY2021 from the previous year level of ₹24,22,845 crore.

The strong domestic loan growth is led by growth in retail personal loans, driven by home loans, Xpress credit and gold loans. The retail personal loans segment grew by 16.47% to ₹8,70,711 crore in FY2021, which is in line with the Bank's strategy towards this segment led by robust digital channels. Within retail, Home Loans, Xpress credit and Gold Loans grew substantially by 10.51% to ₹5,03,779 crore, 36.49% to ₹1,92,780 crore and 465.08% to ₹20,987 crore respectively. These segments constitute around 82.41% of the total Personal loans. With this robust growth, your Bank's market share in Home loans is at 34.53% and 31.74% in Auto loans. The growth in Xpress credit is mainly driven by our digital YONO and INB platforms.

However, growth in corporate segment remained subdued and declined by -3.02% to ₹8,18,705 crore in FY2021, which is in line with the banking industry's growth trend. If we include investments in commercial paper(CP) & corporate bonds in corporate credit, it increased by 2.64% in FY2021, while there was negative growth in loans portfolio. This indicates that corporates have raised money from CP market due to the low interest rate environment. Major share of the credit went into sectors such as Infrastructure (Power, Roads & Ports) and Services. Agri & SME loans have increased by 3.92% to ₹2,14,151 crore and 4.24% to ₹2,78,949 crore respectively. With the decline in credit to Corporates Loan book, the share of Retail Personal loan segment in the domestic loan book has increased to 39.89% from 36.19% last year.

### Investments

Your Bank's investment portfolio increased to ₹13,61,885 crore (domestic portfolio was ₹13,14,424 crore and foreign portfolio was ₹47,461 crore) in FY2021 compared to ₹10,58,048 crore in FY2020, with the rise in SLR investments. Your Bank's LCR was at 153.2% as on March 31, 2021. With sufficient liquidity in the market, your Bank's yield on investment has declined to 6.32% in 31 March 2021.

### Customer Convenience

Your Bank's various activities are centred on improving customer experience by ensuring seamless delivery of products and services. For this your Bank has created the highest number of touchpoints in terms of branches and other digital modes. The Bank has 71,968 operating BCs, around 22,219 branches and 62,617 ATMs including 13,237 Automated Deposit & Withdrawal Machines (ADWMs). On an average, over 1.12 crore transactions per day are routed through your Bank's ATM Network.

In its endeavour to become a truly International Bank, the focus of your Bank has been realigned to enhance its penetration in overseas local markets along with India based business to support Indian Diaspora and global Indian Corporates spread across various geographies. With a presence across all time zones through 229 offices in 31 countries, your Bank has gradually spread its wings across the globe and has become a pioneer of International Banking among the Indian PSBs. During FY2021, your Bank continued to consolidate (closed four foreign offices) its overseas operations by rationalizing offices with sub-optimal performance enabling improvement of cost efficiencies. During

this period, your Bank has not ventured into opening of new branches/offices on account of its focus on consolidation and prevailing global scenario due to COVID-19 pandemic.

Even during these difficult times your Bank has conducted virtual customer meets for seeking customer feedback for improvement in customer experience. We have also conducted programmes to sensitize the branches for providing good customer service. With the launch of Doorstep Banking, the customers can avail ten doorstep services like account statement, cash withdrawal facility, life certificate submission (for pensioners) etc. Your Bank has introduced the concept of Floor Managers in over 2400 branches for enhanced customer experience.

## Technology and Innovation

Various new IT initiatives have been rolled out by your Bank including LITMAS (Litigation Management System) for better monitoring of legal recourses undertaken in the stressed account for expediting recovery. Bank has also rolled out Property Portal to showcase the assets to prospective buyers with an intention to enhance marketing and better realization of value of available assets. It will further strengthen the transparency and efficiency in the process. Going forward, SARG is looking towards complete digitalization of the vertical, with end-to-end process automation, starting from Premigration of the account to Resolution of the account, through a menu driven dashboard solution encompassing all activities of SARG at one place, giving the desired output at the right time, resulting in enhanced productivity, efficient use of manpower and optimum results.

Your Bank is steadfastly using and enhancing its analytics capabilities by using AI/ML for improving efficiency, reducing risk and growing business. Fraud prone branches model has been developed to identify high risk branches. ATM suspicious chargeback model has been developed for identification of suspicious chargeback complaints. EWS models are in place for early signals of stress in borrowers. Intelligent Sampling of Vouchers (ISMOVVR) model is there for Identification of outlier vouchers for re-verification and to prevent frauds. A new AI based model has been developed for SME new to Bank (NTB) customers. Staff Optimization and ATM network optimisation is being carried out through the Footfall Model and ATM win-back model respectively.

In case of home loans, RLMS, an end-to-end digitized platform has already seen the processing time for the loan journeys coming down drastically resulting in increased business. In RLMS, Pension Loan, Personal Gold Loan, Xpress Credit & Smart Home Top Up Loan products were rolled out PAN India. Development and CUG roll out of Home Loan journey was also done in RLMS during FY2021. RLMS is also being integrated with YONO & CRM for processing applications sourced through these channels. With the proposed rollout of remaining products during FY2022 in RLMS, we expect increased efficiency and user experience, improvement in TAT and hence growth in Bank's business.

Besides, for corporate loans Digital Interface on Pricing and Knowledge (DIPAK) a new pricing tool has also been made available to Operating functionaries and Sanctioning Committees to enable data - driven pricing of our Corporate Loans. This has been rolled out in all the branches in CCG.

While offering products on multiple platforms for portfolio growth with higher profit margins, your Bank has kept in mind the customer's convenience with Ease of Banking and has offered these variants through YONO - PAPL (Pre-Approved Personal Loan), PAXC (Pre-Approved Xpress Credit), PAPNL (Pre-Approved Pension Loan), INSTA Top-up for Xpress Credit and Insta Top-up for Pension Loan. For our corporate customers, a Unified Corporate Banking setup - YONO Business providing Single Sign-On for customers to access five applications viz CINB, CMP, SCFU, e-Trade and e-Forex was launched. Additionally, new to digital customers were provided online onboarding of CINB, e-Trade and e-Forex. Other end-to-end digital offerings were (a) Debit card authenticated onboarding for Saral customers and (b) Pre-Approved Merchant Loan - a digital loan product for Saral customers. An Online Account opening facility was also launched for non-individual accounts like Sole Proprietorship, Partnership and HUF entities.

Your Bank has also made available FX All and e-Forex trading platforms to customers looking at their requirements. Your Bank is also working on providing a fully digital Trade Finance solution through its Yono Business platform. To increase income from Forex business, Forex rate booking including document upload facility for a digital journey has been introduced. Customer also has an option to negotiate with the dealer above a predefined threshold. Waiver of physical submission of original/hard copies for certain type of forex booking will be released. e-Forex on mobile is being planned to be released.

Furthermore, your Bank swiftly deployed Virtual Private Network (VPN) to empower the operational staff across India to Work From Anywhere (WFA) and ensure "Business-As-Usual". Despite the lockdown, annual closing exercise was conducted without any glitches. WFA is a new norm now in SBI. Many administrative and operational activities in domestic and foreign office/branches are being carried out remotely through WFA facilities. Pilot Project of "Work from Anywhere" has been implemented at Liability Centralised Processing Centres (LCPC) Mumbai, where Maker / Checker are processing Account Opening Forms (AOFs) digitally for 2nd scrutiny and debit activation. Going forward, "Work from Anywhere" project will be leveraged to full extent and will be extended to other LCPCs.

Your Bank has also introduced Open Banking (OB) in UK following instructions of European Banking Authority (EBA). The technological solution is hosted on Meghdoot infrastructure and was made live for our European branches and Bahrain to meet the critical Regulatory requirement. It is heartening to know that your Bank now has the capability to introduce OB in other geographies, as and when required by other Foreign Offices.

## Profitability

The FY2021 has been an unprecedented challenging year for the whole world and your Bank was not an exception. However, with pragmatic view and timely decisions of the management and execution by the team coupled with support of the customers, your Bank has reported highest ever standalone net profit of ₹20,410 crore against net profit of ₹14,488 crore in the previous year. Your Bank has reported significant improvement on asset quality front, provision coverage, NIM and yield on advances. Decline in credit cost by 75

bps YoY to 1.12% at the end of FY2021 has been a significant improvement over the previous years.

The Net Interest Income of the Bank stood at ₹1,10,710 crore registering a healthy growth of 12.87% over previous year. The growth is owing to focused efforts in retail credit and quality corporate credit as well as control in slippages, thereby resulting in growth under interest income and a simultaneous control on interest expenses by CASA oriented deposit accretion, which increased by 16.73% (YoY domestic). The Operating Profit of the Bank stood at ₹71,554 crore in FY2021 as compared to ₹68,133 crore in previous year. The Bank made a consolidated profit of ₹22,405 crore.

Return on Assets increased by 10 bps YoY to 0.48% in FY2021 against 0.38% in FY2020. Cost to income ratio has marginally increased from 52.46% in FY2020 to 53.60% in FY2021. Further, recovery in Written-Off accounts also registered a growth of 11.32% over the previous year.

## Asset Quality

The Bank over the last two financial years was dealing with steep rise in stressed assets. All-round effort in managing stressed accounts initiated in FY2019 was carried through in FY2020 as well.

However, the outbreak of the pandemic and subsequent lockdown in FY2021 altered the dynamics of stressed asset recovery. Bank had to grapple with disruption in normal proceeding at NCLT due to COVID-19 infections. Furthermore, the RBI mandated a standstill clause for some section of the portfolio.

Despite all this, Bank was able to achieve a reduction in level of Gross NPAs by ₹22,703 crore by March 2021. The corporate segment saw the largest reduction in NPA at ₹18,530 crore, while other segments remained more or less stable.

The gross NPAs ratio of the Bank accordingly declined to 4.98% from 6.15% in the last year. The PCR of the bank has also improved to 87.75%.

## Capital Structure

The capital adequacy of the Bank improved during the last financial year on the back of better capital planning, internal resource generation and containment of risk in banking books as reflected in 202 basis point reduction in credit risk weighted assets on advances to gross advances ratio.

The capital adequacy position of the Bank improved from 13.06% in March last year to 13.74% in March 2021. The CET 1 capital and AT1 capital ratios put together increased by 44 bps to 11.44%. Bank also increased its Tier II capital base to 2.30% in March 2021 from 2.06% the previous year.

## Strategic Initiatives

During FY2021, your Bank has undertaken strategic initiatives to achieve the long term objectives set by your Bank. Some of the important initiatives are as under:

- To make the AtmaNirbhar Bharat Abhiyan a success your Bank has launched three new products viz. Agri Infrastructure Fund (AIF), Animal Husbandry Infrastructure Development Fund (AHIDF) and PM Formalization of Micro Food Processing Enterprises (PM FME) to boost investment credit portfolio in Agri segment. Your Bank has also launched "PM SVANidhi Loans" with effect from 02.07.2020 to support livelihoods of street vendors during COVID-19 pandemic. Bank has launched Guaranteed Emergency Credit Line (GECL)1.0 & 2.0 to provide finance on liberal terms, to the units affected by the COVID-19 pandemic.
- To mitigate the adverse impact of COVID-19 on Bank's portfolio Bank identified corporates that may require additional assistance very early in Q1 of FY2021, which facilitated quick remedial measures. Various analysis was undertaken to proactively identify probable stressed portfolios and necessary remedial measures were taken in time. Similarly, impact of COVID-19 on various industries such as NBFC, Construction, Textiles, Ports, Shipping, Hotels etc. are watched continuously and analysis of new developments are shared with the business groups to enable them to take informed credit decisions.
- Customer service is a key area on which your Bank is focused. For improving the quality of resolution of customer grievances, we have established Circle Complaints Resolution Centres (CCRC) in all Circles.
- Your Bank has been active in the Alternative Investment space throughout the year and has been keeping an eye on emerging opportunities. Amid pandemic, your Bank part divested its stake in non-core assets and assessed a number of new investment opportunities. During the year, your Bank sanctioned investments of nearly ₹600 crore in Private Equity / Alternative Investment Funds.
- Marking a shift towards 'Originate to Distribute' business model, Structuring Team has been set up at PF&S SBU to provide customized structuring solutions for financing structure of projects while keeping the Return on Equity from the transaction a priority. Experienced officials have been recruited from different sector and industries to provide Structuring Solutions to our clients.
- To enable the branches become more goal-driven and competitive, a radical coaching intervention based on 'Action Research model' has been rolled out. It is a dynamic approach in which problem identification, planning, action and impact assessment are interlinked. Under "Samunnati", Faculty members of Regional L&D institutes adopted one Branch each pan-India, to extend guidance with harvesting of learnings for viable growth-models and case studies post completion.
- To ensure better tracking of education loan applications and faster sanctioning of loans, your Bank's Loan Origination System (LOS) was integrated with Vidya Lakshmi Portal (VLP) of the Government of India.
- In order to put in place a mechanism to monitor the progress of staff accountability examination in respect of large value frauds of ₹50 crore and above, a Committee namely "ABBFF Review Committee" under chairmanship of MD (CCG&IT) has been constituted. This Committee will review the progress of all cases being referred to ABBFF at bi-monthly intervals.

## Subsidiaries

Through its subsidiaries, your Bank provides a wide gamut of financial services to its customers. The growth exhibited by the subsidiaries has been healthy year after year.

On a standalone basis, SBI Capital Markets Limited posted a PAT of ₹273.25 crore for FY2021 as against ₹215.43 crore in FY2020. On a consolidated basis it has posted a profit of ₹527.10 crore in FY2021 as against ₹334.49 crore in the previous fiscal. SBICAP Securities Limited, a wholly owned subsidiary of SBI Capital Markets Limited has posted a net profit of ₹207.12 crore during FY2021 as against ₹84.94 crore in FY2020.

SBI Life Insurance Company Limited has continued to maintain the leadership position amongst private players in number of policies issued, which reflects mass coverage and strong market acceptance across geographies amongst life insurer. During the year, more than 16.5 lakhs individual new policies were issued. The company witnessed a PAT of ₹1,456 crore in FY2021 as against ₹1,422 crore in FY2020.

SBI Cards and Payment Services Private Limited delivered PAT of ₹985 crore in FY2021 as compared to ₹1,245 crore in FY2020. To cover itself for future credit risks, the company has provided higher provisions and the overall management overlay stands at ₹297 crore as on Mar'2021. This is over and above the base provisions of ₹1,358 crore.

SBI Funds Management Private Limited (SBIFMPL), the Asset Management Company of SBI Mutual Fund, is amongst the fastest growing AMCs with a growth of over 35% against the industry average of 18.8% in FY2021. In the last three years, SBIFMPL has achieved a CAGR of 32.3% against the industry average of around 11.7%. It posted a PAT of ₹860.40 crore during FY2021 as against ₹603.45 crore earned during FY2020.

SBI General Insurance Company Limited (SBIGC) has achieved gross written premium of ₹8,312 crore in FY2021 as against ₹6,840 crore in FY2020. The Company registered growth rate of 22% with a market share of 4.16% in FY2021. The Company was ranked 7th amongst private insurers and 12th in the overall industry. The Company has generated a net profit of ₹544 crore with a yoy growth of 32% as on FY2021.

SBI Global Factors Private Limited, a leading provider of factoring services for domestic and international trade, registered a turnover of ₹4,352 crore for FY2021 as compared to turnover of ₹4,394 crore in FY2020.

SBI Pension Funds Private Limited, one of the Pension Fund Managers (PFMs) to manage the pension corpus, maintained lead position amongst PFMs in terms of Assets Under Management (AUM) in both Government and Private Sectors. The total AUM of the company as on 31 March 2021 was ₹2,22,615 crore (yoy growth of 39%) as against ₹1,60,491 crore on 31 March, 2020.

## Recognition & Awards

Your Bank's efforts in various areas of banking were acknowledged, and we won various awards during the year. Your Bank was recognized as "Best Transaction Bank in India" by Asian Banker Magazine, Singapore for the fourth consecutive year in a row in 2020. Your Bank was also recognized as "Best Payment Bank in India" by Asian Banker Magazine, Singapore for the second consecutive year in 2020. Besides, SBI Foundation has also won awards during this year for its CSR initiatives, namely Grant Thornton SABERA 2020 Awards for agriculture and rural development, Corona Warriors Award by Hon'ble Governor of Maharashtra for healthcare and the ICC Social impact Awards 2021 for Empowering the Rural Population. Your Bank has facilitated Indian corporates in their growth strategy by arranging debt in Foreign Currency by way of External Commercial Borrowings through syndicated deals in conjunction with other Indian and Foreign Banks, and through bilateral arrangements. In recognition of its exemplary efforts, your Bank was chosen as the "Syndicated Loan House of the Year" - India by APLMA (Asia Pacific Loan Market Association). SBI has been awarded "The Best Trade Finance Provider (India) –2021" for ninth consecutive year by Global Finance Magazine. State Bank of India's home magazine 'Prayas' has been conferred with Kirti Puraskar by Department of Official Language, Ministry of Home Affairs, Government of India for the fourth time. Besides, Your Bank has won also five prestigious Brandon Hall Excellence awards 2020 for "Best Use of Blended Learning", "Best Learning Program supporting a change Transformation Business Strategy", "Best unique or innovative Learning & Development Program", "Best Advance in Technology for Crisis Management" for e-RBCs and "Best Advance in Social Learning Technology" for e-Gyanshala.

## Environmental, Social & Governance (ESG) Practices

The Corporate Social Responsibility (CSR) practices at SBI aims to integrate economic, environmental and social objectives to implement national priorities for social development. The focus areas of the Bank's CSR activities for FY2021 include Healthcare, Education, Livelihood, sports, Welfare of Armed Forces Veterans, Skill Development, Environment sustainability, Protection of National Heritage, Empowerment of Women, Youth and Senior citizens. In FY2020, the net profit of the Bank was ₹14,488 crore and 1% of the profit, i.e. ₹144.88 crore has been earmarked as CSR fund of Bank for FY2021.

Further, during the year, with the approval of RBI, Bank spent/ donated a total of ₹73.70 crore for various initiatives under CSR including donation and ₹71.18 crore to SBI Foundation (SBIF).

Your Bank has spent/committed a total of ₹43 crore, which constitutes around 0.30% of net profit, towards the Banks' support in fight against COVID-19, including donation of ₹11 crore to PMCARES fund, as support towards COVID-19 Vaccination drive, and committed ₹30 crore to implement various COVID-19 relief programmes.

## Way Forward

FY2021 was an exceptional year in the Bank's recorded history. The banking operations were sustained against all odds with minimal disruption for the customers. The business continuity plans that were chalked out have worked well for the Bank and this is reflected in various parameters of the consolidated financial statements as on March 2021. Notably the Bank has achieved high level of digitization with share of Alternate Channels in total transactions increasing to 93% in FY2021, something which the pandemic has thrown as an opportunity.

The current financial year has begun with unexpected second wave of COVID-19 infections. Although the containment strategy this time included avoiding complete lockdown and managing the situation through micro-containment zones, the impact on the economy will

nevertheless be felt. The aggregate demand continues to be low and household income has been impaired. An effective roll out of immunisation is sure to turn the tide in the positive direction.

In the current financial year, Bank will continue to accelerate its digital agenda. The scope and reach of SBI YONO will be expanded further. In business operations your Bank will leverage advanced analytics for deeper insights on internal data. Efforts are already under process to equip operating units with quality data to support decisions.

It is too early to take a call of a possible deterioration of asset quality in banks due to second wave. However, with rollout of pre-package insolvency for resolution, resumption of courts and formation of National Asset Reconstruction Company, efforts will be in full force to keep the momentum in stressed asset recovered in the current financial year by making judicious use of all such options at our disposal.

The Bank is comfortably placed in terms of growth capital. Opportunities for lending in promising sectors will be explored to diversify the portfolio and contain risk.

Overall, despite the economic headwinds, the Bank has adjusted to the challenges posed by the COVID-19 pandemic and is better positioned to tackle any subsequent wave. I am more than hopeful that the performance achieved in FY2021 will continue in FY2022 as well.

Yours Sincerely,

**Dinesh Kumar Khara**

# DIRECTORS' REPORT

## I. Economic Backdrop and Banking Environment

### Global Economic Scenario

The global economic growth has faced an arduous journey in 2020, with the COVID-19 pandemic leading to significant loss of both lives and livelihood. Global economy is expected to have contracted ~3.3% in 2020 against the growth of 2.8% in 2019. After the severe dent in the first half owing to lockdowns and restrictions, economic momentum picked up in the latter half of the year, owing to the removal of restrictions and unleashing of pent-up demand. The prompt measures taken by the governments and central banks have also prevented much deeper global recession. However, concerns about debt sustainability have started to surface as countries spend as much as they can to protect the vulnerable and to limit long-lasting damage to economies. Shifting market expectations can bring challenges to countries with higher levels of external debt.

Meanwhile, vigorous efforts of scientific community have helped in making multiple vaccines available globally. This has provided the necessary hope of coming out of this crisis. But the uneven distribution of vaccines globally is a matter of concern. Furthermore, the new virus mutations and increasing transmission are other factors that are dampening global growth prospects. Against this backdrop, IMF has projected a smart recovery of the world economy at 6% growth in 2021. The outlook for growth would improve if the production and distribution of Vaccines is accelerated, is better co-ordinated around the world and gets ahead of virus mutations. This in turn would allow various restrictions imposed to be relaxed quickly and speed up economic recovery. Furthermore, the outlook depends not only on the injection to infection ratio but also on the effectiveness of economic policies in limiting the damage caused by this crisis.

The pandemic has brought with it certain lessons for the world to learn. First is the necessity to improve health infrastructure. The countries, which were worst affected by the virus also faced acute health crisis. Equally important is the accelerated adoption of technology and increased focus on digitalisation and automation of various processes. The quality and access to digital infrastructure has played a key role in the pace of economic recovery. This is another area that will have to be focused by all nations going forward.

### India's Economic Scenario

FY2021 was the most tumultuous year in the history of last 75 years of independent India, as the COVID-19 pandemic wreaked havoc locally, as well as globally. Indian economy contracted by 7.3% (as against 4.0% growth in FY2020 and 6.5% growth in FY2019) owing to nation-wide lockdown imposed in Apr-May of 2020 and its after-effects in the subsequent months.

Industrial sector GVA, driven by the manufacturing sector emerged out of contraction in Q3 FY2021 and for the whole fiscal it declined by 7.0% as compared to the contraction of 1.2% in FY2020.

The services sector stepped out of contraction in Q4 FY2021 with the phased unlocking of the economy but declined by 8.4% in FY2021 as against 7.2% growth in FY2020. Despite gaining some traction, the contact-intensive services sector may take some time to reach pre-Covid levels.

Growth in agriculture and allied activities is the only silver-lining in such a gloomy year. Agri GVA expanded by 3.6% in FY2021 due to sufficient access to inputs, adequate and well-spread south-west and north-east monsoon rains, sufficient reservoir levels and improved soil moisture. As per the Third Advance Estimates for 2020-21, total foodgrain production in the country is estimated at record 305.44 million tonnes, an increase of 2.7% over the previous year. Foodgrains production has touched another record for the fifth consecutive year.

In FY2021, CPI inflation breached the upper tolerance band of 6% for eight consecutive months in the lockdown and post-lockdown period (Apr-Nov 2020) due to a series of cost-push shocks: supply chain disruptions, weather shocks, higher crude oil and other commodity prices and higher taxes. The increase in petrol and diesel prices is showing up in trade and transport costs, taxi and auto fares and its second-round effects could push-up the prices of goods and services further in a broad-based manner. Owing to this, the annual average CPI inflation was 6.2% for FY2021 as against 4.8% in FY2020.

The contraction in merchandise exports and imports during FY2021 is an indication of fragile situation of world trade and global demand. India's merchandise exports (y-o-y) declined by 7.3% in FY2021 vis-à-vis a decline of 5.1% in FY2020 while imports shrank by a whopping 18.0% in FY2021 compared to 7.7% contraction in FY2020. The larger decline in imports as compared to exports led to a current account surplus of 1.7% of GDP in April-December of FY2021 as against a deficit of 1.2% in April-December of FY2020.

Reserve Bank of India (RBI) projects real GDP growth of 10.5% for FY2022 on the back of buoyant rural demand, strengthening of urban demand, strong investment demand and exports. The fiscal stimulus under AatmaNirbhar 2.0 and 3.0, coupled with increased allocation for capital expenditure under the Union Budget 2021-22, will definitely accelerate public investment and crowd in private investment. However, surge in infections, new mutants, partial lockdowns, high non-oil commodity prices and global financial market volatility impart downside risks to the growth.

The outlook for inflation will depend upon plethora of factors. While lingering supply chain disruptions, rising global crude oil prices and stronger pass-through of input costs could push up headline inflation, there is also a probability of softer international crude oil prices on the back of a weaker than anticipated global demand, bountiful food grains production and effective supply management. Preliminary estimates indicate that India will have normal monsoon this year (third time in a row).

With robust services exports and remittances, India is expected to see a current account surplus in FY2021. With strengthening US recovery leading to capital outflows, Rupee is expected to see depreciation pressures. However, the external sector metrics remain sustainable as RBI has ample forex reserves to defend the currency, which is not expected to

SBI is happy to announce the launch of YONO SBI in Sri Lanka, South Africa and Bangladesh. The virtual launch was done on 18-Mar-21 by Chairman, in the presence of other top executives of the Bank.

see a speculative attack as the weakness stems only from current account deficit and less capital flows.

## Banking Environment

The banking sector saw tepid demand for credit in H1FY2021. However, credit offtake improved in H2, with the momentum picking up beginning October and registering a growth (financial year basis) since November. As per the provisional data released by RBI for FY2021, ASCBs credit has declined to a 59-year low of 5.6%, compared to 6.1% growth in FY2020. On the other hand, deposit growth remained robust and grew by 11.4% in FY2021, compared to 7.9% growth in FY2020, reflecting precautionary saving in the face of high uncertainty. Further, RBI's report on 'Quarterly statistics on Deposits and Credit of SCBs', indicates that credit by Public Sector Banks (PSBs) and private sector banks recorded 3.6% and 9.1% growth respectively, whereas lending by foreign banks declined during FY2021. The slowdown in SCBs' credit growth during FY2021 has been broad-based across all major sectors, except agriculture.

According to data on the sectoral deployment of bank credit for March 2021, credit growth to Agri & and Allied activities has accelerated to 12.3% in March 2021 (4.2% a year ago), the highest since April 2017. Credit growth to industry decelerated marginally to 0.4% (0.7% a year ago) mainly due to credit to large industries, which contracted by 0.8% in March 2021 (as compared with a growth of 0.6% a year ago). This is primarily on account of large industries raising resources from non-bank sources. Credit growth to the services sector decelerated to 1.4% during FY2021 from 7.4% in the previous year, primarily driven down by sharp deceleration in credit growth to NBFCs after a spurt in the preceding year and contraction in credit to professional services. Further, personal loans accounted for one fourth of total bank credit and continued to record double-digit growth of 10.2%, compared to last year growth of 15.0%, led by housing and other personal loans.

To give support to the market and economy during pandemic, RBI announced several liquidity measures and also reduced the key policy repo rate by 115 bps to 4.0% and CRR by 100 bps to 3.0%. Thus, the downward interest rate scenario has continued with decline in deposit and lending rates, aided by large surplus liquidity, the implementation of the external benchmark linked lending rates and subdued credit demand. If we look at SCBs, the lending rate (weighted average lending rates on fresh loans) has declined by 79 bps (PSBs: 120 bps, Pvt Banks: 22 bps) and weighted average domestic term deposit rate has reduced by 100 bps (PSBs: 89 bps, Pvt banks: 101 bps) during FY2021.

The current pandemic has highlighted the importance of maintaining business continuity in times of complete absence of physical interaction and building a robust digital banking infrastructure. The trend for mobile banking is encouraging. From ₹3.6 lakh crore in April 2020, the mobile banking payments have increased to ₹9.3 lakh crore in January 2021, fuelled by COVID panic led lockdown. Similarly, transactions in UPI have increased from ₹1.5 lakh crore in April 2020 to ₹5.0 lakh crore in March 2021, indicating an increase of 145%. The rapid rise of UPI has been due to features

like round the clock availability, single application for accessing different bank accounts, use of Virtual ID, which is more secure and requires no credential sharing. This shows that going forward, too, banks will have to focus on providing safe, secure, and easy to use digital applications for the expansion of their businesses and better customer service.

## Outlook

The last financial year was exceptional by all standards in the recorded history of banking sector. The spread of the virus and subsequent lockdown in FY2021 was testing time for the Bank. The Bank's banking operations were sustained despite all odds.

FY2021 was practically under lockdown with progressive opening by February 2021. This naturally had taken a toll on the economy. The sudden loss in domestic demand had its impact on demand for credit. For most of the year the deposit growth outpaced the credit growth, reflecting the sudden drop in discretionary consumption. This has put sustained pressure on deposits rates, which have trended southwards.

The pandemic has also brought to light latent supply side inflationary trend, which has now become visible in price indices. The recent minutes of the meeting of Monetary Policy Committee has therefore highlighted this as a risk that needs monitoring and warrants concrete actions.

Besides the COVID-19 pandemic, FY2021 also had to contend with other local disasters such a locust attack affecting northern states, outbreak of bird flu and floods in eastern part of the country.

The GDP growth for FY2022 has been projected at 10.5% (RBI) as compared to contraction of 7.3% in FY2021. However, the current financial year has begun with second COVID-19 wave and experts have informed that virus strain has mutated in India. Accordingly, quick immunisation of working population will be the most optimal scenario, which will impact the growth outlook. There is considerable uncertainty on how the demand will pick up in this financial year – notably it is difficult to predict if capital formation will see sustained recovery.

In this backdrop, the Bank's business needs careful assessment. The business continuity plans chalked out in FY2021 have worked well. Bank's support under AatmaNirbhar Abhiyan has been satisfactory. But with second wave, more detailed planning will be required. Banks have created contingency buffers to cover losses over and above what was provided. The impact on asset quality of the banks due to second wave needs to be reassessed in respect of possible unexpected losses over and above what has been provided. Bank must resort to recently notified pre-package insolvency route to address stress in MSME segment.

However, as noted last year, the COVID-19 pandemic has also opened opportunities for the banks. Reordering of global supply chains presents unique opportunity to India to position itself as manufacturing hub to meet global demand, a proposition that continues to hold good. Rapid adoption of digital technology as seen in response to the COVID-19 has benefited the Bank considerably last year.

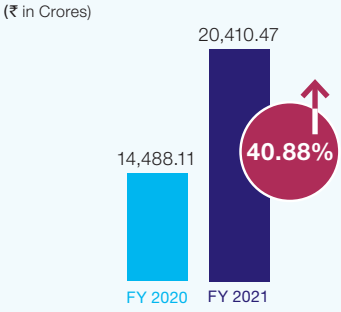
In a nutshell, the outlook on Bank's business and the economy will be conditional on time frame by which the virus is completely eliminated, and normalcy is restored. The headroom for another fiscal package has narrowed down and potential revenue generation has sharply dropped by 400 basis points as noted by Chairman of Finance Commission. Thus, for the Bank it is imperative that business procedures keep adapting to new operating environment.

# II. Financial Performance

## Net Profit and Operating Profit

The Net profit increased by 40.88% to ₹20,410.47 crore in FY2021 from ₹14,488.11 crore in FY2020. The Operating Profit of your Bank for FY2021 increased by 5.02% to ₹71,554.15 crore from ₹68,132.61 crore in FY2020. (Including exceptional item of ₹1,539.73 crore in the FY2021 and ₹6,215.64 crore in FY 2020).

**Net Profit**

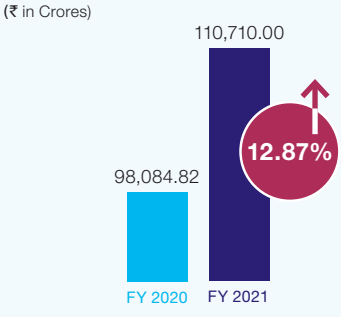



## Net Interest Income

Net interest income increased by 12.87% to ₹1,10,710.00 crore in FY2021 from ₹98,084.82 crore in FY2020. Total interest income increased from ₹2,57,323.59 crore in FY2020 to ₹2,65,150.63 crore in FY2021 registering a growth of 3.04 %.

Total interest expenses declined from ₹1,59,238.77 crore in FY2020 to ₹1,54,440.63 in FY2021. Interest expenses on deposits during FY2021 recorded a decline of 3.37%, compared to the previous year.

**Net Interest Income**




## Other Income

Other income (excluding exceptional item) increased by 7.57 % to ₹41,956.64 crore in FY2021 from ₹39,005.84 crore in FY2020

## Operating Expenses

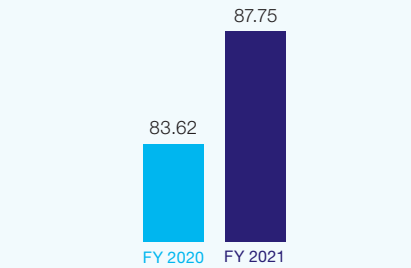
Operating expenses of the Bank increased by 9.95% to ₹82,652.22 crore in FY2021 from ₹75,173.69 crore in FY2020.

## Provisions and Contingencies

Total provision and contingency decreased by 4.66% from ₹53,644.50 crore in FY2020 to ₹51,143.68 crore in FY2021. Major provisions made in FY2021: Provision of ₹27,244.35 crore for non- performing assets (as against ₹42,775.96 crore in FY2020) and Investment depreciation of ₹3,014.50 crore (as against ₹538.55 crore in FY2020) was made during the year.

The Provisioning to Gross Non-Performing Assets ratio (including AUCA) of the Bank as on 31st March, 2021 is 87.75% (Previous Year 83.62 %).

**Provision Coverage Ratio**




## Assets and Liabilities

Total assets of your Bank have increased by 14.76% to ₹45,34,429.63 crore as at the end of March 2021 from ₹39,51,393.92 crore at the end of March 2020. During the period, the loan portfolio increased by 5.34% to ₹24,49,497.79 crore from ₹23,25,289.56 crore. Investments increased by 29.11 % to ₹13,51,705.21 crore from ₹10,46,954.52 crore. A major portion of the investment in the domestic market was in government securities.

Your Bank's aggregate liabilities (excluding capital and reserves) rose by 15.09 % to ₹42,80,554.44 crore as on 31st March 2021 from ₹37,19,386.49 crore as on 31st March 2020. The deposits rose by 13.56% and stood at ₹36,81,277.08 crore as on 31st March 2021 against ₹32,41,620.73 crore as on 31st March 2020. The borrowings increased by 32.62 % to ₹4,17,297.70 crore as at the end of March 2021 from ₹3,14,655.65 crore as at the end of March 2020.

## Reserves and Surplus

An amount of ₹6,123.14 crore (as against ₹4,346.43 crore in FY2020) was transferred to Statutory Reserves. An amount of ₹1,465.12 crore (as against ₹3,985.84 crore in FY2020) was transferred to Capital Reserves. An amount of ₹1,928.20 crore in FY2021 (as against ₹1,119.88 crore in FY2020) was transferred to Investment Fluctuation Reserve.

## Dividend

Your Bank has declared a dividend of ₹4.00 per share @ 400% for the year ended March 31, 2021.

## Progress of Implementation of IND AS

Steering Committee headed by Managing Director (Stressed Assets, Risk & Compliance) has been monitoring implementation of Ind AS in the Bank. Your Bank is already geared up for implementation of Ind AS. However, implementation of Ind AS in Banks has been deferred by RBI until further notice.

# III. Core Operations

## 1. Retail & Digital Banking Group

Retail and Digital Banking is the largest business vertical of the Bank, with 99.45% of total branches and 98.04% of total human resource of the Bank. The Group comprises of eight strategic business units, which drive the largest branch network across the country. Your Bank is committed to customer delight at all its branches. The ever-evolving customer preferences, especially of the younger population, coupled with increased focus on enhanced customer convenience, are transforming the retail banking landscape.

Your Bank's customer base is steadily increasing across the country, making Retail Banking the most prolific segment of your Bank, both in terms of deposit mobilisation as well as extending customised credit. Your Bank continues to be the largest Home Loan provider in the country and the largest dispenser of Education Loans, which demonstrates its unflinching commitment to serve the society at large.

Your Bank continues to be at the forefront in digital banking domain with a steady stream of technology-driven innovations. It has a multi-channel delivery model, which offers its customers a wide choice to carry out these transactions, at any time and at any place. Your Bank has increased its offerings across various channels – digital, mobile, ATM, internet, social media and branches.

YONO is our flagship mobile banking and lifestyle app, a one-stop shop offering not just financial services but also a gamut of investment, insurance and shopping solutions. In addition, it also offers YONO Krishi which is a comprehensive multi – lingual platform for agriculture segment customers offering simplified finance (KCC Review/Agri Gold Loans), advisory / market intelligence related services (Mitra) as well as market linkage through Online Market Place (Mandi). YONO has crossed many milestones with 79.60+ million downloads and approximately 37.10+ million registrations as of 31st March, 2021.

Your Bank is committed to creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cyber security processes to ensure mitigation of various risks.

### A. Personal Banking

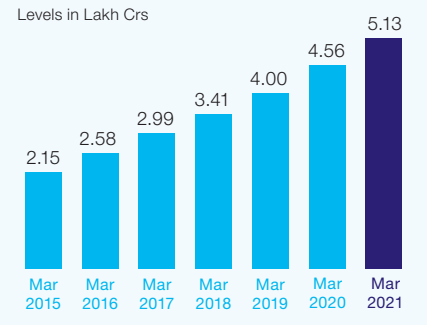
#### 1. Home Loans

FY2021 saw a massive disruption in the real estate market, affecting the Home Loan business due to the COVID -19 pandemic and stringent lockdown measures. The pandemic had slowed down the pace for almost first half of the year and later due to various reviving economic measures announced by the Central and State Governments, the real estate market started regaining ground in the second half of FY2021.

Your Bank has crossed a historic landmark of ₹5 trillion (₹5 lakh crore) of home loan business, the first vertical in the Bank to touch the magic figure. The share of the home loan portfolio as a percentage of Domestic advances, now stands at 23.10% and 37% of whole Retail advances of your Bank.

We have sanctioned and disbursed over ₹1 trillion under home loans during FY2021 in midst of the COVID-19 pandemic.

**Journey over the years (Home Loans):**




**Market Share:** State Bank of India continues to be the market leader. Your Bank's market share in individual mortgages is at 34.53% (Mar'21) amongst all ASCB and at 21.79% (Sept'20) among all the players including HFCs (improved by 70 bps over Mar'20). Your bank has nearly 41 lakh home loan customer accounts and is determined to add more in the coming times.

**Affordable and PSL:** Your bank's Affordable Housing contributes 59.27% of its total home loan portfolio, while PSL stands at 33.19%.

**CNA for PMAY subsidy:** As the Central Nodal Agency (CNA) for PMAY-CLSS scheme, your bank has processed 2.20 lakh claims up to 31st March, 2021 aggregating to ₹4,816 crore of subsidy amount, leading to an income of ₹51 crore for your Bank. Additionally, your Bank has been nominated as CNA by MoHUA, the only commercial bank in the country (other CNAs are HUDCO and NHB).

**Asset Quality:** Maintaining a healthy asset quality was a challenge amid COVID-19 pandemic that has led to unprecedented economic fall-out in the country. Almost every sector was impacted due to the pandemic. Incessant follow up, soft reach out calls to customers and proactive measures initiated by your Bank resulted in Home Loan NPAs falling below March, 2021 level to 0.58%.

Based on RBI's COVID-19 relief measures of moratorium and restructuring of retail loans including home loans, your Bank has issued various guidelines to provide relief to its home loan customers. In the first phase, 28.26 lakh home loan borrowers were granted moratorium. In the second phase, the moratorium was extended to 34.04 lakh accounts. An online portal was launched for borrowers to apply for restructuring.

**Initiatives:** Your Bank has always been instrumental in customising and developing sustainable, creative solutions and continuously striving towards making SBI the 'No. 1 Choice of Millennial' for home loans. In this direction, a customised 'Special Top Up' scheme was launched for existing home loan customers to help them tide over financial crisis during COVID-19 pandemic.

End-to-end digitisation of entire home loan journey is under advanced stage of development and is likely to be rolled out shortly, which is aimed to ensure seamless pre- sanction and post-sanction services. It will not only ensure growth, but also bring

in more efficiencies in product delivery process of home loans and customer delight.

Your Bank has developed in-house contactless digital platforms such as CRM, YONO, OCAS which are being promoted extensively as resource tools to maximise home loan business and boost up our market share further.

**Tie-ups with Builders:** Amid burgeoning competition in the home loan market, onboarding maximum projects under Builder Tie-Up (BTU) provides much-needed leg-up to your Bank not only for accelerating home loan business but also for sourcing quality and less-risky proposals besides considerably improving the Turn Around Time (TAT). Your Bank has so far approved 7,329 projects (RERA approved) with aim to grow 20% YoY in the next two years in Builder Tie Up projects.

## 2. Auto Loans

In FY2021, your Bank's car loan market-share in total new car sales has jumped to 16.5% as against 14.4% in FY2020. While due to COVID-19 Pandemic, industry sales were affected; your Bank took various initiatives to maintain volumes and grew its portfolio YOY by 5% in the current fiscal. A vast product range covering all types of vehicles was made available to both existing and New to Bank (NTB) customers, through multiple channels, such as Branches, YONO, Dealers and CLPs. Your Bank's YONO car loan comes with benefits of 0.25% concession in rate of interest and NIL Processing Fee to customers, which is an additional feature provided by your Bank. Your Bank continued helping in upgrading the living standards of its customers by providing Auto Loans at competitive rates, thereby making "owning a car" an affordable proposition. These measures have helped your Bank to grow its loan portfolio to reach a level of 76,322 crores as of 31st March, 2021.

## 3. Education Loans

Education is the key prerequisite for creating human capital, as it helps in developing skills and productive human resources. Prior to 4th September 2020, education loans of up to ₹10 lakh outstanding was considered as Priority Sector Advance. With RBI's revised guidelines, w.e.f 4th September 2020, loans with limit up to ₹20 lakhs are now considered as Priority Sector Advances. Your Bank takes pride in being the largest education Loan provider in the country, with market share improving to 29.52%. Your bank has helped 47,959 meritorious students to realise their dreams by providing financial assistance to the tune of ₹5,980 crore during the year. Out of this, 39% of the loans were extended to girl students (increased from 35% in Mar'20). To broaden the scope of education loans, book quality business and enhance customer satisfaction, your Bank has taken following steps:

- Shortlisted a greater number of top-rated premier and reputed institutions taking total numbers to 217 for extending Education Loans under the Scholar Loan scheme with relaxed norms and concessional interest rates.
- Penetration through our Flagship product "Global Ed-vantage Education Loans" for studies abroad improved through extension of Door-step services through Education Loan Counsellors (ELCs) at select cities (We could sanction 1,397 cases amounting to ₹522 crore through this service).
- To ensure better tracking of the loan applications and faster sanctioning of loans, your Bank's Loan Origination System (LOS) was integrated with Vidya Lakshmi Portal (VLP) of the Government of India.

## 4. Personal Loans

Personal Loans, both secured and unsecured, are amongst the most popular products in your Bank and your Bank is a leader in this market segment. Your Bank is aggressively catering to the needs of salaried class (both government and private), pensioners and self-employed/ other customers. Your Bank is now extending loans to customers with salary accounts at other Banks also through SBI Quick Personal Loans (CLP Platform). As on 31st March 2021, Personal loan portfolio (Xpress credit and Pension loan) reached a level of ₹2,23,329 crore with a YTD growth of 33.89% (₹56,532 crore). The growth is contributed primarily by the flagship product Xpress credit to the tune of ₹51,367 crore (YTD growth 36.32%). During this financial year, your Bank has provided personal loans (Xpress credit and pension loan) amounting to ₹1,26,104 crore to more than 31.13 lakh customers, which includes digital loans of ₹16,569 crore (PAXC – ₹9,402 crore, Insta Credit – ₹5,663 crore, PAPNL – ₹824 crore And Insta Pension – ₹680 crore).

Bank Launched a new product "SPL PAPL scheme" in May'20 for customers who were in urgent need of money wherein amount equal to 3 months' salary was offered as an advance and was available to the customers till Aug'20. We have extended 2,47,559 loans amounting to ₹2,953 crore under the product.

## 5. Consumer Durable Loans for e-Commerce Purchase

Your Bank has launched two end-to-end digitised loan products for purchase of consumer durables:

(i) Online EMI loans for e-Commerce.

(ii) POS EMI Loans for e-Commerce. At present, the products are being offered to around 1 crore eligible customers.

EMI for Online e-commerce product facilitates your Bank's pre-selected customers to purchase consumer durable goods on EMI from online shopping portals like Flipkart and Amazon. Your Bank's efforts are on to rope in other major online aggregators for the benefit of its customers. Additionally, your Bank has developed POS enabled EMI facility for the benefit of pre-selected customers holding the SBI Debit cards for purchasing consumer durable goods from the approved shops/ mall/stores/show rooms. Checking of EMI loan eligibility by sending SMS "DCEMI" to 567676 is available for Customer convenience.

## 6. Liability and Investments Products

The overall CASA Deposits of your Bank has grown from ₹14,10,981 crore as of March, 2020 to ₹16,46,974 crore as of March, 2021, registering a growth of ₹2,35,993 crore (16.73%) YoY. The CASA Ratio improved from 45.16% as of March, 2020 to 46.13% as of March, 2021. P-Domestic Deposit has grown from ₹21,03,164 crore as of March, 2020 to ₹23,67,641 crore as of March, 2021 registering a growth of ₹2,64,477 crore (12.57%). Your Bank has launched Floating Rate Bulk Term Deposit with interest rate linked to external benchmark, viz., Repo Rate.

**(a) Doorstep Banking Services**

In a move towards customer convenience and ease of access to banking services, your Bank is extending Doorstep Banking Services for Cash Deposit, Cash Withdrawal, Pick up of Cheque Book Requisition Slip, Pick up of Cheques for Collection / Clearing, Life Certificate through Jeevan Pramaan, Pick up of IT/ Govt/ GST Challan with Cheque, Delivery of Statement of Account, Term Deposit Advice and TDS & Form 16 Certificate through Agents to all customers at top 100 banking centres. Senior Citizens of more than 70 years of age and differently abled persons are also extended Doorstep Banking Services at all centres PAN-India.

## 7. Salary Package Accounts

Your bank continued to focus opening Salary Package Accounts and providing personalised services to employees of Corporates, Defence, Police, Railway, Central and State Governments through Corporate Salary Relationship Managers. The total Salary Accounts customer base as on March 2021 reached a level of 165.78 lakh with addition of 3.74 lakh new Salary Package customers during FY2021.

## 8. Digital Personal Loan Offerings

While offering products on multiple platforms for portfolio growth with higher profit margins, your Bank has kept in mind the customer's convenience with Ease of Banking and offered following variants through YONO,

i) PAPL (Pre-Approved Personal Loan)

ii) PAXC (Pre-Approved Xpress Credit)

iii) PAPNL (Pre-Approved Pension Loan)

iv) INSTA Top-up for Xpress Credit

v) Insta Top-up for Pension Loan

Customers can avail the offerings on 24X7 basis, without any physical documentation and branch visit.

- The Bank has sanctioned 12.20 lac digital loans involving ₹19607 crores during the current FY as on Mar'21, out of which two most popular products Xpress Credit and Xpress Credit Top up loans contributed ₹15065 crores.
- Checking of PAPL loan eligibility by sending SMS "PAPL" to 567676 introduced.
- Bank is using YONO as well as CLP (GOI) platforms for sourcing of proposals along with in-principle sanctions.

## 9. NRI Businesses

As on 31st March 2021, your Bank has around 36 lakh NRI Customers, who are being served through 366 dedicated Specialised NRI Branches / NRI Intensive Branches in India, Foreign Offices in 32 countries, 233 Global Banks as Correspondent Banks and tie-ups with 50 exchange houses and 6 Banks (in the Middle East) to facilitate remittances. In order to provide a one stop service to NRI Customers 'Global NRI Centre (GNC)' has been set up at Ernakulam for all non-financial services of your Bank.

State Bank of India is the leader in NRI Banking space in India with a market share of 22.18% (as of March 2021). The NRI deposit base stands at US$ 31.47 Billion (as on March 2021). The Indian diaspora, spread across the globe, has always reposed immense trust in us.

Your Bank has launched the following products / services in FY2021 for the benefit of its NRI clientele:

- Delivery of automated advice on registered email address on T+1 basis for all new / rolled over STDR/TDR/ FCNR(B) deposits.
- Missed Call Banking Services through SBI Quick App. Customers can get Account balance as well as mini statement by just giving a missed call from their registered mobile numbers.
- Financial Transactions (NEFT/RTGS) have been extended to NRI Customers in YONO Interface.

## 10. Precious Metals

**(i) Sovereign Gold Bonds:**

Sovereign Gold Bond Scheme (SGB) was introduced by the GOI during FY2016 with the intention of promoting Digital Gold instead of Physical Gold for the investors. Your Bank, during the FY2021, mobilised 3,319 kg gold (₹1,630.17 crore) under the scheme, which is the highest ever in a fiscal since inception of the scheme.

**(ii) Gold Monetisation Scheme:**

With the objective of mobilising gold, which is lying idle with households and institutions, the GOI introduced Gold Monetisation Scheme (GMS) during the year 2015-16. During FY2021, your Bank has mobilised 2,341 kg gold, bringing the cumulative mobilisation to 15,553 kg.

**(iii) Other Gold Business:**

In addition to mobilising gold under GMS and selling SGB, your Bank is also a primary player in the field of Bullion Banking. It makes available Metal Gold Loan to jewellers engaged in manufacturing of gold ornaments for the domestic and export purposes.

Your Bank, during FY2021, has extended Metal Gold Loans of 16,332 Kg.

Your Bank is also engaged in selling Wholesale Gold to jewellers/Traders. During the year, the Bank has sold 2,931 kg gold under the "Sale of Gold' Scheme.

## 11. Gold Loan

Your Bank offers general purpose personal loan against pledge of Gold Ornaments. During FY2021, the portfolio witnessed a YTD growth of 465% thereby reaching a level of ₹20,987 crore as on 31st March 2021 with Gold loan customer base at 1 million.

Your Bank has also made available personal Gold Loans for SBI's Home Loan customers by way of a product named "Realty Gold Loan" for meeting margin requirements, project cost escalation and registration charges.

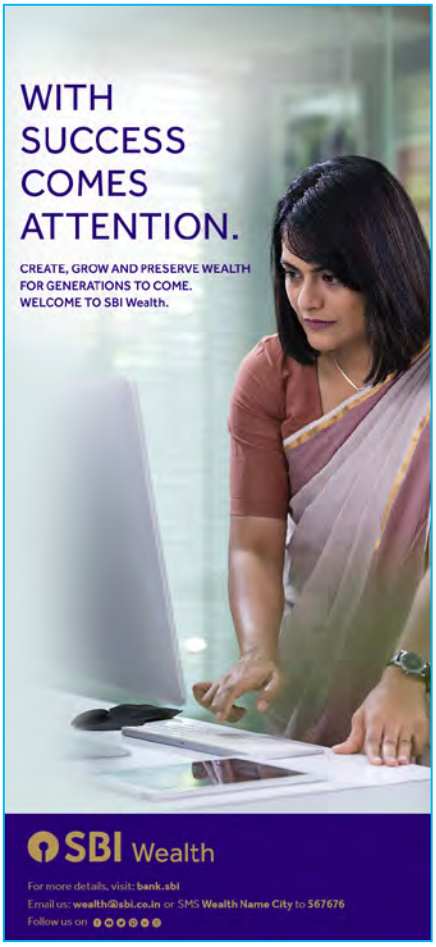
## 12. Wealth Management Business

SBI Wealth provides comprehensive Investment & Insurance Solutions and Banking Services to both Affluent and High Networth Individuals. Our open architecture product platform leveraging our tie-ups for Mutual Funds, Portfolio Management Services and Bonds, helps clients in meeting their financial requirements.

Bank's Wealth Management Services are offered at 69 Centres through 161 Wealth Hubs, 4 e-Wealth Centres and a dedicated Global e-Wealth Centre for NRIs at Kochi.

SBI Wealth has shown exponential growth in terms of Client Acquisition and Assets Under Management during the year under review. The Number of Clients increased by 93% from 132,354 in March 2020 to 2,55,196 in March, 2021. Additionally, the AUM increased by 90% from ₹1,09,061 crore in March, 2020 to ₹2,07,167 crore in March, 2021. The investment AUM registered 89% growth during the FY2021, which stood at ₹8,592 crore. We have processed 36,000 SIPs with a value of ₹40 crore and the number of Investment Active Clients increased to 24,812 in March, 2021 over 14,056 clients in March, 2020.

Despite the pandemic, SBI Wealth focused on continuous and constant Client Contacts by our Wealth Sales Team to keep up the Confidence and Trust of Clients. We have achieved a Client Contact Ratio of 97% as of March, 2021. SBI Wealth introduced an e-Business Card, "Happy to Serve You", which enabled Wealth Sales Team to connect and render efficient Service Delivery for Wealth Clients. Our teams remain connected through Voice/ Video Calls to assure Clients all assistance in banking and Investment Services during the fiscal.




## B. ANYTIME CHANNELS

| As on | ATMs | Kiosks | ADWMs | Total |
|---|---|---|---|---|
| 31st March 2021 | 49,380 | # | 13,237 | 62,617 |
| 31st March 2020 | 45,279 | # | 13,276 | 58,555 |
| 31st March 2019 | 50,757 | # | 7,658 | 58,415 |
| 31st March 2018* | 51,616 | # | 7,925 | 59,541 |
| 31st March 2017 | 42,222 | 986 | 6,980 | 50,188 |

*# Kiosks are scrapped and not in use * Merged*

### 1. ATMs/ADWMs

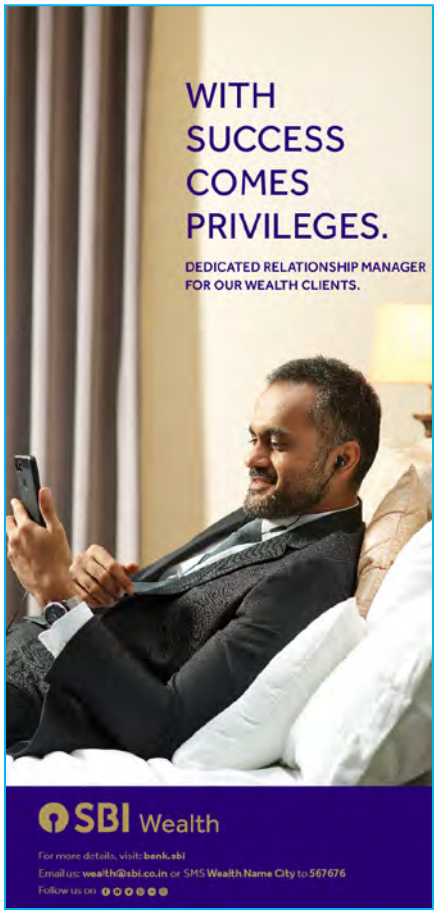
Your Bank has one of the largest ATM Networks in the world, with 62,617 ATMs, including Automated Deposit and Withdrawal Machines (ADWMs) as on 31st March 2021. In order to provide 24x7 cash deposit and withdrawal facility, your Bank has installed 13,237 ADWMs.

Nearly, 19% of the financial transactions of your Bank are routed through ATMs/ ADWMs. With a market share of 29.32% (as per RBI Data as on March 2021) in ATM Network in India, it transacts 34.02% of the Country's total ATM transactions. On an average, over 1.12 crore transactions per day are routed through your Bank's ATM Network.

In order to strengthen the security of ATM cash withdrawals against skimming, cloning, theft of cards etc. by fraudsters, your Bank introduced OTP based cash withdrawal facility for transactions above ₹10,000 between 8 PM to 8 AM w.e.f. 1st January 2020. This OTP based cash withdrawal facility now stands extended to 24x7 for cash transactions of ₹10,000 and above from 18th September, 2020.

With the objective to make the ATMs more secure, your Bank has installed Multi-Vendor Software (MVS) and End Point Security (EPS) covering implementation of BIOS Password, disabling USB Ports, upgraded Operating System, EMV Card Readers, anti-skimming devices and other software making all ATMs/ADWMs compliant of various control measures mandated by RBI.

To ensure safety of ATMs as well as the customers, coverage under e-Surveillance is being enhanced. Your Bank has covered around 43,200 ATMs under e-Surveillance as on 31st March, 2021 and eventually all ATMs are expected to be covered under e-Surveillance by 30th September, 2021.



### 2. SWAYAMS: Barcode based Passbook Printing Kiosks

Your Bank has installed 18,073 SWAYAMs (Barcode based Self passbook printing kiosks) deployed across 15,857 branches. These include 8,181 kiosks in ATM rooms/ e-lobbies/Through the Wall (TTW) available outside branch banking halls for extended hours. On a monthly basis, around 3.50 crore passbook printing takes place on SWAYAM kiosks.

### 3. Green Channel Counter (GCC)

Your Bank has deployed GCC terminals at almost all the retail branches for transactions through Debit Cards for promoting Green Banking. Transactions facilitated are – cash withdrawal, cash deposit, funds transfer within SBI accounts, Balance Enquiry, Green PIN generation and PIN Change and Mini Statement.

### 4. Green Remit Card (GRC)

The GRC is a cash deposit card through which funds can be deposited to a pre-defined account of Your Bank by using GRC in GCC/CDMs/ADWMs. Cash deposit facility through GRC is available 24*7 at CDM/ADWM and is useful especially for migrant workers.

### 5. Cheque Deposit Kiosk (CDK)/Smart CDK

The CTS enabled Self Service Cheque Deposit Kiosks (CDK) facilitate customers to deposit their CTS Cheques in a hassle-free manner. The Kiosks have been deployed at 2,500 branches where outward clearing cheques are more than 50 per day. A receipt with scanned copy of cheque along with details such as cheque number, payee's account number is generated for the depositor. Smart CDK functionality in YONO applications facilitates customer to deposit cheques in bulk (10 cheques at a time) from the convenience of their location and deposit cheques in CDK through reference number.

### 6. Customer Value Enhancement

Your Bank is the Corporate Agent of SBI Life Insurance Co. Limited and SBI General Insurance Co. Limited and has Distribution Agreement with SBI Mutual Fund, SBI Cards & Payment Services Private Limited and SBI Cap Securities Limited for distributing their products. Your Bank also distributes mutual fund products of UTI Mutual Fund, Tata Mutual Fund, Franklin Templeton Mutual Fund, L&T Mutual Fund, ICICI Mutual Fund and HDFC Mutual Fund. In addition to this, all branches are authorised for opening NPS accounts under National Pension System. The details of Commission earned are as under:

| JVs | Actuals YTD March, 2020 | Actuals YTD March, 2021 | % Change YOY |
|---|---|---|---|
| SBI LIFE | 1,118 | 1,240 | 11% |
| SBI MF | 375 | 464 | 24% |
| SBI GENERAL | 315 | 327 | 04% |
| SBI CARDS | 212 | 135 | -36% |
| SSL | 05 | 03 | -40% |
| NPS | 05 | 06 | 20% |
| **TOTAL** | **2,030** | **2,175** | **07%** |

**Initiatives and successes for FY2021 are mentioned below:**

#### SBI Life

SBI Life Insurance ranks No.1 in private Life insurance industry under individual rated premium since FY2018. The protection share for State Bank of India in Individual Rated Premium has gone up from 6.3% to 8.6% as on 31st March 2021. Digital sourcing rate of SBI Life Banca is 99.6%.

#### SBI Mutual Fund

SBI continues to be No. 1 Mutual Fund Distributer having crossed a milestone of ₹1.10 lakh crore in Asset Under Management (AUM) as on 31st March 2021. Further SBIMF leads the ranks amongst AMCs and has crossed a milestone of ₹5.04 lakh crore in AUM. The digital mobilisation of business is providing ease to customers as well as operating staff. Almost 80% of SIPs are being mobilised through digital mode.

#### SBI General

The current year has witnessed significant migration of transactions over digital channel. The preferred products like PAI and Health Insurance have been seen a good traction this year. Personal Accidental Insurance is fully migrated on your Bank's YONO Digital Platform.

#### SBI Card

Your Bank is leveraging the technology for customer segmentation, that has resulted in sourcing of over 1.4 million cards through your Bank's Branches in current year. Card issuance through digital journey has been received very well by customers and is on rising trend. Service portal for addressing customer queries on real time basis has been made available at branches, enhancing customer experience for credit card.

#### SBI NPS

Your Bank has upgraded its systems to provide an end-to-end digitisation for instant NPS account opening. Additionally, your Bank continues to enjoy its dominance with market share of 22%.

#### SBICAP SECURITIES LTD (SSL)

During FY2021, your Bank has taken initiative of focusing on SVP accounts sourcing in SSL.

## 7. Internet Banking and E-Commerce

YONO is our flagship mobile banking and lifestyle app, a one-stop shop offering not just financial services but also a gamut of investment, insurance, and shopping solutions. With a Digital-First approach, it is part of our continuous endeavour to provide innovative digital banking solutions to all our customers across the country.

The platform also offers YONO Krishi, which is a comprehensive multi-lingual platform for agriculture segment customers offering simplified finance (KCC-Review/Agri Gold Loans), advisory / market intelligence related services (Mitra) as well as market linkages through the Online Market Place (Mandi).

YONO has crossed many milestones with 79.6+ million downloads and approximately 37.10+ million registrations, till 31st March 2021, with an increasing momentum in adoption and progressively higher user engagement along with exponential business growth. The key highlights achieved during the year are as under

**Key Performance Highlights of YONO:**

- **App Adoption:** The registered user base of the YONO grew by ~ 75 % from 21.2 million (March'20) to 37.10 million (Mar' 21). The App rating on Android is 3.9641 and 2.6 on iOS.
- **Customer Onboarding:** Significant momentum was observed in new customer onboarding with ~94% of eligible savings accounts being opened through the YONO platform. 51.81 lakh of Digital Savings Accounts were opened during the FY2021.
- **Digital lending:** 13.57 lakh Pre-Approved Personal Loans (PAPLs) were opened in FY2021 amounting to ₹21,268 crore.
- **YONO Krishi:** YONO Krishi, a comprehensive multi-lingual platform for agriculture segment customers, launched in 2019, is an initiative by the Bank to make our farmer customers future ready by offering them constant digital innovations pertaining to their agricultural needs. As on 31st March 2021, 29.42 Lakh YONO Agri Gold Loans amounting ₹45,701 crore have also been sanctioned through YONO Krishi.
- **Simplified KCC Review** through YONO process was launched in August 2020, wherein the customer can get his/her KCC account reviewed online in a paperless, presence less manner, without visiting branch. During FY2021, 2.89 lakh KCC accounts with aggregate limits of ₹4,972 crore have been reviewed through the YONO Krishi-online process.
- **Online marketplace:** As on Mar'21, 100+ merchant partners were live on the B2C Market Place platform (including Mitra and Mandi), witnessing 11.92 lakh transactions amounting to ₹641 crore worth of Gross Merchandise Value in FY2021.
- **Cross sell:** The non-banking financial services product suite i.e., insurance, mutual funds etc. achieved an all-time high performance during the fiscal. 3.85 Lakh SBI Credit cards were sourced during the year through YONO. Gross SBIMF investments stood at ₹2,434 crore. Approximately 29.41 lakh Personal Accident Insurance (PAI) policies were sold during FY2021.

## C. Small and Medium Enterprises

Your Bank is pioneer and market leader in SME financing. With over sixteen lakh customers, the SME portfolio of ₹2,43,191 crore, as on 31.03.2021 accounts for nearly 10.40% of your Bank's total advances. State Bank of India has always held SMEs as an important segment, considering the role being played by them in the Indian economy in terms of their contribution to manufacturing output, exports and employment generation. Being committed to providing Simple and Innovative Financial Solutions, your Bank's approach in driving SME growth rests on the following three pillars:

a) Customer Convenience,

b) Risk Mitigation,

c) Technology based digital offerings and process improvements

### 1. Customer Convenience

With a view to build and sustain the momentum for transforming India, your Bank has created the highest no. of touch points in terms of branches and other modes. With a view to enhance ease of business for the Small and Medium Enterprises, State Bank of India modified its existing delivery model of Small and Medium Enterprises Centre (SMEC) and created Asset Management Teams (AMTs) to maintain end to end relationship with the customers for loans up to ₹50 lakh. The SMECs have also been strengthened in terms of manpower, which has resulted in improvement in the service levels. Loans above ₹50.00 lakhs are being handled by Relationship Manager, SME so as to have better connect with the Customers. As on 31.03.2021, 1791 RMs (SME) are functioning PAN India.

With a view to focus on improving the connect with the Customers and to strengthen SME Business, we have revisited the SME structure in the Bank, wherein 80 Assistant General Managers (SME) have been posted across all Zonal offices. This has given a good direction to our efforts and has started yielding results with many customers expressing satisfaction on the improved connect. Your bank has 670 dedicated SME Intensive Branches PAN India.

### 2. Digital Offerings

Your Bank is leveraging technology in every aspect of the value proposition from business, designing products, streamlining process, improving delivery to monitoring. Furthermore, it has taken several initiatives to build SME portfolio in a risk mitigated manner and has implemented significant changes in (i) Product suite, (ii) Process (iii) Delivery for ensuring Ease of Banking.

**Loan Life-Cycle Management**

**Online Loan Application and Online Lead Status:** Your bank is hosting an online loan application and tracking facility for MSME borrowers on the corporate website. A CRM ID is generated against customer's loan application submitted online or offline through Customer Relationship Management (CRM) application, which is sent to customer's mobile number. Customer can track his loan application through this CRM ID and mobile number on the online portal after successful OTP validation.

**Customer Relationship Management (CRM):**

Bank has introduced CRM as an integrated platform to engage with customers throughout their lifecycle, to enhance understanding of customer's requirements and to strengthen customer centric approach of the Bank. The CRM portal has been designed with the objective of generating leads in CRM application through various channels, better monitoring mechanism of leads at various stages and booking of increased business with lower TAT through customer connect. Apart from lead monitoring, Customer 360 view is also available in CRM.

Loan Origination Software (LOS-SME) and Loan Life Cycle Management System (LLMS): With a view to adopt the uniform standards of credit dispensation for ensuring quality and preserving corporate memory, loans are processed through LOS and LLMS for small and high value loans respectively.

**Contactless Lending Platform:**

State Bank of India is one of the stakeholders of SIDBI led PSB consortium and your Bank's path-breaking initiative, psbloanin59minutes.com, provides easy access for loans to SMEs registered on GST platform and filing income tax returns. Using the platform your bank is sourcing leads for loan requirements from ₹1.00 lacs to ₹500.00 lacs. In FY2021 (up to 31.03.2021), 29,697 leads approved in-principle have been generated by the portal, out of which 20,676 leads for ₹7686.19 Cr have been sanctioned.

**Digitalisation of Services for borrowers:**

To enhance customer experience and for hassle-free submission of financials and other statements, your bank has made available this service, through its Corporate Internet Banking Platform.

**Project Vivek**

Project Vivek heralded a paradigm shift in your Bank's appraisal system from traditional Balance Sheet based funding, to a more objective appraisal system of leveraging cash flow and other information sources. It is a promising initiative launched by State Bank of India to implement a new Credit Underwriting Engine (CUE) for the SME segment, thereby bringing objectivity in better risk assessment. Moreover, it reduces Turn Around Time (TAT) resulting in better customer experience. In FY2021, as on 31.03.2021 a total of 40867 proposals were processed under Project Vivek. Further, during the year, technical enhancements were done in the project to improve the underwriting process. Simplified Automated Quick Renewal process under Project Vivek has been rolled out to simplify the process of renewal of Fund Based Working Limit.

**SME Gold Loan**

Your Bank has introduced a simplified product viz. SME Gold Loan to provide short term credit support to MSME units against Gold ornaments/ jewellery with simplified assessment and easy sanction. This has helped MSME units bridge their liquidity gap with an ease of availing finance and supporting their business growth. As on 31.03.2021, a total of 19,379 MSME units were supported amounting to ₹640 Cr.

**Pre-Approved Business Loan (PABL)**

Your Bank has introduced a simplified PABL product – An Analytics product for sanction of loans upto ₹10 lakhs for existing current account customers has been launched. As on 31.03.2021, a total of 2090 MSME units were supported with limits amounting to ₹72.50 Cr.

**Import LC opening through YONO Business**

Yono Business has re-imagined key customer journeys to provide a superior user experience such as online facility for profile management, fully digitised journey for issuance of Import letter of credit, simpler onboarding journey with reduced documentation for new to digital customers and much more. We have surpassed global – best – in – class players in terms of issuing import LCs through digital channel for our SME customers. As on 31.03.2021, 3233 Import LC for ₹3561.47 Cr were issued through Yono Business channel.

**SME Finance For CAs under CLP**

"SME Finance for Chartered Accountants under CLP" is designed for financing credit requirements of Chartered Accountants. It's a simplified, scoring based product available on Contactless Lending Platform (CLP). Under the product, Overdraft (Clean) and Term Loan facilities are being offered. It's a collateral-free loan covered under CGTMSE. Pricing is linked to EBLR. Product is rolled out in Metro & Urban centres including State Capitals/ Tier-I cities on 03.02.2021.

**Compressed Biogas under SATAT Scheme**

'SATAT' (Sustainable Alternative Towards Affordable Transportation) Scheme was launched on 1st Oct 2018 by Ministry of Petroleum and Natural Gas (MoPNG), Government of India. Your Bank has developed a new Product "Compressed Bio Gas (CBG) under SATAT Scheme" on 22.09.2020, to finance Entrepreneurs who have been awarded Letters of Intent (LOIs) by Oil Marketing Companies (OMCs) for setting up of CBG plants under SATAT Scheme. There is an assured offtake of CBG by the OMCs as per the Commercial Agreement entered. The term loan is repayable over a longer tenure with door-to-door tenor of 15 years and an escrow mechanism is also proposed for capturing the cash flows and repayment from the Project.

**COVID-19 Enablers**

In line with the RBI's regulatory package, the following relaxations were permitted:

- Deferment of upto 6 months instalments extended in respect of Term Loans.
- Interest on WC limits for the period from 1st March to 31st August 2020 has been deferred.
- Reassessment of working capital cycle & credit period and resetting of limit accordingly, including reduction in margins has been provided.
- Sanction of GECL, CCECL and re-assessment of WC are done on fast track basis to ensure prompt disposal of request and release of funds.
- All eligible customers contacted for extending the relief measures, pro-active approach was adopted, SMS, e mails sent.
- Instalment recovered for the month of March'20 has been refunded wherever refund has been sought.
- Stoppage of SI/NACH wherever requested has been effected.

**Competitive Rates of Interest**

Your Bank has linked all floating rate loans to Micro, Small and Medium Enterprises (MSMEs) to External Benchmark w.e.f. 01.10.2019.

**Trade Receivables Discounting System (TReDS)**

State Bank of India was the first among all PSBs to register as a financier on the TReDS platform, set up to provide finance to MSMEs. We have our presence on all the 3 TReDS platforms in the country i.e. RXIL, M1 exchange and Invoicemart. Your Bank was actively participating in the online biddings on the platform and was offering very competitive rates for the benefit of MSMEs. In FY2021 (from 1.4.2020 to 31.03.2021), Bills aggregating ₹934.47 crores were discounted. During the year, 4 more new branches were authorized to conduct TReDS business. With this, your Bank is having presence in all geographies, with a total of 6 branches doing TReDs business.

### Supply Chain Finance

Leveraging state-of-the-art technology and branch network, your Bank continues to be a major player in Supply Chain Finance by strengthening its relationship with the corporate world, across various sectors. Your bank has extended supply chain finance to 28,000 plus dealers and 14,000 plus vendors with total sanctioned limits of over ₹43,696 crores.

52 new tie-ups were done during the financial year include corporates such as Arcelor Mittal Nippon Steel, OPPO Mobiles India Pvt. Ltd (One Plus Division), Exide Industries Industrial Division, Bata India Pvt Ltd, Avon Cycles, Tata Consumers Products Ltd, Jindal Aluminium Ltd, Terumo India Pvt Ltd etc. New e-DFS limits of ₹4500 Cr were sanctioned up to 31st March 2021. To ring fence the supply chain portfolio, Bank has put in place suitable risk mitigation measures and risk-based pricing for the Supply Chain Portfolio.

Being the country's largest lender, your Bank had also undertaken leadership role in implementation of proactive measures to support the dealers availing e-DFS facility during the Covid pandemic related business slowdown. We offered extended Credit Periods without any penal charges for the consignments of the dealers so as to factor in the elongated holding of inventories due to lockdown.

## 3. Business Partnerships and Tie-ups

Your Bank is expanding its portfolio of Warehouse Receipt Finance and Supply Chain Finance through Business partnerships/Tie-ups with Collateral Managers and Industry Majors.

### Warehouse Receipt Finance:

Your Bank has introduced Warehouse Receipt Financing scheme (WHR) to extend finance to traders/owners of goods/manufacturers for processing, provided against Warehouse Receipts issued by Collateral Managers having a tie-up with State Bank of India. Further, WHR issued by Central Warehousing Corporation (CWC) and State Warehousing Corporation (SWC) would also be eligible for WHR finance. Your bank has also tied up with repositories NERL & CCRL for financing against e-NWR and NEML (subsidiary of NCDEX) for e-auctioning of NPA/Stressed Accounts under WHR Financed.

Inauguration of New branch in the presence of the Chairman

## 4. Risk Mitigation

Your Bank has been increasingly shifting its focus towards Risk Mitigated Products, which include Asset Backed Loans, Bills Discounting facility and CGTMSE/CGFMU covered loans amongst others.

## D. Rural Banking

### Agri Business

During FY2021, your Bank's lending under the Agri business has crossed a major milestone of ₹2,13,000 crore, catering to 1.37 crore farmers, which is the highest for any Bank.

Your Bank has stood along with the farmers during the COVID-19 pandemic and offered additional emergency credit line of 10% of sanctioned limit to 19,81,981 borrowers to help them in meeting their immediate credit needs. Of this, 1,63,111 borrowers have availed loans to the tune of ₹671 Crore. Moreover your Bank has extended interest deferment facility in 19,93,281 Agriculture Cash Credit accounts and provided moratorium on EMIs and Term loan instalments in 2,42,911 accounts to support the farmers during the COVID-led pandemic.

Your Bank has been the spearhead in driving the campaign for saturation of the PM Kisan beneficiaries. To this end, total 54.43 lakh applications were received and 46.29 lakh applications have been sanctioned up to 31st March, 2021.

During the year, Agri Gold loan portfolio has increased from ₹58,987 crore to ₹66,877 crore.

Your Bank has launched three new products under the Aatmanirbhar Bharat schemes viz. Agri Infrastructure Fund (AIF), Animal Husbandry Infrastructure Development Fund (AHIDF) and PM Formalisation of Micro Food Processing Enterprises (PM FME) to bolster the investment credit portfolio in the Agri segment.

The Ground Level Credit disbursements to the farmers over the years are as follows:

**FLOW OF CREDIT TO AGRICULTURE** (₹in crore)

| YEAR | TARGET | DISBURSEMENT | % ACHIEVEMENT |
|---|---|---|---|
| FY2016 | 89,781 | 1,02,423 | 114 |
| FY2017 | 95,168 | 1,25,270 | 132 |
| FY2018 | 1,05,741 | 1,66,819 | 158 |
| FY2019 | 1,16,315 | 1,56,385 | 134 |
| FY2020 | 1,27,947 | 1,77,473 | 139 |
| FY2021 | 1,74,468 | 1,98,268 | 114 |

During FY2021, your Bank launched the SBI-OTS/ Rinn Samadhan scheme this year under which 6,21,182 accounts have been settled.

Additionally, an individual vertical named as Financial Inclusion & Micro Markets (FI&MM) has been established by your Bank to cater to the diverse credit needs of the rural population across the country.

## 1. Micro Credit (SHG-ank Linkage)

Your Bank has won the National Award for the Highest SHG bank linkages for the year 2017-18, 2018-19 and 2019-20 instituted by Ministry of Rural Development New Delhi.

Your Bank has the Highest Market share in SHG loan outstanding among all banks with outstanding loans of ₹17,662 crore to ₹7.83 lakh SHGs as on 31st March, 2021 covering more than 75 lakh women members. State Bank of India's market share of loans under National Rural Livelihood Mission among PSBs is 25.81% as on 31st March, 2021.

Your Bank has (a) sanctioned 89,626 loans ever since introduction of e-Mudra scheme for financing Micro enterprises up to the limit of ₹50,000. Of which, (b) 74,461 loans for ₹347.83 crore have been disbursed up to 31st March, 2021.

Your Bank has launched "PM SVANidhi Loans" with effect from 02.07.2020 to support the livelihoods of street vendors during the COVID-19 pandemic. As on 31.03.2021, we have disbursed 5,39,535 loans, amounting to ₹538.18 crore to street vendors.

## 2. Digital Step Collaborations

Under the digitisation of products and processes, Agri Gold loans are now processed and sanctioned through YONO Krishi digital platform. Similarly, the KCC reviews are also being processed through the YONO Krishi channel.

To address high volume and low ticket loans in the Agri Business with digital optimisation strategy, your Bank is exploring opportunities to enter into commercially viable partnerships with selected Agri-techs who have differentiated Business Models. This will help in facilitating the transformation of Agri supply chain/value chain to improve farm production/income opportunities to farmers with digital tools such as Artificial Intelligence (AI), Block Chain, IoT (Internet of Things)/ML powered capabilities. The continuous engagement and connectivity with farmers is expected to provide last mile relationship and strong association with your Bank. Your reviews are also being processed through the YONO Krishi channel. Bank sees Agri-Tech as a channel to bring in new segment of customers (which the bank could not access earlier) – a channel to improve decision making, grow top-line and improve efficiency. The partnership will also serve as an opportunity to cut operational costs, credit costs, improve profitability and user experience as digital transformation will no longer be optional but a necessity for structural change in the digital ecosystem.

Your Bank has executed agreements with 19 National Business Correspondents (BCs)

and 41 State Level BCs for the collection of repayments in Standard overdue accounts. As on 31st March, 2021, 57,145 Customer Service Points (CSPs) have been mapped with 14,657 branches for collections.

### 3. Other Activities

Your Bank has celebrated the World Soil Day on 5th December, 2020 and Kisan Diwas on 23rd December, 2020 with farmers by felicitating them for their trust in your Bank. In addition to this, your Bank has onboarded 44 Farmer Producer Companies (FPCs) on this day with a purpose to extend its support to the initiative of collectivisation of farmers to make farming a sustainable business.

### 4. Financial Inclusion (FI)

Your Bank has aligned its business performance with national priorities and focused attention is being provided towards financial inclusion activities. The Bank is working towards attaining the objectives set by GOI viz. inculcating habits of thrift, ensuring availability of credit facilities and promotion for digitisation of financial eco system in rural/semi-urban areas.

As on 31st March, 2021, your Bank has 71,968 Customer Service Points (CSPs) providing access to various banking products and services in unbanked areas while reducing footfalls in the branches. It has recorded ~58.78 crore transactions amounting to ₹2,52,470 crore, translating to more than 16 lakh transactions per day on an average. Furthermore, the Channel has opened 13.76 crore BSBD Accounts with ₹37,430 crore deposit so far and has brought the unbanked/under-privileged section of the society under the ambit of formal banking system.

To fulfil the needs of Social Security measures, low cost Micro insurance products (PMJJBY, PMSBY) and pension schemes (APY) are provided to the unorganised sector in a big way, covering around 8 crore customers.

**Imparting Financial Literacy**

With the objective of imparting free financial literacy, credit counselling and propagating use of electronic payment systems, your Bank has set up 341 FLCs across the country. Despite COVID-19, during the period between 1st April, 2020 and 31st March, 2021, FLCs have

conducted 11,943 camps where 3.64 lakh people have participated. As a pilot project implemented by RBI, your Bank has also set up 15 Centres for Financial Literacy (CFLs) at Block level, five each in the State of Maharashtra, Chhattisgarh, and Telangana. Another 230 CFLs are being set up across the country to create financial awareness among the rural masses.

**Rural Self Employment Training Institutes (RSETIs)**

Your Bank has set up 152 RSETIs spread across 26 States and 3 Union Territories. RSETIs act as social change agents, empowering rural youth towards sustainable livelihood through skill development and training, helping them to establish their own micro enterprises, thereby creating rural employment and wealth creation. Despite the COVID-19 pandemic, the RSETIs have trained 66,260 candidates and achieved 107% of the Annual Training Target set by Ministry of Rural Development (MoRD).

During the pandemic, the Bank's Customer Service Points across the country served in difficult terrains/conditions to meet financial requirements of the people in need.

### E. NBFC Alliances

Your Bank has created NBFC Alliances Department in October 2018 after the guidelines on Co-origination of Loans with NBFC-ND-SIs, were issued by the RBI. While under Co-origination, 8 NBFCs were on-boarded, RBI has come up with fresh guidelines on co-lending of loans with NBFCs on 5th November,2020 covering all NBFCs including HFCs providing a wider basket along with more convenience for operations, which supersedes its earlier Co-origination guidelines. Your Bank's policy on co-lending with NBFCs is available on the official website and co-lending is set to be a new focus area for your Bank to bolster its Priority Sector loans. Through the co-origination arrangement, your Bank has sanctioned 38,000 loans in the last one year in a complete digitisation mode for loans up to ₹1 lakh. Alongside co-lending, your Bank through the Business Associate policy with NBFCs, MFIs and BCs will be increasing its footprint in the under covered geographies in the country with focus on growth in its Priority Sector loan books

### F. Government Business

Your Bank is at the forefront in conducting Government Business and is an accredited Banker to major Central Government Ministries and Departments. Your Bank is the market leader in Government Business with a market share of over 67% in Central Government Turnover and more than 80% share in Government Commission.

Your Bank, with its wider presence and digital prowess has been Preferred partner to the Government for "Digital India". Your Bank is continuously engaged in developing customised technology solutions, to keep pace with the Government's digital

initiatives facilitating transition to the online mode, providing greater efficiency and transparency, resulting in ease of doing business and ease of living for the citizens.

Your Bank is actively engaged in implementation of Social Security Schemes of the Government of India viz- PM Kisan Samman Nidhi Yojana, Pradhan Mantri Shram Mandhan Yojna, Pradhan Mantri Kisan Mandhan Yojna, and PM Garib Kalyan Yojna for PMJDY Women Beneficiaries.

Govt. Turnover and Commission

(₹in crore)

| Particulars | FY 2019-20 | FY 2020-21 |
|---|---|---|
| Turnover | 52,62,643 | 50,77,446 |
| Commission | 3,742 | 3,617 |

**Following initiatives were implemented during the year:**

### 1. Pradhan Mantri Garib Kalyan Yojna for PMJDY Women Beneficiaries

Your Bank has facilitated release of ₹30,796.39 crore to 20.54 crore beneficiaries. Your Bank has developed an online portal for monitoring of the funds transferred to women PMJDY beneficiaries as per the guidelines received from the Finance Ministry for generating MIS up to Branch level in respect of funds distribution.

### 2. PM-CARES

During the outbreak of COVID-19, your Bank has opened accounts meant for collection of Donations by Central and State Govts, largest among these being PM-CARES account.

### 3. PM Kisan Samman Nidhi Yojana

As accredited Bank to Ministry of Agriculture & Farmers Welfare, your Bank has facilitated distribution of ₹63,170 crore under the scheme in FY2021.

### 4. Direct Benefit Transfer (DBT)

All the major schemes of Direct Benefit Transfer (DBT) of GoI and State Governments are being implemented through your Bank on a PAN India level. Your Bank is the sole Banker for processing Direct Benefit Transfer of LPG subsidy (DBTL). Total number of transactions and amount processed in FY2021 are as under:

(₹in crore)

| Particulars | No. of Transactions | Amount |
|---|---|---|
| DBT | 80.20 | 3,97,524 |
| DBTL | 107.85 | 15,506 |

### 5. Ministry of Home Affairs

Your Bank has been authorised by the MHA, to open FCRA accounts of all NGOs to receive foreign contributions. There are over 23,000 FCRA certificate holders across the country, which are required to open account with Your Bank. Around 10,000 accounts have been opened during FY 2020-21.

### 6. GeM (Government e-Marketplace)

Your Bank is the pioneer amongst Banks for financial integration of payments to suppliers for procurement of common goods and services through GeM portal. The GeM Pool accounts of five States and 988 Autonomous Bodies have been opened with your Bank.

### 7. e-Tendering

12 State Governments have been provided the product by integrating with SBMOPS. Our endeavour is to onboard all State Governments in a phased manner. The e-Tendering Solution has been provided to CPWD and NRIDA (National Rural Infrastructure Development Agency), for Pradhan Mantri Gram Sadak Yojna.

### 8. Passport Seva Project

Your Bank is the Sole Banker in the Passport Seva Project by integrating with SBMOPS for collection of fees. Integration with SBI e-Pay is also underway to provide an alternate option.

### 9. Ministry of Railways

Integration of SBI UPI and Rlys (CRIS) ATVM tickets is in final stage after successful test transactions. POS machines are being provided to TCs in moving trains. Furthermore, 10,326 machines are made operational.

### 10. Department of Post

MoU has been executed for collection of Postal Life Insurance through SBI (for both mandate and VAN models).

Centralised Integrated Payment System (CIPS), to take care of entire Postal Payments, was implemented in Delhi PAOs by your Bank on a pilot basis during FY 2020-21. Riding on successful implementation now it has been decided by Postal headquarters to extend the scheme PAN India and MoU to this effect is going to be executed shortly.

### 11. Income Tax Refund Order (ITRO)

MoU has been executed with CBDT making your Bank the Sole refund Banker for Income Tax refund. SBI has successfully processed more than 2.6 Cr. refunds in FY 2020-21 amounting to ₹2.6 lakh crores

### 12. National Health Authority (NHA)

National Health Authority (NHA) is the umbrella body for implementation of Ayushman Bharat Yojana (ABY) in the country with the help of State Health Authority (SHA) in the States. Your Bank is proud to be associated with NHA as the Principal Banker.

### 13. Pension Payments

Your Bank has been administering pension payment to 58.81 lakh pensioners and made disbursement of total pension amount of more than ₹1,50,860 crore in FY2021. New pension accounts of 3.38 lakh pensioners have been added in the current fiscal.

Your Bank has revamped Pension Sewa website www.pensionseva.sbi, enabling pensioners to login and view their pension details viz. transaction details, generation of pension slips, and arrear calculation sheet, amongst others from the comfort of their home.

### 14. Small Savings Schemes

State Bank of India services more than 82.59 lakh PPF and 20.32 lakh Sukanya Samriddhi accounts making it the highest among all the authorised Banks. Additionally, 5.35 lakh PPF accounts and 2.40 lakh Sukanya Samriddhi accounts have been added during FY 2020-21.

### G. D&TB – Marketing

D&TB – Marketing, erstwhile Transaction Banking Unit (TBU) leverages technology to provide comprehensive solutions for bulk transaction requirement of clients, facilitating their efficient funds management along with value added services such as customised MIS and dedicated single point client support among other areas. The Digital & Transaction Banking services facilitate your Bank to maintain close relationship with clients and also to assess their other Banking requirements such as Credit, Fund Management and Cross Selling. During FY2021, the D&TB played a vital role in providing doorstep services and facilitating transactions during the COVID-induced lockdown.

Your Bank offers a wide range of D&TB products/services to Corporate, Government Departments, Financial Institutions and SME Clients. Corporate and Government clients along with SME continue to be the key focus segment for the Bank.

Keeping in line with market trends, your Bank is continuously updating/evolving the bouquet of D&TB products/services offered to meet client requirements as well as has the best of products in market, bench marked to those offered by competitors. In order to bolster the businesses of the clients through the digital transaction mode during COVID-19, D&TB Marketing conducted several campaigns during the year.

Despite the lockdown of businesses due to the current year challenges posed by the pandemic, the D&TB Fee Income for the fiscal increased from ₹1,902.77 crore in FY2020 to ₹2,009.75 crore in FY2021.

The turnover for FY2021 registered a Y-o-Y increase of 10.92% with transactions amounting to ₹67,64,137 crore in FY2021 over ₹60,98,347 crore in FY2020.

Your Bank was recognised as "Best Transaction Bank in India" by Asian Banker Magazine, Singapore for the fourth consecutive year in a row in 2020. Your Bank was also recognised as "Best Payment Bank in India" by Asian Banker Magazine, Singapore for the second consecutive year in 2020.

## 2. Global Banking

### A. Corporate Accounts Group (CAG)

Corporate Accounts Group (CAG) is a dedicated Strategic Business Unit (SBU) of your Bank handling the portfolio of 'high value credit' with a USP of specialised and efficient delivery platform. The CAG SBU has four specialised Branches headed by the General Managers located in India's top three commercial centres viz. Mumbai, Delhi, and Chennai.

In SBI, CAG is a one stop shop, which provides a wide range of financial products and services, exclusively to top rated corporates including their foreign associates and subsidiaries.

The business model of CAG is based on the Relationship Management concept and each client/business group is mapped to a Relationship Manager who spearheads a cross-functional Client Service Team consisting of highly skilled credit and operations functionaries.

The relationship strategy is anchored on delivering integrated, specified and comprehensive solutions to the clients, including structured products within a specified time frame. The principal objective of the strategy is to make your Bank the first choice of top corporates. A regular review of each corporate relationship by senior management sets the benchmark for relationship management in CAG.

Apart from a variety of core credit products, CAG offers an array of customer specific products like Cash Management Product, Treasury and Forex products and Merchant Banking products in association with other SBUs and subsidiaries of SBI such SBI Capital Markets Limited and SBI Gilts Limited, amongst others.

Client Service Teams at CAG Branches also aid customers in selection and delivery of a wide variety of products/services offered by SBI's associates and subsidiaries listed below:

- For Capital Market Requirements – SBI Capital Markets Ltd. (SBICAPS)
- For Treasury and Investments – SBI GILTS and SBI SECURITIES
- For Investments – SBI Mutual Fund Ltd.
- For General and Life Insurance – SBI General Insurance Co. Ltd and SBI Life Insurance Co. Ltd.
- For Receivables factoring – SBI Global Factors Ltd.

To align with the changing banking landscape, your Bank has created two specialised business units within CAG Business Vertical:

- Corporate Solutions Group (CSG) - for looking at 360° banking requirements of customers, especially in credit light sectors viz - Pharma, FMCG, IT, and Auto, amongst others.
- Financial and Institutional Group (FIG) - to address credit and transactional banking requirements of Financial Institutions like Insurance Companies, Brokerage Firms, Banks (Private and Foreign) and Mutual Funds.

The total loan portfolio of CAG as on 31st March 2021 was ₹5.42 lakh crore (fund based - ₹3.61 lakh crore and non-fund based - ₹1.81 lakh crore) compared to total loan portfolio of ₹5.37 lakh crore (fund based - ₹3.64 lakh crore and non-fund based - ₹1.73 lakh crore) as on 31st March 2020. Due to ample liquidity and benign interest rate, top-rated Corporates shifted their borrowing towards market related instruments such as CPs, NCDs. Hence, there was substantial growth in Investment book during the year.

Major top corporates of the country and Navratna PSUs are esteemed customers of CAG Business Unit.

## B. Treasury Operations

The Global Markets performs Treasury Operations of your Bank. It is responsible for deployment of surplus funds to achieve desired risk-adjusted returns. Global Markets' portfolio comprises of investments in SLR and Non-SLR Securities, Publicly Traded Equities, Venture Capital Funds, Private Equity, and Strategic Investments. Additionally, it offers multiple products and services that cater to the foreign exchange requirements of the customers.

Last one year has been a challenging one for all due to COVID-19. However, through the use of robust technology solutions, your Bank has been successful in providing unhindered services to our Treasury customers throughout this testing period, while following all health-related safety precautions.

### 1. Interest Rates Movements and SLR and Non-SLR Portfolio of Your Bank

Global Markets manages the domestic Investment Portfolio of your Bank and also maintains regulatory requirements of CRR (Cash Reserve Ratio) and SLR. The COVID-19 pandemic continued to have a major impact on economies and financial markets across the world. The Indian economy had a robust V-shaped recovery from -23.9% YoY GDP growth in Q1 FY2021 to 0.4% in Q3 FY2021 as large parts of the economy were opened up after the initial lockdown. Though, towards the end of FY2021, threat of another lockdown due to a new virulent strain of COVID-19 is looming large.

To cope with the lower revenues due to COVID-19, government increased its gross borrowing from the budgeted ₹7.8 lakh crore to ₹13.7 lakh crore. At the same time uptick in global prices of base metals and disruption of supply chains in domestic markets led to inflation picking up. The CPI remained above 6% till November 2020, touching a high of 7.61% in October 2020, easing thereafter due to a sharp fall in vegetable prices and favourable base effect.

During FY2021, RBI took various monetary measures to support the economy. RBI continued its "accommodative" stance through the year, cut policy repo rate from 4.40% to 4% and reverse repo rate from 4.00% to 3.35% and undertook unconventional measures viz. Targeted Long-Term Repo Operations (TLTROs), asymmetric Open Market Operations (OMOs), and Simultaneous Sale and Purchase of securities, amongst others. RBI also temporarily cut Banks' CRR requirement by 1% of NDTL (Net Demand and Time Liabilities) and provided relaxation in maintenance of Liquidity Coverage Ratio. To ease absorption of large G-Sec/SDL issuances, RBI also increased HTM limit from 19.5% of NDTL to 22%. RBI also added net liquidity of ₹3.17 lakh crore through purchase of securities under Open Market Operations (OMOs). On account of these measures, 10-year benchmark bond yield fell from a high of 6.50% (09th April 2020) to a low of 5.72% (22nd May 2020).

During the years, deposit growth was robust and advances growth muted leading to surplus liquidity with your Bank. This has resulted in our investments in debt securities going up sharply this year with the additional investments spread across Government securities and corporate bonds. On the other hand, low interest rates have impacted portfolio NIMs adversely. Your Bank actively participated in the TLTROs and Partial Credit Guarantee Scheme (PCGS), playing its part in supporting RBI and Government's efforts to improve access to funding for economic recovery.

### 2. Equity Markets

The year was marked by uncertainty in global equity markets since the month of February 2020 due to COVID-19's rapid spread across some countries. Large liquidity injections by major central banks caused significant FPI inflows into Indian equity markets. The pace of FPI investments increased sharply from November, 2020 as the emergence of at least three viable vaccines improved prospects of an end to the global pandemic and return to normalcy. FPIs had invested ₹2.74 lakh crore in the Indian equity markets in FY2021.

Your Bank actively participated in the equity markets, both during the March 2020 sell-off and the rally during FY2021. The year also saw many successful IPOs with strong listing gains. Your Bank's investment in the primary market proved very fruitful generating high returns. We continue to manage the equity portfolio by realigning the book according to market movements while keeping a tab on domestic and global macros and are continuously working towards achieving strong returns.

### 3. Private Equity/Venture Capital Fund

Your Bank has been active in the Alternative Investment space throughout the year. Amid pandemic, your Bank part divested its stake in non-core assets and assessed a number of new investment opportunities. During the year, your Bank sanctioned investments of nearly ₹600 crore in Private Equity/Alternative Investment Funds.

### 4. Forex Markets

The GMU handles the foreign exchange business of your Bank, providing solutions to the customers for managing their currency flows and hedging risks through options, swaps, and forwards, in addition to providing liquidity to markets. Your Bank is a leading player in USD-Rupee Spot and USD-Rupee Forward markets and has a high market share in merchant foreign exchange flows. Your Bank is the leader in providing liquidity in CCIL Fx Clear platform. The volume traded in Currency Futures puts your Bank in the bracket of leading client Banks of exchange houses. Your Bank is actively onboarding customers on FX-Retail platform rolled out by CCIL through which customers will benefit from transparent and competitive pricing. Your Bank has also made available FX All and e-Forex trading platforms to customers looking at their requirements. Your Bank is also working on providing a fully digital Trade Finance solution through our YONO Business platform.

This year RBI has allowed Indian banks to participate in the offshore USD-Rupee markets. Accordingly, your Bank has started participating in the offshore USD-Rupee market.

Impact of the COVID-19 crisis on trade flows was felt in the Indian foreign exchange markets this year, though significantly higher investment flows provided some cushion. Using technology, your Bank managed to provide all foreign exchange services to its customers unhindered, including adjusting to Work From Home arrangements of corporate clients. We have also tested our ability to run all our operations successfully while working from home through secured VPN.

Your Bank currently deals in Over The Counter (OTC) interest rate and currency derivatives, along with exchange-traded currency derivatives and Interest Rate Futures. The interest rate derivatives traded by your Bank are Rupee interest rate swaps (OIS), Foreign Currency interest rate swaps (IRS), Foreign Currency to Rupee interest rate swap (MIFOR), Forward Rate Agreements (FRA), Caps, Floors and Collars. Currency derivatives dealt by your Bank are Cross Currency Swaps (CCS), USD/INR options and Cross-Currency options. The products are offered to your Bank's customers to hedge their exposures. The contra positions may be kept in Option or MIFOR book or covered back to back in the interbank. Derivatives are used by your Bank both for trading as well as for hedging balance sheet purposes.

Derivative transactions carry market risk, that is, the probable loss your Bank may incur as a result of adverse movements in interest rates/exchange rates. It also carries credit risk, that is, the probable loss that your Bank may incur if the counterparties fail to meet their obligations. Your Bank's "Policy for Derivatives" approved by the Board prescribes market risk parameters (Greek limits, Loss limits, cut-loss triggers, open position limits, Duration, Modified Duration, PV01, amongst others) as well as customer eligibility criteria (credit rating, sanctioned limits, and CAS rating as per Customer Appropriateness and Suitability policy) for entering into derivatives transactions. Risk on interbank counterparties is monitored through limits set for the purpose. These counterparties are required to execute ISDA with us.

Your Bank has various committees and departments in place to monitor various types of risks. The Asset Liability Management Committee (ALCO) oversees the efficient management of liquidity risks. The Market Risk Management Department (MRMD) identifies, measures, and monitors market risk associated with derivative transactions. MRMD also assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

[2]*FX-All is an electronic foreign exchange trading platform and aggregator*
[3]*e-Forex is SBI's internet-based platform for customers to book foreign exchange transactions online*

# C. INTERNATIONAL OPERATIONS

**229** points of presence in **31** countries

19
Branches/Offices
S Africa (2)
Subsidiary
Mauritius (15)
Botswana (1)
Investment
Nigeria (1)
Branches/Offices
Maldives (4)
Sri Lanka (5)
Bangladesh (18)
Myanmar (1)
Singapore (5)
Hong Kong (1)
160
Branches/Sub Offices
China (1)
S. Korea (1)
Japan (2)
India (1)
Subsidiary
Indonesia (11)
Nepal (108)
Joint Venture
Bhutan (1)
Rep Office
Philippines (1)
12
Branches/Offices
Bahrain (2)
UAE (2)
Oman (1)
Israel (1)
Rep Office
Iran (1)
UAE (2)
Exchange Co.
Oman (2)
Dubai (1)
2
Branch
Australia (2)

The accounting policy for derivatives has been drawn up in accordance with the RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for FY2021.

**Foreign Banking Subsidiaries / Joint Ventures Share Holding (%)**

| **Subsidiaries** | |
|---|---|
| State Bank of India (California) | 100.00 |
| SBI Canada Bank | 100.00 |
| State Bank of India (UK) Limited | 100.00 |
| Commercial Indo Bank LLC | 60.00 |
| SBI (Mauritius) Limited | 96.60 |
| Bank SBI Indonesia | 99.00 |
| Bank SBI Botswana Limited | 100.00 |
| Nepal SBI Bank Limited | 55.00 |
| **Foreign Non-Banking Subsidiary** | |
| SBI Servicos Limitada, Brazil | 99.99 |
| **Joint Venture** | |
| Bank of Bhutan Limited | 20.00 |

In its endeavor to become a truly International Bank, the focus of your bank has been realigned to enhance its penetration in overseas local markets along with India based business to support Indian Diaspora and global Indian Corporates spread across various geographies. The Overseas operations of your bank are managed by a separate Business Unit – International Banking Group (IBG) headed by the Deputy Managing Director (IBG) and overseen by MD (IB,T&S).

## Global Presence

The Bank's first global footprint was with the branch of Bank of Madras in Colombo, Sri Lanka in July 1864 (First amongst Indian Banks). With a presence across all time zones through 229 offices in 31 countries, Your Bank has gradually spread its wings across the globe and has become a pioneer of International Banking among the Indian PSBs. The overseas offices of SBI offices are being managed by IBG.

**The details of offices opened/closed are furnished in the below table:**

| **Overseas Offices** | **As on March 20** | **Opened during the year** | **Closed during the year** | **As on March 21** |
|---|---|---|---|---|
| Branches /Sub-Offices / Other Offices | 58 | 0 | 3 | 55 |
| Subsidiaries | (9) | 0 | 0 | (9) |
| Offices of Subsidiaries | 163 | 0 | 0 | 163 |
| Representative Offices | 7 | 0 | 1 | 6 |
| JV/ Associates / Managed exchange Cos /Investments | 5 | 0 | 0 | 5 |
| **Total** | **233** | **0** | **4** | **229** |

During FY21, your Bank continued to consolidate its overseas operations by rationalizing offices with sub-optimal performance enabling improvement of cost efficiencies. The Bank has closed four foreign offices- Lenasia Marketing Office (South Africa), Selatar Remitance Center (Singapore), Bab-al-Bahrain Limited Service Centre (Bahrain) and its Representative Office at Istanbul (Turkey). During this period, your Bank has not ventured into opening of new branches/offices on account of its focus on consolidation and prevailing global scenario due to Covid 19 Pandemic.

Covid 19 and IBG Response: Covid-19, the global pandemic, has disrupted the global economic system pushing countries into various degrees of recession. Apart from repercussions of the pandemic, countries have also been handling the economic contraction caused both by the pandemic and the health measures like lock down, movement restrictions etc. Slow-down in the economic activity and consequent impact on levels of global trade, investments etc. have been witnessed.

Your Bank has shown remarkable resilience in continuity of its core functionalities at our offices across the globe despite heterogeneous challenges on account of the pandemic.

IBG has adapted well to optimize its cost of resources in view of liquidity flush in the market by substituting its high cost resources with various low-cost alternatives by diversifying its liability base. It has raised sizeable long-term resources from developments banks in Asian countries like Japan and Korea apart from borrowings from multi-lateral agencies at finer rates. It has also leveraged its digital offerings like SBI YONO by launching in new geographies to improve penetration through contactless offerings for raising retail deposits.

Despite subdued business growth for the first half year, IBG has not only crawled back to reclaim its pre-Covid business levels but has also registered growth in its overseas portfolio while ensuring control over the quality of assets in the wake of stretched effect of Covid 19 on various sectors. Apart from meticulous credit monitoring, IBG has been agile in shedding

problem assets showing signs of stress to minimize the possibility of losses on account of further deterioration in asset quality. Despite consequent business loss challenges like scarcity of quality assets and low credit off-take due to limitations on capital expenditure by various regulators etc., IBG has been able to build on its asset levels. Your bank has also emerged as a Lead Arranger in loan syndication deals with banks in countries like South Africa. Further, it has maintained its connect with the clientele through various outreach initiatives with exporters, banks etc. to reinforce the existing relationships and also to forge new ones.

Apart from dealing with various business challenges, International Banking Group (IBG) has successfully met the expectations of the overseas regulators by taking necessary steps like providing relief to its clientele through restructuring packages including deferments and moratoriums, wherever prescribed by the local regulations. IBG has also adapted to the changes in the regulatory framework of various countries in the wake of Covid 19.

IBG has maintained decent profitability during the year despite the shrinking of spreads, subdued credit growth, decline in Non-Interest income due to impact on LC/BG, remittance business etc. It has embarked upon various new business initiatives like Merchant Banking, Factoring Services etc. to supplement its income streams.

The specialized departments of IBG have played a vital role in sustaining the momentum by contributing on various fronts:

### 1. Credit Contribution: Business Driver

Your Bank has facilitated Indian corporates in their growth strategy by arranging debt in Foreign Currency by way of External Commercial Borrowings through syndicated deals in conjunction with other Indian and Foreign Banks, and through bilateral arrangements. In recognition of its exemplary efforts, your Bank was chosen as the "Syndicated Loan House of the Year" - India by APLMA (Asia Pacific Loan Market Association).

Your Bank sanctioned Foreign Currency loans to the tune of USD 8.9 billion to Indian related corporates and USD 8.6 billion to overseas entities. In the field of Energy, your Bank has provided funding to oil companies, which have significant strategic importance for India, in terms of augmenting India's Energy Security amid unstable Crude and Forex prices. Presently, your Bank offers a wide range of products and services to exporters and importers through an extensive, well equipped branch network that operates domestically and internationally.

### 2. Trade Finance

Your Bank provides a slew of Trade Finance products and services to exporters and importers through an extensive, well equipped branch network that operates in all time zones in India and abroad. Global Trade Department (GTD) of IBG facilitates and supports our Foreign Offices (FOs) for an orderly growth of Trade Finance portfolio. GTD formulates policies and innovates new products for FOs as per changing regulatory norms and market demands. It takes a lead in introduction

of new technologies to improve service quality in Trade Product offerings viz., Bill Discounting under Letter of Credit, Secondary Market Participations in Bank / Corporate Risk, India centric Trade Credit, ECA/MLA backed Trade Finance, Supply Chain Finance program, Letters of Credit, Bank Guarantees etc. During the FY21, Bank has introduced Factoring into its Trade Finance product portfolio and it is now available to our customers at our foreign offices. Robust Trade Finance technology solutions for back end operations with a customer interface and AML / CFT compliance solution integrated to it, is available at all FOs.

GTD facilitates Trade Credit to Indian Corporates for their imports by centralized handling of Quote process. It plays an important role in synergizing business flows between Domestic and Foreign offices for maximizing returns. It also organizes Trade related workshops/ Conferences, by partnering with BAFT (Bankers Association for Finance and Trade), GTR (Global Trade Review) etc., which provide a good platform for Trade Finance operating officials to acquaint with latest trends in Global Trade Finance market. Further, Workshops are also organized by partnering with ICC, FIEO etc. to provide platform for networking with Exporters/ Regulators/ Industry majors.

Trade finance business has a contribution of ~ 27% in the IBG advances portfolio. SBI has been awarded "The Best Trade Finance Provider (India) –2021" for ninth consecutive year by Global Finance Magazine.

## 3. Overseas Treasury Management

The Treasury Management Group (TMG) at International Banking Group undertakes following functions for Foreign Offices:

- Liquidity Management
- Dealing Room Operations
- Investments

TMG-IBG manages overall liquidity portfolio of IBG and also monitors ALM ratios. TMG is the nodal department for raising Long and Medium-Term Funds through Bond Issuance (MTN/ Standalone 144A), Syndicated Loans etc. In addition to this, TMG also utilizes various means of borrowings, to keep the cost of resources in check. During the FY, in order to optimize cost of resources, TMG has prepaid high-cost borrowings and deposits and replaced them with lower cost funds. TMG is actively engaged with Supranational entities in arranging foreign currency finance/ refinance at competitive pricing.

Shri Dinesh Khara (Chairman), Shri Ashwani Bhatia MD (GB&S) and Shri Venkat C Nageswar, DMD (IBG)- at the launching Ceremony of USD 600 Million Notes under MTN Programme at BSE (IndiaINX) on 28th January 2021.

During the FY 21, your Bank has issued bonds to the tune of USD 600 Mio in January 2021, with overall fixed coupon of sub 2% (pricing of this bond) which was for the first time in India.

TMG also manages Investment book of Bank's foreign operations, which currently stands at ~ USD 5.8 Bn. These investments provide stable interest income for IBG and also help in maintenance of liquidity ratios. The department also monitors and provides guidance to dealing rooms at major centres, and facilitates Money Market, Forex and Derivative functions at FOs. Currently there are four major dealing rooms at London, New York, Hong Kong and Bahrain, that work on a hub and spoke model to help smaller Foreign Offices in their operations. During the year FY21, your bank has commenced trading in Rupee Non-Deliverable Forwards (NDF) through Hong Kong, Singapore and IFSC BU (Gandhinagar) and is looking forward to expand this activity to other centres as well.

## 4. Global Payments and Services

Global Payments & Services (GP&S), a unit under International Banking Group (IBG), comprises three branches/offices viz., Global Link Services (GLS), International Services Branch Mumbai (ISBM), and International Services Branch Ernakulam (ISBE). It facilitates online inward remittances from overseas locations to India, Foreign Currency Cheque collection, Opening & Maintenance of Vostro Accounts, Asian Clearing Union (ACU) transactions and transactions of Bank for Foreign Economic Affairs (BFEA), USSR . The highlights of the department are:

- Tie-up with 45 Exchange Companies and five Banks for channelizing inward rupee remittances from overseas to India.
- During FY21, GP&S on behalf of domestic branches, handled sizeable volumes of Export bills (in USD and Euro) and Foreign Currency Cheque collection.
- During the same period, GP&S handled online inward remittance transactions amounting to USD 9.04 billion, received from various global centers.
- 172 Vostro Accounts for different Correspondent Banks/ Exchange Companies/ SBI Foreign Offices are being currently maintained by the unit.

- GP&S is Pan India Nodal Office for handling ACU transactions for SBI.

## 5. Retail Strategy

Your Bank has been a "window to India" for NRIs residing in different parts of the world through its specialized retail and remittances products. The notable achievements for the year are:

- YONO SBI, one of the most ambitious and secure digital offering of the bank has now been extended to customers at our overseas offices. It has been successfully launched in UK, Mauritius, Maldives, Bangladesh, South Africa, Sri Lanka and Canada with non-face to face account opening facility operational in UK and Canada. We are planning to launch SBI YONO in Singapore, Bahrain, and USA by the end of FY22. More than 40,000 overseas customers have been onboarded through YONO.

- "Namaste UK" product of YONO SBI UK allows has been launched, that enables prospective Indian Expats to open an Account with SBI UK, even before landing in UK, from India itself. Similar product is also being launched in Canada, including Student GIC accounts for Indian students, who have enrolled in Canadian universities. We plan to launch a similar product at Singapore too in the coming months.

- "One View" feature of YONO Global allows our Foreign offices customers, to view their Domestic SBI Accounts through YONO Global App, practically merging all enquiry features of Domestic YONO SBI with our Global version. More than 2,200 SBI Foreign office customers are already using this feature.

## 6. Financial Institutions Group – Correspondent Relations

The Group facilitates linkages of the Bank with international stake-holders viz. Correspondent Banks, Foreign Govt. Agencies and Developmental Financial Institutions, International Chamber of Commerce etc. on one side and facilitates synergy between IBG and other business Verticals such as Corporate Accounts Group, Commercial Clients Group, Global Markets and National Banking Group on the other side.

- FIG continues to leverage on the Bank's correspondent network of 227 Banks in 56 countries to deliver tailored financial solutions for its global customers by adopting a data driven approach through its FI CRM (Financial Institutions – Customer Relationship Management) application, which provides 360 degree view of engagements with Correspondent Banks.

- FIG strives to make SBI the Correspondent Bank for all Indian Public sector and private sector banks by utilizing its global presence and utilizes our correspondent network for raising long term syndicated loans for Foreign Financial Institutions.

- FIG product focus areas have widened over the years beyond mere account relationship to Trade Finance, Credit, Treasury, Debt Capital Markets, Forex Business, Transaction Banking, Remittances and Currency Clearing.

## 7. IB Domestic

Your Bank is well equipped to provide a wide range of products and services to exporters and importers through an extensive branch network that operates domestically and internationally.

International Banking-Domestic (IBD) serves as a single point of contact between the Domestic Offices and Foreign Offices in areas related to Trade Finance and International Banking. IBD aims at improving synergies and trade flows between Domestic Offices and Foreign Offices/ Correspondent Banks and trading community, by acting as a robust link between them.

In a bid to facilitate Trade community, Forex Service charges are being rationalized and aligned with the market every year by IBD. IBD also facilitates system related enhancements and updates in Exim Enterprise/SWIFT.

IBD is also actively involved in re-building skills of IB officials by partnering with ICC, FIEO, FICCI, CII etc. and organizing Trade related workshops/ Seminars which provide good platform for networking with Exporters/ Regulators/ Industry majors in addition to coordinating and liaising with Trade bodies and ICC subgroups for developing relations and strengthening ties.

Centralized Co-ordination Cell Foreign Bank Guarantee (CCC-FBG) for processing

Lead Arranger SBI launches Syndication loan of USD 400 Mio for First Rand Bank in South Africa.(Officials from left to right : Mr. Syam Prasad Ankala (CEO, SBI South Africa), Mr. Venkat C Nageswar (Dy. Managing Director, SBI), Mr. Suresh Chaytoo – Sector Director and Global Head of Banks at Rand Merchant Bank (Division of FirstRand) and Mr. Pon Erwin - Head of Asia – First Rand Group

Inward and outward Foreign Bank Guarantee, has been exclusively set up under the aegis of IB-Domestic to provide a one stop solution to Correspondent Banks/ Foreign Offices/ Domestic Banks/ Domestic Offices seeking Domestic Foreign Bank Guarantees based on their counter Guarantees.

IBD is instrumental in improving FEMA compliance across the Bank. The department ensures timely submission of RBI/FEMA related returns in addition to issuing instructions with regard to revisions in FEMA/ RBI guidelines.

In order to facilitate customers for Overseas Direct Investment /Foreign Direct Investment, IBD has been instrumental in streamlining internal processes and policies so that customers and Bank are able to meet the regulator's expectations.

IBD is meticulously working on revamping our trade process under Trade Centralization and Digitization project and an entirely new set up, for handling Trade Finance equipped with latest technological systems and processes, is expected to be functional by end of FY22.

## 8. Technology Initiatives at Overseas Offices

Your Bank continues to leverage technology solutions to automate processes, enhance customer experience and manage risk. The initiatives undertaken at our overseas offices include: -

- Your bank has rolled out two Remittance corridors during the year- Mauritius to Bangladesh and Gulf to Sri Lanka.
- Your bank has developed an in-house paperless solution for its internal correspondence and approval mechanism as part of its green banking & sustainability initiatives. It has been rolled out at some of our geographies along with Corporate Centre and is expected to be implemented in all other geographies by June 2021.
- Your bank has set up a centralized back office in Mumbai to handle the entire transaction life cycle for foreign offices with a view to improve operational efficiencies and cost reduction and to enable foreign offices have an enhanced focus on vital areas of Business, Compliance and Risk.
- Your bank has also developed an in-house credit monitoring tool- 'Early Warning Signal' system for focused credit monitoring and identification of stress signals.
- Your bank has also initiated the Automation project for Regulatory reports for our Foreign Offices during the year and the process has already been completed for our offices in South Africa and Sri Lanka. The process shall be completed for 16 more countries in FY22.

Inauagration of Circle Call Centre (CCC), Amaravati by Shri C.S.Setty MD (R&DB),

## 3. Commercial Clients Group (CCG)

### A. Commercial Clients

The CCG vertical is headed by the MD and supported by two DMDs, five CGMs, ten CCG Regional offices (CCGROs) and three Direct branches headed by GMs. CCG has 51 Branches in 8 locations, spread across the country. The vertical services the credit needs of large corporate clients. The Vertical also includes Specialized Branches like Branches catering to specific industries as well as capital market. The mandate of the vertical is to cater to all needs of this segment of corporate clients, to manage associated risks and sustain growth.

CGMs in the CCG are assigned as the group relationship owners in order to improve the quality of coverage and enable an integrated view on exposure and earnings amongst others, across the entire group. Your Bank has set up experienced team of 'Structuring Specialists' to support deal structuring for large proposals across lending, bonds, International Banking, and Structured / Mezzanine Finance.

**CCG Mar'20 & Mar'21 Levels are as given below:**

(In Crs)

| Levels | Mar'20 | Mar'21 |
|---|---|---|
| Non-food Advances | 415,744 | 408,110 |
| CASA Deposit (%) | 26.04 | 23.64 |
| Avg Business per employee | 150.26 | 168.97 |
| Other Income (excluding income from AUCA recovery) | 2,777 | 3,163 |
| Pre -TPM Operating Profit | 33,311 | 32,623 |

**YONO Business**

CCG, along with IT, has launched a digital offering, YONO Business for corporate customers which is designed to provide a best in class, user-friendly platform for transaction banking as well as Trade Finance business. Earlier, there were five customer interfaces viz. Corporate Internet Banking (CINB), Cash Management Product (CMP), e-Trade, e-Forex and Supply Chain Finance (SCF) which have been since re-imagined in a single platform named "YONO Business". Further, for onboarding of customers to digital platform, multiple documents and multi-visits to branches were required, which was reduced to a single omnibus document with a single visit to the Branch. User Profile management was enhanced to do away with branch visits. To increase wallet share of Trade Finance business, complete digital request for Import LC issuance was launched. LC Amendment, request for closure and View and Manage Transactions, LC Bill Acceptance etc. are also part of the release. Export LC Advising and Unified Export Bill lodgment and Negotiation/ Discounting are being worked upon.

To increase income from Forex business, Forex rate booking including document upload facility for a digital journey introduced. Customer also has an option to negotiate with the dealer above a predefined threshold. Waiver of physical submission of original/hard copies for certain type of forex booking will be released. e-Forex on mobile is being planned to be released. Digital journeys for Pre-approved Business Loans and request for services have also been rolled out.

API banking services will be released shortly to Corporates for a seamless payment journey. This will enable payments to be made directly from customer's ERP with adequate security including use of multi-factor authentication. We are also smoothening the funds transfer journeys for corporates to match global best in class experience.

The group continues to provide a robust platform to its customers for Trade Finance and Forex business. We are in the process of setting up two centralized processing cells (CPCs) to process all trade finance transactions of the Bank. These CPCs will increase efficiencies in a) Delivery – better TAT, information flow and customer satisfaction – b) Regulatory compliance and c) Housekeeping.

Digital Interface on Pricing and Knowledge (DIPAK) a new pricing tool has been made available to Operating functionaries and Sanctioning Committees to enable data - driven pricing of our Corporate Loans. This has been rolled out in all the branches in CCG.

### B. Project Finance and Structuring SBU

Your Bank's Special Business Unit known as Project Finance and Structuring Strategic Business Unit (PF&S SBU) deals with the appraisal and arrangement of funds for large projects in infrastructure and other sectors such as Power, Roads, Ports, Railways, Airports, amongst others. It also covers other non-infrastructure projects in sectors viz. Metals, Fertilisers, Cements, Oil and Gas amongst others, with certain threshold on minimum Project Cost. PF&S SBU also provides support to other verticals for vetting their large ticket term loan proposals. In order to strengthen the policy and regulatory framework for financing infrastructure, inputs are provided to various Ministries of Government of India and the RBI with respect to lenders views on new policies, Model Concession Agreements and broader issues being faced in infrastructure finance.

There has been step up in investment in Infrastructure sector by the government along with various sectoral reforms and incentives, which has resulted in inflow of new projects particularly in sectors such as City Gas Distribution, Road, Power Renewables among other sectors. Infrastructure sector is expected to experience a fillip with the enhanced Capex expenditure of ₹5.54 lakh crore along with Performance Linked Incentive (PLI) Scheme for various sectors announced in the February 2021 budget, duly supplemented by introduction of National Infrastructure Pipeline (NIP) with an estimated investment of ₹140 lakh crore for supporting 7,700 infrastructure projects. Your Bank is closely monitoring all the projects under implementation and expect to tide over the impact of the COVID-19 pandemic in a short to medium term.

Marking a shift towards 'Originate to Distribute' business model, Structuring Team has been set up at PF&S SBU to provide customised structuring solutions for financing structure of projects while keeping the Return on Equity from the transaction a priority. Experienced officials have been recruited from different sector and industries to provide Structuring Solutions to our clients.

Watsun Infrabuild Pvt. Ltd.

RSPL (Chemical)

Madhepura Electric Locomotive Pvt Ltd

Swan LNG Private Limited

e- Inauguration of 12 SME branches by MD (R & DB), Shri C.S.Setty

## 4. Stressed Assets Management

1. The movement of NPAs in the Bank and recovery in Written-off accounts during the last Four Financial years are furnished below:

(₹ in crore)

| Levels | FY2017* | FY2018 | FY2019 | FY 2020 | FY2021 |
|---|---|---|---|---|---|
| Gross NPA | 1,77,866 | 2,23,427 | 1,72,750 | 1,49,092 | 1,26,389 |
| Gross NPA% | 9.11% | 10.91% | 7.53% | 6.15% | 4.98% |
| Net NPA% | 5.19% | 5.73% | 3.01% | 2.23% | 1.50% |
| Fresh Slippages + Increase in O/s | 1,15,932 | 1,00,287 | 39,740 | 54,510 | 29,332 |
| Cash Recoveries / Up- gradations | 32,283 | 14,530 | 31,512 | 25,781 | 17,632 |
| Write-Offs | 27,757 | 40,196 | 58,905 | 52,387 | 34,403 |
| Recoveries in AUCA | 3,963 | 5,333 | 8,345 | 9,250 | 10,297 |
| PCR | 61.53% | 66.17% | 78.73% | 83.62% | 87.75% |

** Post merger*

2. In the backdrop of COVID-19, though it is anticipated to have a large spurt in NPA Level during FY 2020-2021, your Bank is taking all pre-emptive measures by extending assistance to its borrowers to face the new challenges and continue as performing assets. However, the current level of NPA has significantly come down due to the following:

I. RBI's 7th June 2019 circular on prudential framework for resolution of high value distressed assets has provided a new avenue for timebound resolution of these accounts (out of NCLT process). Your Bank is actively exploring resolution under this mode.

II. Insolvency and Bankruptcy Code (IBC) 2016 for resolution of Stressed assets has provided Bank with a time bound, transparent, and effective mechanism to tackle stressed assets. Resolution has been achieved in some of high value NPA accounts referred to NCLT under the Code. The cases referred to NCLT for resolution are monitored at a specialized NCLT cell at SARG. A total of 900 cases (whole bank) were referred to NCLT as on 31st March 2021, out of which 707 cases have been admitted. Furthermore, 112 cases have been resolved including some high value accounts from RBI's 1st & 2nd reference lists.

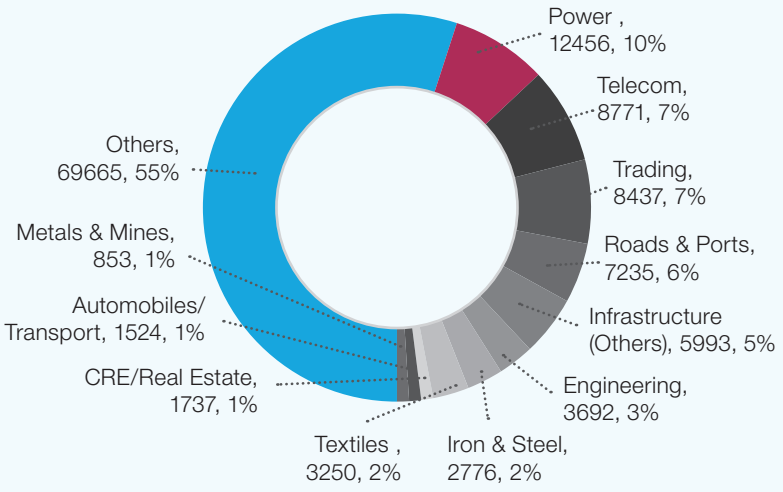
III. OTS/Compromise route is also explored for recovery of sticky loans from eligible cases. Bank`s Board approved OTS Scheme for various products, non-discretionary and non-discriminatory, is also offered to all eligible borrowers for maximizing resolutions.

IV. In non-NCLT cases, recovery is explored through action under SARFAESI Act, filing of suit in DRTs and Courts. The sale of mortgaged properties is explored through common e-Auction Platform https://ibapi.in ("e-Krya" - Indian Banks Auction Properties Information) under the aegis of IBA.

3. Stressed Assets Resolution Group (SARG) for providing focus on resolution of NPAs with sector specific approach. At present, the vertical is headed by Managing Director, supported by Deputy Managing Director and three Chief General Managers overseeing the sector-wise portfolio and a CGM (Operations) monitoring the credit portfolio of accounts with an outstanding upto ₹50 Cr. and accounts under liquidation. The Account Management Teams functioning under the guidance of Six General Managers. *As on March 2021, SARG has 17 Stressed Assets Management Branches (SAMBs) and 48 Stressed Assets Recovery Branches (SARBs) across the country, covering 49% and 88% of your Bank's NPAs and AUCA, respectively.*

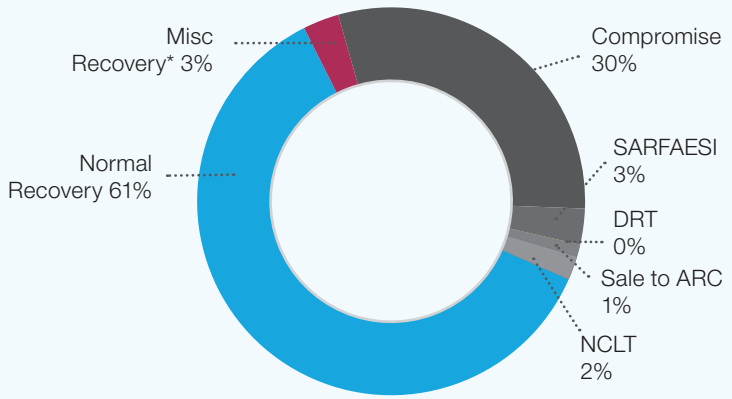
Industry wise distribution of the NPA portfolio (as on 31st March, 2021) is represented as under:

**Industry wise NPA**




4. Apart from normal recovery, a significant portion of the recovery at SARG comes from Compromise and NCLT. The vertical also introduces special OTS schemes (Non-discretionary and Non-discriminatory) from time to time. A team has been set up to look after the sale of Assets to Asset Reconstruction Companies (ARCs) on Cash and/or Security Receipts (SR) basis.

**Mode Of Recovery - Whole Bank- FY21**




5. Today, SARG stands as one of the most important verticals of your Bank and the GNPA of your Bank is on course of a downward journey. Resolution of stressed assets by SARG presents the following latent income generating avenues for your Bank:
   - Cash recovery in NPAs and AUCA
   - Reduction in loan loss provisions
   - contribute to your Bank's bottom-line.
   - Unlocking the capital for credit extension.

6. SARG introduced certain innovative methods and gave first mover advantage to your Bank in areas such as arranging Mega e-Auction of large number of properties on Pan-India basis. For this purpose, the Bank is also making extensive use of common landing platform for PSBs (https://ibapi.in "e-Krya" - Indian Banks Auction Properties Information).

7. Various new IT initiatives have been rolled out including LITMAS (Litigation Management System) for better monitoring of legal recourses undertaken in the stressed account for expediting recovery. Bank has also rolled out Property Portal to showcase the assets to prospective buyers with an intention to enhance marketing and better realization of value of available assets. It will further strengthen the transparency and efficiency in the process. Going forward, SARG is looking towards complete digitalization of the vertical, with end-to-end process automation, starting from Premigration of the account to Resolution of the account, through a menu driven dashboard solution encompassing all activities of SARG at one place, giving the desired output at the right time, resulting in enhanced productivity, efficient use of manpower and optimum results.

# IV. Support and Control Operations

## 1. Human Resources and Training

### A. Human Resources

Your Bank believes that its employees are at the core of its strategies to achieve all present and future organisational goals. The Human Resources Department of your Bank goes beyond the routine and encompasses all aspects of people management by building a positive work culture for realising your Bank's business goals. We believe that our Human Resources is our strength and will be pivotal in helping us face the new challenges on the fronts of knowledge, technology and changing trends in national and global economy.

Your Bank's Human Resource Department is making all efforts for effective designing and implementation of various HR policies, procedures, and programs for developing and managing knowledge, skills, creativity, aptitude, and talent and for using them optimally. The focus of HR has now moved to the strategic utilisation of employees and the measurable impact of employee's performance on business. The HR Management of your Bank continuously aligns its strategies with the ever-changing aspirations of the workforce to increase efficiency and promote participative work culture in the organisation.

### 2. Productivity Enhancement Initiatives

- Your Bank adopts a Branch Manpower Model for Manpower Planning and to ensure optimal utilisation of Human Resources. The model is based on the productivity parameters at the branches such as 84 work-drivers of operations, transaction load factors, number of advance accounts, feedback from the operating units and organisational structure, amongst others.
- Bank has streamlined its promotion and transfer process, and these are now completed in the first Quarter of a Financial Year. This will give the required assurance and stability to the branches and other units to actively focus on business activities, during the major part of the year. This year majority of promotion interviews were conducted through video conferencing and despite the challenges posed by COVID-19 Pandemic, promotion exercise was concluded before 30th April, 2020, that is, within one month.
- Your Bank's Career Development System (CDS) under project "Saksham" has been highly successful in ensuring a credible data backed performance evaluation process. The system ensures strong accountability, performance visibility and greater alignment between individual and organisational goals. CDS has brought in a fair and transparent system driven process for assessment of performance, which also helps in developing employees through a detailed annual competency mapping framework.
- For a Bank with a large footprint and diversified set of roles, specialised skills are very important to drive success. To ensure deep domain knowledge and to foster expertise, your Bank has defined career paths for its officers in Scale-II to V as per 7 Job Families viz. Credit & Risk, Sales, Marketing and Operations, HR, Finance and Accounts, Treasury and Forex, IT and Analytics.
- "SBI GEMS" a mechanism to promote recognition and develop organization memory of such recognition is in place in your Bank.
- Your Bank has in place a policy on Succession Planning for the Senior Leadership positions to ensure smooth transition at all the critical executive level positions. Succession Planning exercise to all DMDs/CGMs/GMs critical profiles has been completed during FY2021. The key outcomes of Succession Planning are to follow up using the results in a consistent, open and transparent manner to prepare and update Development/Training Programmes and to take Staffing Decisions during posting, including the relative priority of the developmental assignments that benefit the officer and your Bank.
- Your Bank organised two webinars viz. 'Put Your Mind at Ease' during Oct-Nov'20, to help employees manage their stress and time in a better way. The two webinars were handled by a professionally qualified counsellor and were also addressed by the Chief Medical Officer (CMO) from Corporate Centre. Both the webinars had been taken positively by the employees and were actively participated by 1,183 and 764 employees, respectively.

The summarised HR Profile of the Bank as on 31st March, 2021 is as under:

| Category | 31.03.2020 | 31.03.2021 |
|---|---|---|
| Officers | 1,06,361 | 1,08,772 |
| Associates | 1,03,134 | 1,00,796 |
| Subordinate staff & Others | 39,953 | 36,084 |
| **Total** | **2,49,448** | **2,45,652** |

### 1. STEPS: Core Values of Bank

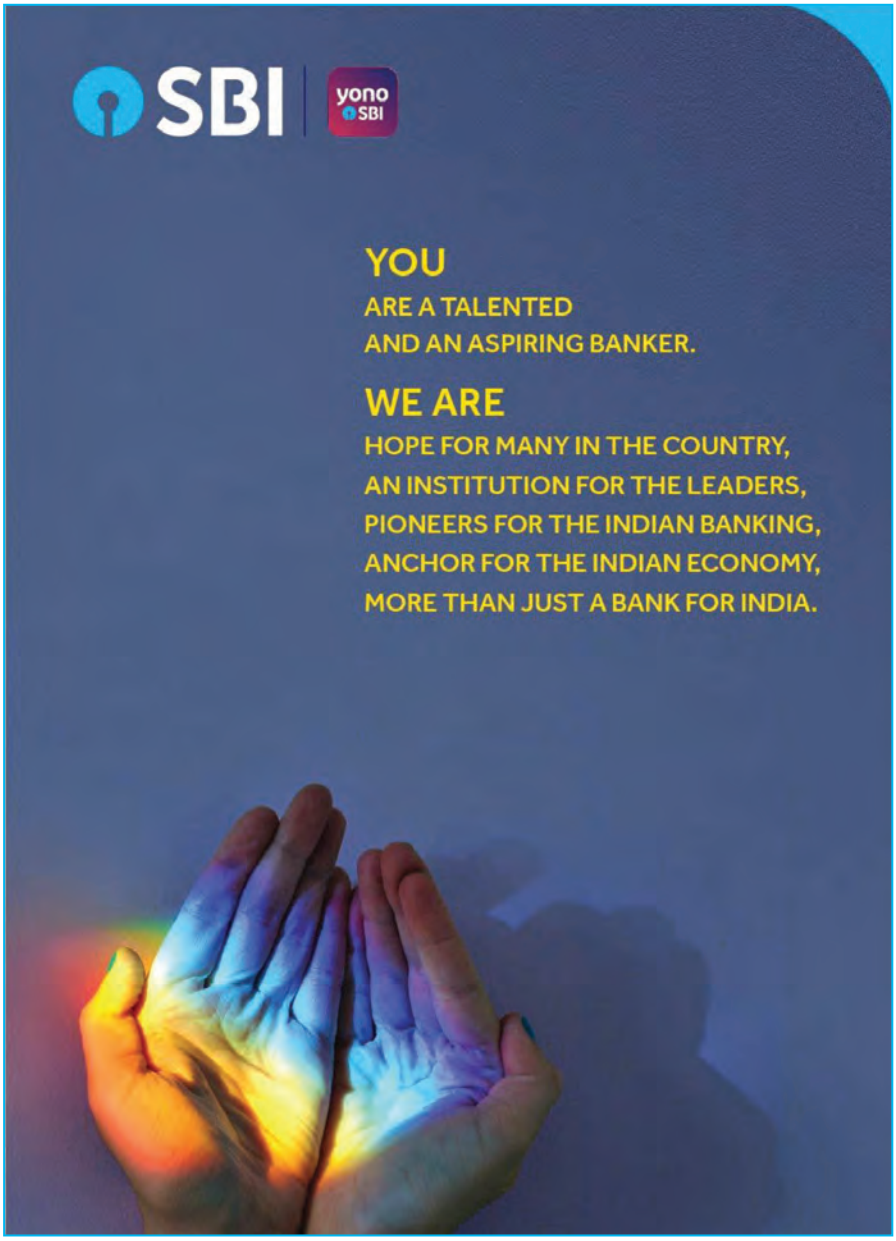
The core values of your Bank have been made into an integral part of our day-to-day professional life, by including 'STEPS' under annual performance appraisal system (CDS) to emphasise upon the importance of "Service, Transparency, Ethics, Politeness and Sustainability".

### 3. Recruitment

- Your Bank is actively recruiting specialised talent on lateral/ contractual basis in the areas of Wealth Management, IT, Information Security, Risk, Credit, and Audit, among other fields in order to meet the demands of the fast-changing business landscape and also to meet the regulatory requirement.
- Your Bank is making extensive use of digital platforms in the recruitment process in order to reach out to a wider pool of candidates. Advertisements are published on LinkedIn, Naukari.com,

and iim.jobs, besides publishing our recruitment notification on Facebook and Instagram handles. Use of social and digital media in our recruitment process has enabled your Bank to reach out to larger pool of tech-savy and aspiring candidates. Additionally, your Bank has also tied up with professional bodies such as ICAI in order to reach out to a good talent pool of candidates for specialist positions.

- As a measure to complete the recruitment process in a time bound manner your Bank utilised the IT platform and conducted the recruitment interviews through video conferencing following the social distancing protocols during the COVID-19 pandemic. This also reduced the long distance travelling through public transport for the interviews.




## 4. Gender Diversity

Gender Sensitivity and Inclusiveness have always been the cornerstones of your Bank's HR policy. Out of the total work force, the representation of women is over 25.92%. Furthermore, the women employees in your Bank are spread across all geographies and levels of hierarchy.

## 5. Reservations and Equal Opportunity

Your Bank meticulously follows the Government of India's directives on Reservation Policy for SC/ST/OBC/EWSs/ PWD. Your Bank has representation of SC, ST, OBCs and differently abled persons among all the cadres of its workforce. Your Bank has implemented reservation applicable to "Economically Weaker Sections" in direct recruitment w.e.f. 1st February 2019 in terms of the GOI guidelines.

**Representation as on 31st March, 2021:**

| Sr. No. | Cadre | Total | SC | ST | OBC | DAPs* |
|---|---|---|---|---|---|---|
| 1 | Officer | 108772 | 19555 | 9098 | 22973 | 2128 |
| 2 | Clerical | 100796 | 16237 | 8090 | 26159 | 2340 |
| 3 | Sub-Staff | 36084 | 8857 | 2288 | 8915 | 214 |
| | **Grand Total** | **245652** | **44649** | **19476** | **58047** | **4682** |

** Differently Abled Persons*

## 6. Industrial Relations and Staff Welfare

- Your Bank is having a harmonious relationship with the staff and officers' federations. Your Bank has been continuously emphasising on healthy work environment, mutual respect and empathy at work-place and a good work-life balance to foster a healthy and happy workforce.
- Your Bank took a number of transformative initiatives during the year in the area of Staff Welfare. These initiatives are crucial to ensure that your Bank remains in the forefront of banking in India and our employees are equipped to meet the challenges of tomorrow.
- Your Bank has introduced payment of fixed Ex-Gratia amount in lieu of compassionate appointment for ₹12-30 lakh in different grades, 12 months' salary and education financial support for the children in the age group of 3-21 years up to the graduation level for the bereaved family of the deceased employee w.e.f 1st April 2020.
- To provide more flexibility to the employees in acquiring assets or taking care of personal requirements, your Bank has enhanced the loan limits in line with market prices.

## 7. COVID-19 Pandemic

The entire world was impacted by the COVID-19 pandemic leading to unprecedented disruptions across all sections of life and your Bank was no exception. All the staff members rose valiantly to the challenge of keeping the banking operations running during this critical period. Your Bank took a number of proactive mitigating measures/initiatives for staff benefit, such as reimbursement of expenses incurred on COVID Tests and Treatment, special support of to all the employees found positive due to COVID-19, and sanction of Special Leave to employees on quarantine, to contain and reduce the spread of the virus among the staff members. In the initial phase, your Bank also provided monetary compensation to employees who were in the forefront of the operations. These measures ensured that the employees remained motivated and equipped to handle the crisis well. Unfortunately, some of our members lost their lives while ensuring uninterrupted service to the customers. For support of the family members of such deceased employees, cash compensation was introduced.

The unprecedented challenge posed by the COVID-19 pandemic has also led us to reinforce the process of continuity of operations and seamless functioning in the Banking Industry. Towards this end, your Bank has tried to realign and rework the existing "Work from Home" Policy into a more comprehensive and robust "Work from Anywhere Policy". The Policy will provide more flexibility to our staff members to continue working from alternate locations including home in times of crisis or calamity, giving them freedom to attend to their domestic requirements in addition to performing official duties. This will ensure a stable work-life balance for our staff members and will also lead to less crowding at workplace, savings on overhead costs for the organisation without disruption in the banking activities.

## 8. Care for Retired Employees

- Your Bank has launched a new scheme named as "e-Pharmacy" for providing domiciliary facility under SBI Health Assist Group Mediclaim Policy for retirees. An arrangement has been made with Lifetime Wellness RX International Limited popularly known as M/S Apollo Life for providing pharmacy services to the members of annual payment plan through an App named "URWORLD".
- Your Bank has rolled out the facility for obtaining life certificates through "Video based identification" in MyHRMS app. It is a facility for contactless submission of life certificate without visiting the Branch by staff pensioners and can be submitted through MyHRMS app from any Android or iOS mobile at the convenience of pensioner. Auto Email/SMS is generated in all cases of approval/rejection. This facility is in addition to existing physical submission or digital submission through Jeevan Pramaan.
- Your Bank is introducing one-time nomination facility for pensioners. The nomination facility is in addition to existing nomination facility for account balances of pensioners. The facility shall facilitate settlement of pensionary dues due to stoppage of pension, non-submission of life certificate and subsequent demise, arrears on account of retrospective wage settlement under bipartite settlements, revisions on account court directives, and revision in dearness allowance, amongst others.

### B. Strategic Training Unit

The extraordinary circumstances of FY2021 have been an ultimate test of leadership and forethought. Your Bank's response to these recent black swan events is an optimised and resilient training system that is strategically tuned into the long-term business goals.

During these times, we utilised pandemic engendered limitations to drive user ease through online learning, promote pull mode of learning, teach new skills, and broaden the knowledge horizons of our workforce. As a result, our initiatives garnered global recognition, significantly reduced training expense for your Bank and at the same time enabled consistent delivery of sophisticated and interesting learning experiences.

The innovative measures undertaken by our over 400+ strong team of in-house educators and banking experts at the 6 Apex Training Institutes (ATIs) and 51 Regional Institutes of L&D (SBILDs) are mentioned below:

Hitherto classroom training was the mainstay of training with judicious use of e-channels. However, to provide constant learning support despite impaired mobility, a robust virtual learning system, which is capable of connecting the manifold functionaries and providing a deep understanding of contemporary circumstances was the need of the hour.

**1) Perfecting Agile Delivery Channels:** For creating a resilient online training network your Bank undertook the following steps:

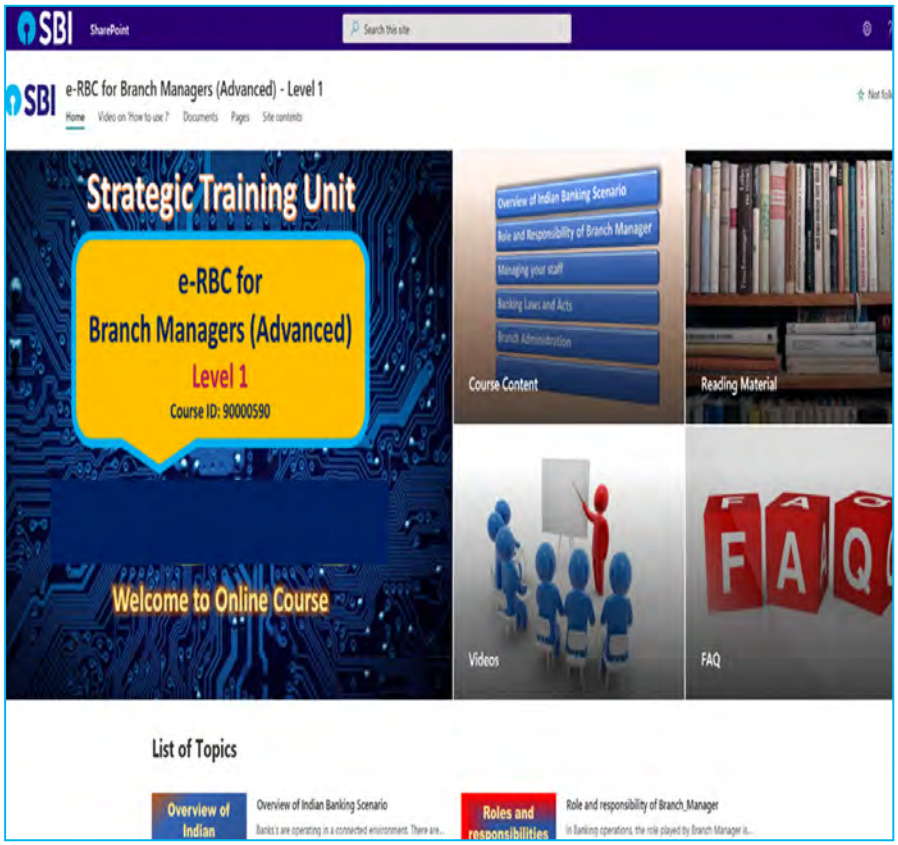
i. To foster learner interest and ensure learning retention, a repertoire of "Blended Learning" strategies such as videos, pre-reads, case studies, quizzes, interactive and recorded webinars were brought into play.

ii. The Faculty was rigorously coached in delivering effective and engaging online interactions through external trainings and simulation courses.

iii. All stakeholders associated with imparting training were onboarded on a single virtual platform.

iv. An in-house, automated centralised training calendar management system was instituted.

v. All this resulted in an enhanced interface between employees and faculty with nearly 51,000 webinars successfully conducted and 73% of staff having at least 1 live interaction with the Faculty and Subject Matter experts. On an average each employee attended around 11 webinars in FY2021.




**2) Complete Remodelling of the content:**

i. For New Inductees: All induction programmes for Probationary Officers/ Trainee Officers and Award Staff (Junior Associates) have been executed virtually. Your Bank also spearheaded creation of a comprehensive common training program for newly recruited officers of all the Public Sector Banks. This was launched on 1st October, 2020 by the Hon'ble Finance Minister.

ii. For all employees up to the Senior Management level: As a part of mandatory learning, the following is being offered to the employees:

**a. e-RBC:** In addition to RBI Mandated certifications in five domains, your Bank has created 45 niche Role-Based Certifications for around 2 lac employees (RBC acquired by 96% Officers and 98% Award Staff). During the year, all of these 45 certifications have been completely migrated to the e-platform by creating a digital repository of pre-reads, video tutorials, and interactive webinars followed by an online assessment.

**b. e-Lessons:** 5 for digital skill building and 5 for Compliance have been crafted for promoting compliant and sound business practices suited to the new paradigms. 95% eligible employees completed these 10 gamified e-lesson.

iii. For Top Executives:

**a. Online Assessment Centre (OAC):** We have initiated assessment of leadership competencies based on an Online Assessment Centre. Individual Development Plans charting areas of strength and development will be provided to each participant. Additionally, several MOOC platform offerings have been shortlisted based on competency needs.

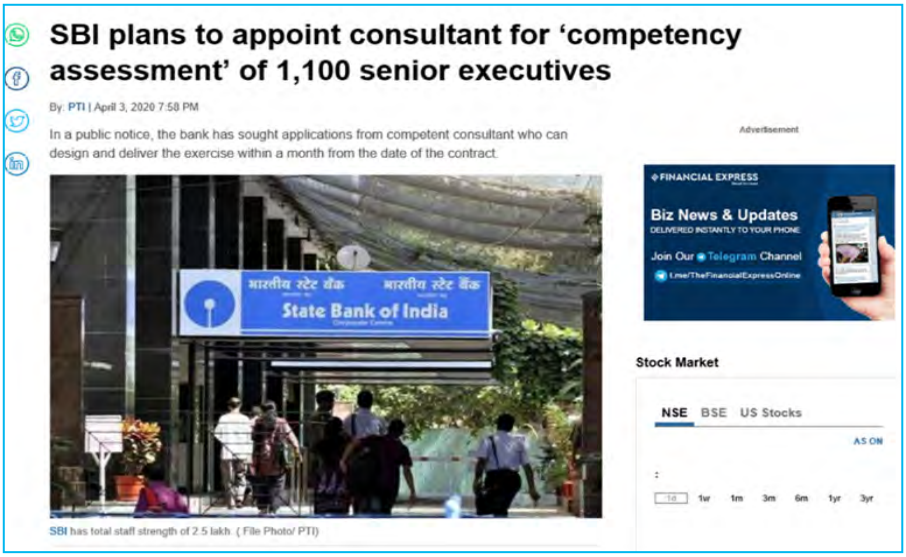
**b. Immersive Credit Skilling:** To make a positive difference in the economic scenario requires adroit handling of credit portfolio while resolving off-beat situations. Accordingly, all business leaders of DGM rank have been imparted intensive training in solution oriented credit decision making.

Accordingly, all business leaders of DGM rank have been imparted intensive training in solution oriented credit decision making.

**3) Industry Connect:** Awareness of contemporary issues is essential to effectively negotiate the prevalent changes and disruption. Accordingly, the following knowledge rich resources were harnessed:

i. Industry Associations: Collaborative programmes were rolled out with prestigious organisations such as ICAI, FEDAI and CARE to sensitise the workforce and keep them abreast of the current situation.

**ii. MOU:** Your Bank inked an MOU with a global front-runner for strategic collaboration in Executive Education.




Your Bank has also entered several MOUs under its "University Connect" for collaborative training of students.

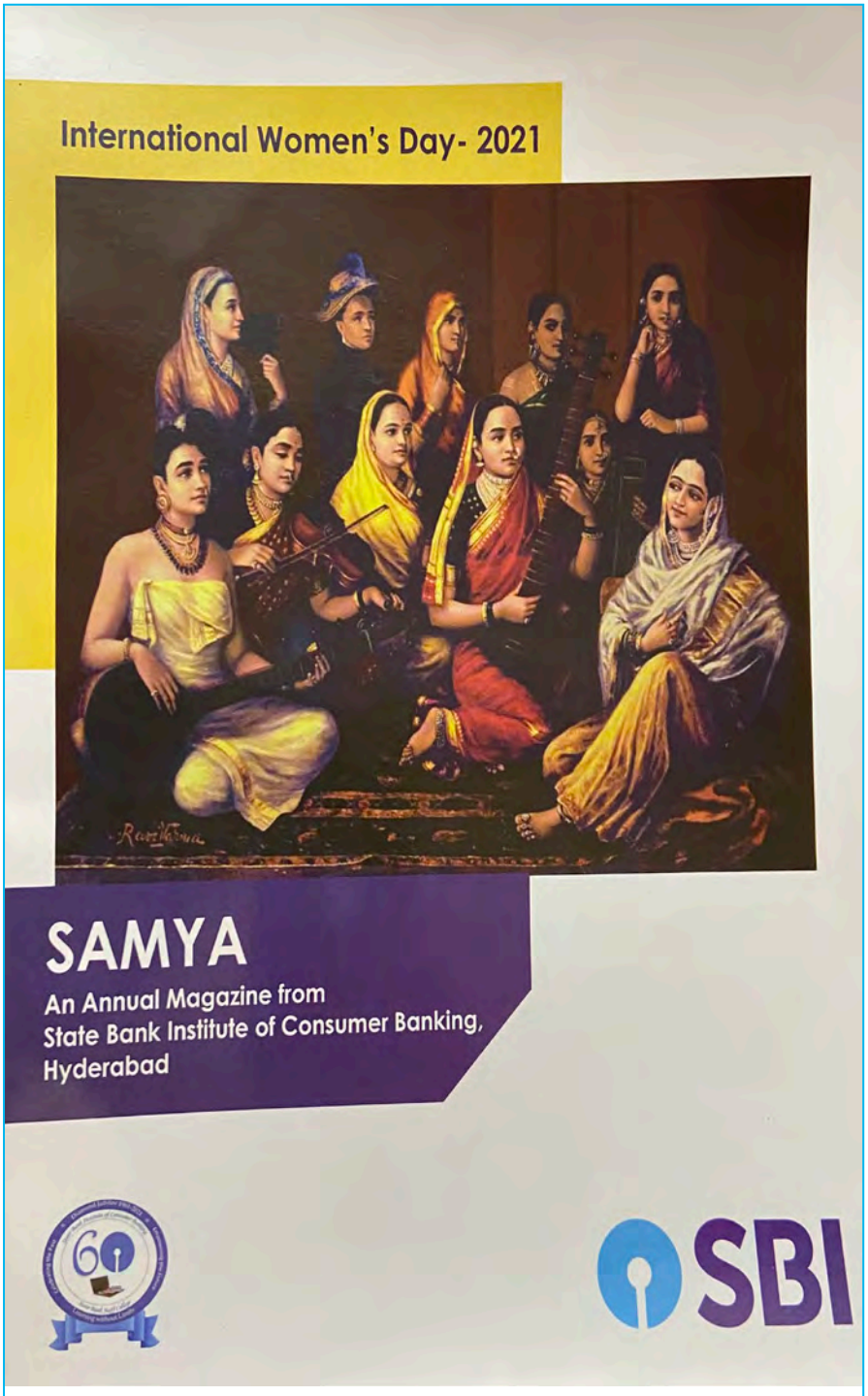
**4) Redefining the Scope of Training:**

i. 'Samunnati' a Participative Coaching intervention for Branches: To enable the Branches to become more goal-driven and competitive, a radical coaching intervention based on 'Action Research model' has been rolled out. Action Research involves participation of the unit undergoing transformation. It is a dynamic approach, which interlinks elements such as problem identification, planning, action, and impact assessment. Under "Samunnati", faculty members of Regional L&D institutes adopted one branch each across pan-India to extend guidance and learnings for viable growth-models along with significant case studies.

ii. 'SBI Wizards' Fostering Positivity: An online quiz event "SBI Wizards" was rolled out in FY2021. The Quiz was the first of its kind initiative hosted on a large scale and was structured as a hybrid event (part self-paced, part online, and part physical). In line with the positivity theme, the participant group was widened to include one family member of the employee.

SBI Wizard: Final Event and Information Mailers

iii. **Fostering Positivity and Emotional wellbeing:** To engender a positive approach, several initiatives such as podcasts "SBICB-On-Air", webinars on "staying fit" and "building mental resilience", contemplative exercises like "Samya - A time to ponder", virtual power talks by luminaries and programmes on inclusive workplaces like "Samya-leave no one behind" were undertaken by your Bank.




**Samya:** Inaugurated on International Women's Day

iv. **Building Inclusiveness:** 11 exclusively designed collaborative webinars for 596 PwD employees ensured that the employees remained engaged with your Bank even during exemption from attending office during the pandemic.

v. **Online Peer Learning tools:** Social Learning received a fillip with more than 60,000 employees participating in the online "Case Study Discussion Board" built around sharing of individual views and experiences on real-life case studies. The daily online quizzing portal "My Quest Today" was also accessed by more than 90,000 employees to test their knowledge levels. The urgent real-time operational knowledge need has been addressed by enhancing features and knowledge bank of search engine askSBI – 92% of Branches have utilised it.

vi. **Stepping Up as Strategic Influencers:**

a. Anweshan: Having a diverse and multi-generational workforce translates into innovative work practices emanating from every corner of the country. During FY2021, we launched "Anweshan", which is an e-publication for disseminating these best practices for improved business outcomes across your Bank.

b. Partnered Research: To rapidly translate the ongoing changes in the financial eco-space into competitive advantage, the Research Wings at ATIs partnered with Business Units for 51 relevant and practical studies.

c. Post-Doctoral Research Fellows: For establishing our pedigree in leadership training, our PDRFS were leveraged as academic emissaries to establish our unique credentials into applied leadership training. They also networked to connect to global clientele and International thought leaders.

**5) Expanding our Footprints:** Leveraging our capability in conducting Virtual Trainings, we were keen to test the mettle of our in-house offerings and optimally utilise our training resources in the external arena. Accordingly, the following initiatives were undertaken:

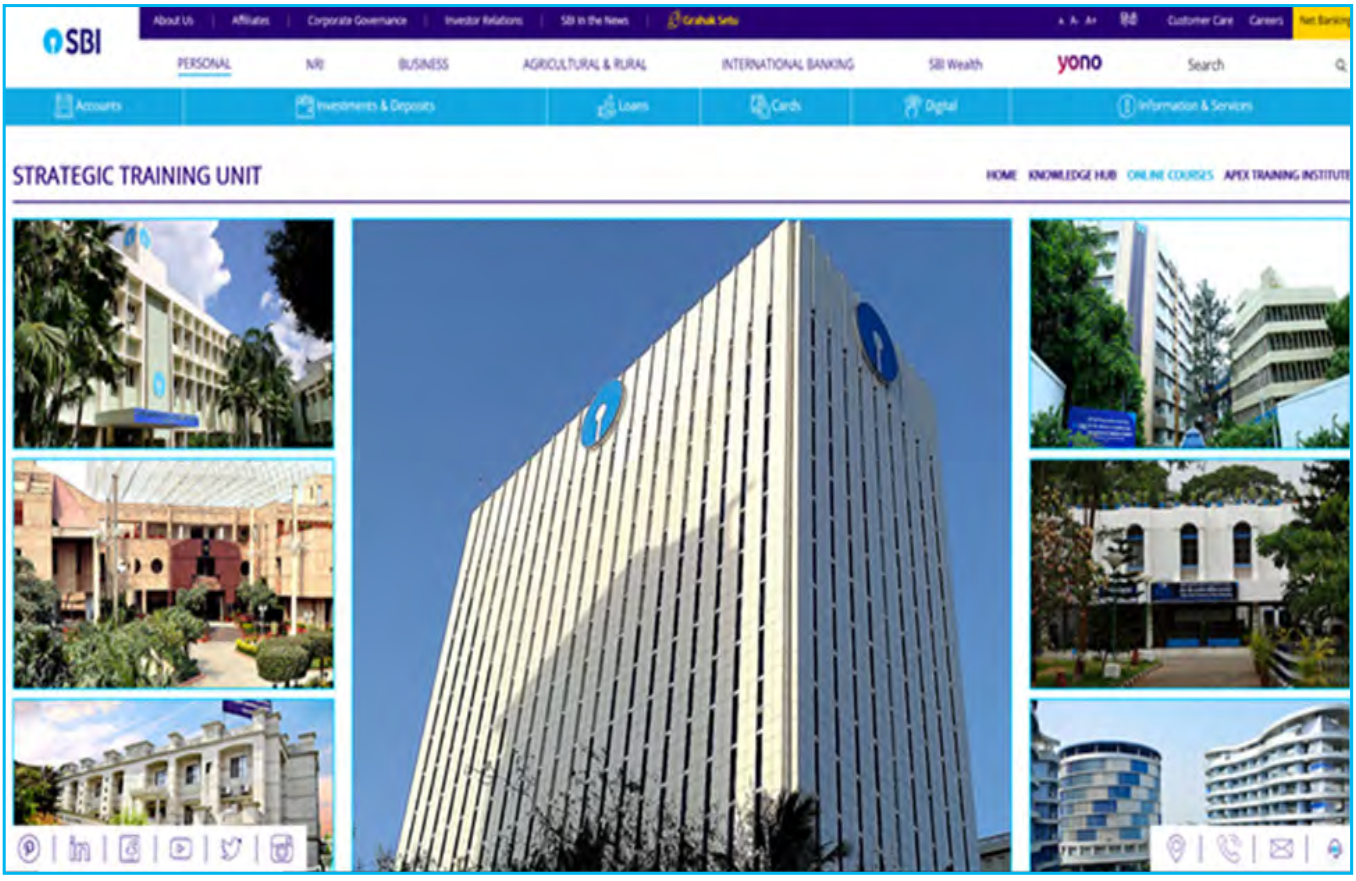
**i. Launch of Webpage:** STU webpage was launched on the Bank website to facilitate exploration/nomination for our online courses and contains comprehensive details of all the digital and other initiatives offered by us in the learning space as also the feasible modes of delivery.

**ii. MOOCs on edX:** Your Bank is the first Corporate organisation in India and second financial institution in the world (after World Bank) to host in-house MOOCs on edX. So far, thirteen MOOCs have been launched and have received enthusiastic market response.

**iii. e-Panel Discussions:** During the year, more than 30 online discussions were organised in the presence of eminent academicians and industry experts to provide a platform for sharing best practices that are relevant to the current economic scenario.

**6) Sustainability at Core:** With the understanding that the greatest threat our planet faces is the belief that someone else will save it, all our ATIs & SBILDs have pro-actively and intensively internalized eco-effective practices like- captive Sewage Treatment Plants (STPs) with recyclers, vermi-composting for recycling bio-degradable wastes, usage of solar panels/ Solar Plants to reduce conventional-source power consumption, rain water harvesting, and ensuring all our premises (ATI & SBILDS) are "Plastic Free Zones" with ban of single-use plastic. Most of our ATIs have been rated either Platinum or Gold by Indian Green Building Council and are also ISO 9001:2015 certified.

**7) Awards:** Your Bank has won five prestigious Brandon Hall Excellence awards 2020 for "Best Use of Blended Learning", "Best Learning Program supporting a change Transformation Business Strategy", "Best unique or innovative Learning & Development Program", "Best Advance in Technology for Crisis Management" for e-RBCs and "Best Advance in Social Learning Technology" for e-Gyanshala.



# 2. Information Technology

## A. Network Infrastructure Improvement

To deal with the COVID-19 pandemic crisis, your Bank had taken several initiatives during the year to ensure smooth processes.

Your Bank arranged 600 connections of 4G connectivity for mobile van ATMs to ensure the ease of cash withdrawal during peak pandemic period.

Your Bank has ensured proper network connectivity during the two major cyclones viz. Amphan in Kolkata (in May 2020) and Nisarg in Mumbai and Maharashtra circles (in June 2020) and made sure that none of the digital channels suffer and our customers in the affected area may undertake their digital journeys, as effortlessly as before.

Your Bank is relentlessly working on improving the network experience and minimise branch isolations. Several unreliable and high-latency network links have been replaced with low-latency wired and terrestrial wireless links.

Your Bank, in its endeavour to better manage its network operations is in the process of establishing two advanced AI/ML and Analytics based Network Operating Centres (NOC-1 and NOC-2).

## B. Work from Anywhere (WFA)

Your Bank swiftly deployed Virtual Private Network (VPN) to empower the operational staff across India to Work From Anywhere (WFA) and ensure "Business-As-Usual". Despite the lockdown, annual closing exercise was conducted without any glitches. WFA has been accepted as a new norm in your Bank. Many administrative and operational activities in domestic and foreign office/branches are being carried out remotely through WFA facilities.

## C. YONO

YONO, the most ambitious, path-breaking, and secure digital offering of your Bank, launched in November 2017, has grown significantly in terms of volume, which shows its acceptance amongst users. YONO has already crossed 70.5 million downloads, has a registered user base of 37.09 million and average daily logins of around 10 million. YONO is a single touchpoint and one-stop solution for various Banking, Financial and Lifestyle needs of the customer through a convenient, intuitive, and user-friendly interface offering the customer one view for an enhanced digital experience.

Customers can conveniently avail pre-approved loans online and get immediate disbursement without visiting the branch and with zero paperwork. YONO Quick Pay offers convenient payments/fund transfer without logging into the main application. Many new products/features have been launched like, KCC review, P-segment gold loan, insta account opening through Aadhar OTP based e-KYC authentication and pre-approved agri loan (SAFAL).

YONO Krishi launched in July 2019 with features such as agri gold loan, YONO Mandi and YONO Mitra, cater to the banking and agricultural needs of farmers through a digital platform.

YONO provides exclusive shopping deals from 100+ leading merchants such as Amazon, Myntra, Flipkart, Uber, OLA, Zoomcar, Yatra, Cleartrip, IRCTC, Redbus, Medlife, VLCC, Agricart, BigHaat, and Kisan Store, amongst others on a single platform.

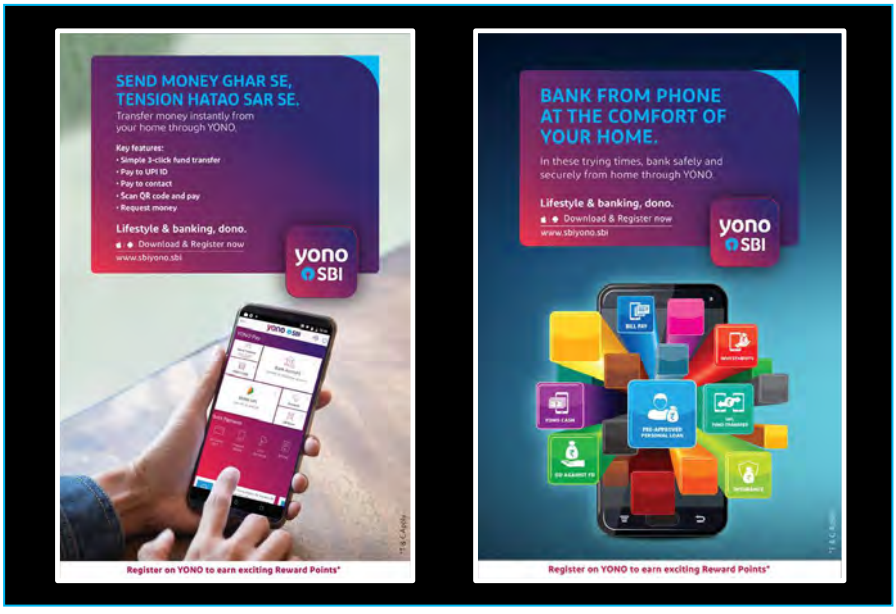
## D. Channels and Operations

### 1. Payment Aggregator and Payment Gateway (e-Pay & PG)

Your Bank works both as payment aggregator and payment gateway, which is a unique PCIDSS certified secured platform for facilitating seamless e-commerce transactions between businesses, merchants, Customers and financial institutions, for various kinds of payment modes. The platform is provided through our Payment Aggregator (SBI e-Pay) and Payment Gateway (SBIPG) applications by integrating with thousands of Merchants on the one end and large number of Payment Channels such as Banks, Wallets and Cards at the other end. SBIPG processes all debit/credit card transactions of Payment Aggregators, SB Collect, SBI-MOPS and YONO.

### 2. Payment System (PS) and Cash Management Product

Your Bank holds a major share in NEFT outward remittances with 27.88 crore transactions with over 9.01 % market share. In RTGS, 1.86 crore outward transactions were effected during FY2021, implying a market share of over 11.72%. Your Bank provides RTGS/NEFT facility to all its customers on a 24x7 basis and using the secure SWIFT messaging platform for transmitting cross border financial and non-financial messages.



Cash Management Product is a technology-driven platform for straight through processing of bulk transactions of corporates and governments.

The various types of businesses handled by CMP system are summarised below:

a) Payments for Government of India, State Governments, Ministry of Defense, Railways, Various Corporates

b) Cash and Cheques Pick-up and deposits

c) VAN-based collection of cash, cheque collection and e-collections (NEFT, RTGS, INB)

d) Digi-dealer mobile app and web base cash and cheque collections

e) Liquidity and Mandate Management

During the year, your Bank has extended VAN based Collection to prestigious clients such as Vodafone Idea Ltd, Nayara Energy, Haldia Petrochem Ltd, BSNL, and BSES Energy, amongst others. API based integrations for validating dealer data and pushing MIS are being promoted in a big way for improving customer experience.

## 3. Foreign Office

Your Bank has introduced Open Banking (OB) in UK following instructions of European Banking Authority (EBA). The technological solution is hosted on Meghdoot infrastructure and was made live for our European Branches and Bahrain to meet the critical Regulatory requirement. Your Bank now has the capability to introduce OB in other geographies, as and when required by other Foreign Offices. Few of newly launched functionality are mentioned below:

a) SBI YONO Global Mobile application has been launched in Mauritius and Maldives in addition to UK

b) USD remittance is available to Mauritius customers

c) OTP on mail is available to the customers of Bahrain, Mauritius, Maldives, Hong Kong, South Africa & Sri Lanka

d) Customers of Nepal, Mauritius, Singapore, Bangladesh, Maldives, Oman, Bahrain, UK, Hong Kong and South Africa can use ATM Management services from FEBA, which includes ATM Card Limit change, Usage change and Channel Change

High Interest Savings Account (HISA): Creation of new product for giving variable higher rate of interest benefit to the customer during first year of account opening in Canada rolled in production on 24th September, 2020.

## 4. ATM

Your Bank's ATM department is PCI-DSS Compliant, which is a benchmark security standard for payment card industry and stands tall with 26.51 crore active cards as on 31st March, 2021.

Following new facilities have been rolled out during the fiscal:

- YONO QR based cash withdrawal on SBI MVS ATMs/ADWMs using YONO Lite Application up to ₹4,000 per day
- Generation of Green PIN on SBI Automated Deposit and Withdrawal Machine ADWMs
- Generation of Green PIN, Blocking of Debit Card and Issuance of Replacement card Issuance through IVR
- Card Issuance Tracking for Customers through INB
- TLS 1.2 implementation has been completed in all MVS ATMs (CAPEX and TOM ATMs on MVS) to strengthen the security between ATM Machine and Network

## 5. Internet Banking

Internet Banking continues to provide seamless online experience, offering secure and diverse banking services to 802.92 lakh Retails Users and 28.50 lakh Corporate Users.

Many new services were rolled out for Retail customers like OTP over email to Resident Indians, SMSes in Hindi, Real Time Multiple Demand Loan for e-commerce transactions. Keeping in view increased cyber threats, the security of customer accounts was further enhanced by introducing Captcha at Login (Image & Voice), provision to Lock/Unlock INB access, facility to Enable / Disable UPI as mode of payment.

For our corporate customers, a Unified corporate banking setup - YONO Business providing Single Sign-On for customers to access five applications viz. CINB, CMP, SCFU, e-Trade and e-Forex was launched. Additionally, new to digital customers were provided online onboarding of CINB, e-Trade and e-Forex. Other end-to-end digital offerings were (a) Debit card authenticated onboarding for Saral customers and (b) Pre-Approved Merchant Loan - a digital loan product for Saral customers. An Online Account opening facility was also launched for non-individual accounts like Sole Proprietorship, Partnership and HUF entities.

Over 19,592 merchant integrations have been done during the year to fuel the e-Collections, e-Payments and e-Commerce eco systems. VAN-based funding for PSUs was provided for Govt e-Marketplace. Additionally, online e-Mandate creation for payment of EMIs and other recurring amounts launched.

## 6. Yono Business

Your Bank's yonoBUSINESS offering for MSMEs, Corporate and Government customers is designed to focus on three pillars of the digital transformation:

i) One Bank One Platform, building an omni-channel digital platform integrating CMP, Corporate INB, e-Trade, e-Forex and Supply Chain Finance under Single Sign On

ii) Digital bank offering seamless end-to-end digitised customer journeys

iii) New Age Banking to future proof the technology priorities such as API banking

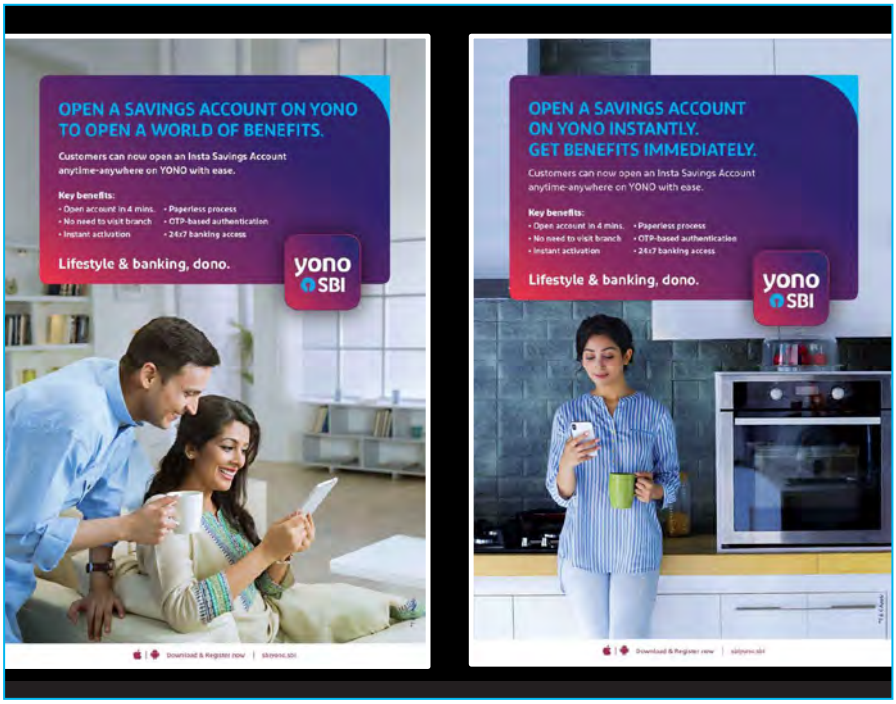
The three pillars are built on strong foundational capabilities across ways of working (cross-functional garage construct), modern technology architecture and skills (Agile, product management) to sustain the transformation. It digitally serves multifarious Banking interface requirements of all types of non-individual entities; right from a small proprietorship/ MSME to large multinational corporates to Central and State Governments.

Amongst other facilities and features for non-individual customers, it provides:

- Simplified and intuitive onboarding journey for new to Digital customers
- Existing legacy document process has been replaced with new omnibus document eliminating multiple visits to Branches. Digital onboarding for walk in customer through YONO Business Branch interface
- Additional Product offering for existing customers
- Corporate user management as end to end digital journey to Corporate Administrator for user management ensuring security and convenience
- Intuitive Dashboard made available to Corporates with features such as Consolidated real time account positions of A&L, Fund flow position, alerts and notifications like LC due date, and instalments due date, amongst others
- Re-imagined import LC journey and Forex rate booking in less in less than 15-20 minutes without the requirement to visit the branch

"You Only Need One" yonoBUSINESS is the umbrella under which your Bank's corporate digital transformations take shape. It is different not only in terms of what it promises to deliver – in scale, scope and the use of technology such as API banking but also how it aims to deliver it – through adoption of an agile approach in cross-functional development squads to foster speed in innovation.

One of the largest digital transformation initiatives undertaken by any bank for their corporate customers, yonoBUSINESS spans across all corporate streams/ departments - from Account Opening, Payments to Trade and Advances. Working on the end-to-end digitisation yonoBUSINESS aims to redefine the way the bank and its customers approach to corporate banking.




## E. Mobile Banking

Your Bank's Mobile Banking department is the second largest alternate channel in terms of volumes after ATM. It handles various critical customer facing mobile applications and services.

### 1. UPI

Unified Payments Interface (UPI) is one of the flagship applications of your Bank that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing and merchant payments into one hood.

### 2. YONO Lite

During FY2021, following facilities were introduced for the customers through YONO Lite:

a) Cheque lodgement through Positive Pay System
b) QR Code based ATM cash withdrawal
c) RTGS 24*7
d) SIA Chatbot
e) Apply IPO
f) Debit card issuance tracking

In addition to the above, availability of the App in 11 regional languages (Kashmiri, Assamese, Telugu, Tamil, Kannada, Malayalam, Gujarati, Marathi, Punjabi, Odiya and Bangla) has also been initiated for user's ease.

### 3. SBI Quick

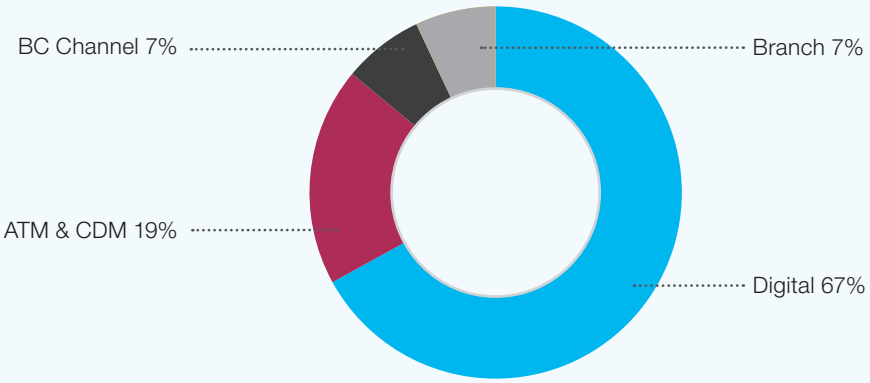
During FY2021, following facilities were introduced for the customers:

a) Cheque lodgement through Positive Pay System
b) SMS and Missed call-based loan lead generation for Personal loan, Gold loan, Home Loan and Car loans
c) Mobile Top-up and Recharge facility
d) SBI Samadhaan consolidation in SBI Quick app
e) Availability of the App in 12 regional languages (Kashmiri, Konkani, Khasi, Telugu, Tamil, Kannada, Malayalam, Gujarati, Marathi, Punjabi, Odiya and Bangla)

### 4. SBI Secure OTP

Revised registration process (SIM based registration) for SBI Secure OTP has been implemented for more security and to safeguard the interest of the customers.

**% Share of Alt Channels FY-21**




## F. Executive Support System

### 1. Customer Relationship Management (CRM)

CRM provides a state-of-the-art solution for the integrated management of sales, service, and marketing activities. It has a built-in campaign management modules and ensures the timely delivery of service. Complaint management module in CRM has now migrated to more sophisticated and advance system, that is, CRM-CMS wherein customer entire trail of previous complaints and other details are captured in the application giving ease to users and customer for complaint lodgement, tracking and resolution. Few of the customer centric projects initiated during the year are as follows:

- Deceased claim settlement through CRM for hassle free claim settlement
- Internal Ombudsman workflow for rejected complaints
- Automation of identified services through Registered Mobile Number (RMN) and IVR
- Launch of Circle Call Centre, where Bank's employees attend the call referred by Contact Centre
- AI-Based email handling solution for immediate segregation of complaint for faster resolutions
- Complaint category for grievance on COVID-19 ex-gratia payment
- Door-step banking facility
- Compliance of Government's EASE 3.0

### 2. Data Warehouse

Your Bank is implementing a best in class Data Warehousing solution "Next Gen Data Warehouse" in order to accommodate the growing volume of Data with the aim to become the Single Source of Truth for all data purposes of your Bank. An advanced analytical platform with component such as Data lake, and Virtualisation Layer, amongst others is being implemented to enhance the analytical capabilities of your Bank.

### 3. Data Governance

Data, being considered as the new oil, needs to be properly treated, nurtured and protected throughout its life cycle. Your Bank has already put in place an enterprise-wide Data Governance Structure in the form of Data Governance Councils (DGCs) at Corporate Centre, Business Verticals, Circles and AO levels supported by Data Governance Officers (DGOs) at each level. This robust Data Governance ensures sustained growth and compliance with evolving Regulatory laws regarding data privacy.

### 4. Business Intelligence Department

Following the principle of Single Source of Truth (SSOT) your Bank has decided to make the Business Intelligence Department (BID) to be the SSOT for all types of reports/ dashboards (Regulatory as well as MIS). BID has developed various Dashboards encompassing all the critical business areas, which need to be adopted in true sense for optimal utilisation. Adoption of these centralised dashboards will also reduce dependence on multiple data sources thereby reducing the Data-Stress for the Operating functionaries.

### 5. Analytics

Your Bank is steadfastly using and enhancing its analytics capabilities by using AI/ML for improving efficiency, reducing risk, and growing business. Some of the projects executed during the year using analytics were:

a) Digital Lending: Business Growth through e2e Digital lending through products such as Pre-approved personal loan (PAPL), Pre-approved Business loans, Two -wheeler loan, and POS online EMI, amongst others. Additionally, a new AI based model

has been developed for SME New to Bank (NTB) customers.

b) Analytics to mitigate risk by using AI driven models: Established a fraud prone branch model to identify high risk branches. Furthermore, ATM suspicious chargeback model for identification of suspicious chargeback complaints has also been implemented along with EWS models for early signals of stress in borrowers. Intelligent Sampling of Vouchers (ISMOVVR) model for Identification of outlier vouchers for re-verification and to prevent frauds has been initiated.

c) Operational efficiency: Staff Optimisation and ATM network optimisation is being carried out through the footfall model and ATM win-back model, respectively. Additionally, ML based charges model to prescribe branches for proper classification. NLP based ML model to control income leakage.

### 6. Cyber Security

Your Bank has a robust Cyber Security framework in place. Your Bank has a Cyber Security wing, which conducts ethical hacking on Internet facing applications. This is a proactive step taken to plug the loophole in applications before it is discovered and eventually exploited by any outsider. There is an approved Standard Operating Procedure (SOP) for Internal Ethical Hacking by the staff. Your Bank encourages its staff members to perform ethical hacking attempt on your Bank's infrastructure.

Your Bank has also initiated measures to put in place Next Gen Global Cyber Security Operations Centre (NGGCSOC) with advanced technologies and best in class products leveraging AI/ML capabilities to strengthen the Cyber Security Posture of your Bank. As on date, the NGGCSOC deployment is underway.

Your Bank has implemented Proactive Risk Management (PRM) solution to combat attacks such as phishing, credit card frauds, internet banking frauds, and mobile banking frauds, amongst others. Laced with robust data analytics, AI & ML, PRM is capable of detecting and alerting fraud and suspicious account and transaction activity, while facilitating effective counter measures.

Your Bank is fully complied with all the 21 mandatory controls and 10 advisory controls prescribed by the SWIFT.

## G. Core and Special Projects

### 1. Special Project

Your Bank has initiated number of special projects for ensuring customer convenience. Few of the projects are mentioned below:

**a) Foreign Inward remittance to PM Care account:** Developments in Rupee Flash API platform and Rupee Express Application have been launched to allow foreign inward donations into specially designed PM Care Account to fight Corona Virus Pandemic.

**b) Parking payment through FASTag:** Integration of GMR International Airport Parking facility at Hyderabad with NETC SBI FASTag. This is a pilot project, initiated by NPCI to enable the customers to pay parking charges through FASTag.

**c) I-Meeting application:** I-Meeting application has been successfully extended to the 17 LHO for conducting their Quarterly Local Body Meeting (LBM) meetings.

**d) CKYC Signzy Scanning Solution:** AI Based scanning application for speedy and error-free scanning the documents in CKYC formats.

e) **Pension Seva:** Revamp of Registration in Pension Seva through mobile OTP. This will enable pensioners to avail a range of facilities without visiting the branch.

f) **Issuance of immediate PRAN Card:** Photo and signature upload facility at branches for NPS registration to facilitate immediate PRAN Card issuance by CRA to the subscribers without waiting for physical copy of application.

g) **CKYC for FI Accounts:** As per regulatory compliance, CKYC process for Financial Inclusion accounts implemented and made operational on 1st September, 2020.

h) **Aadhaar Masking:** As per compliance, Aadhaar Masking was implemented at CKYC and other channels on 3rd October, 2020.

i) Photo and signature upload facility at branches for NPS registration to facilitate immediate PRAN Card issunace by CRA to the subscribers without waiting for physical copy of application.

## 2. IT-Corporate and SME Loans

Your Bank captures the entire journey of Corporate and SME Loans through its in-house developed Loan Life Cycle Management System (LLMS), the entire life cycle of the credit process is automated leading to standardisation of the credit process, enhanced risk management and improved user experience and TAT.

During FY2021, following major new offerings were initiated under the LLMS:

### Pre-Approved Business Loan (PABL)

PABL is a digital pre-approved loan product for your Bank's existing current account customers, based on the cashflows in the account. The loan is provided for meeting the customer's multiple requirements related to their business activity. In this, dropline overdraft account is opened, and no primary and collateral security is required.

### Guaranteed Emergency Credit Line (GECL) 1.0 & 2.0

Based on the directions of RBI and various initiatives of the Government of India, your Bank has launched GECL 1.0 & 2.0 to provide finance on liberal terms to the units affected by the COVID-19 pandemic. Through these products, your Bank made available additional credit facilities to the eligible existing borrowers by way of ad-hoc facilities, that is, Guaranteed Emergency Credit Line (GECL) to tide over the current crisis situation.

### Digitalisation of Stressed Assets Recovery Group (SARG)

Various formats and process flows of SARG have been digitalised with end to end process on the LLMS platform. The Sanctioning Committees have also been created in the LLMS. Digitalisation of SARG has resulted in standardisation of the proposal formats, process flows and creation of corporate memory.

## 3. IT-Retail Loans

The system caters to technological developments related requirements pertaining to sourcing, processing, underwriting and disbursement of retail loans through Loan Originating System (LOS) Personal Banking (PB), LOS(Agri) and Retails Loan Management System (RLMS). The lead sourcing and loan collections are handled through Online Customer Acquisition System and Loan Collection System application, respectively.

a) LOS PB: Over 21,000 branches/ RACPCs/RASMECCCs/RBOs and more than 1,00,000 users are linked to application. During FY2021, a total of 19,25,295 loan accounts amounting to ₹2,25,933.17 crore have been sanctioned.

b) LOS Agri: Over 24,000 branches/ RACCs/RBOs and more than 1,50,000 users are linked to application. In FY2021, a total of 61,82,327 loan accounts amounting to ₹98,465 crore were sanctioned.

c) RLMS: Over 21,021 branches/ RACPCs/RASMECCCs/RBOs and more than 1,00,000 users are linked to application. In FY2021, approximately 25 lakh loan accounts amounting to ₹1,00,000 crore were sanctioned.

### Major implementations: Retail Loans: in RLMS during FY2021

a) RLMS, an end to end digitised platform, has already seen the processing time for the loan journeys coming down drastically by taking only 10 minutes, thereby resulting in increased business.

b) In RLMS, Pension Loan, Personal Gold Loan, Xpress Credit and Smart Home Top-Up Loan products were launched PAN India during the year.

c) Development and CUG roll out of Home Loan journey was also done in RLMS during FY2021.

d) RLMS is also being integrated with YONO and CRM for processing applications that are sourced through these channels. Besides, development and CUG roll out of DDE functionality for Xpress Credit loans has also been undertaken. Furthermore, your Bank has also focused on the development of RTXC loan journey including DDE functionality and launch of CUG.

e) With the proposed rollout of remaining products during FY2022 in RLMS, your Bank expects increased efficiency and user experience, improvement in TAT and growth in your Bank's business.

## 4. Customer Service

Your Bank has put in place a robust online Complaint Management System (CMS), where customers can lodge their complaints / feedback / suggestions online through our website www.sbi.co.in. In addition to this, your Bank's Contact Centres operate 24*7*365 in different geographical areas, servicing its customers in Hindi, English and 10 major regional languages. For improving the quality of resolution of customer grievances, it has established Circle Complaints Resolution Centres (CCRC) in all Circles. The CCRC will free the Branches from complaint handling and ensure better utilisation of time for better customer service and business development. Your Bank has also established Circle Call Centres with its own staff for handling any issue beyond the purview of our regular Contact Centres, so as to ensure a better customer experience. The CCRCs have handled 7.91 lakh cases during the current financial year. Similarly, CCCs have handled a total cases of 1.72 lakh during FY2021. Your Bank has conducted a campaign 'Grahak Santrupthi' during the period Aug'20 - Oct'20 for reduction in complaints in three categories Transfer of Accounts, Deceased Account settlements and Staff Misbehavior Complaints, which resulted in reduction of 73%, 64% and 44% respectively. Proper and timely resolution of customer grievances

is our high focus area. We are conducting Root Cause Analysis of major areas of complaints and are utilising the findings for product and process improvement. Country wide E-Town hall meetings were conducted in 464 centres to collect feedback from the customers regarding your Bank's products and processes. A total of 12,201 customers participated in the meetings.

With structural transformation to digital banking, your Bank is in the process of leveraging the CRM Tool to use analytics and artificial intelligence. Your Bank believes that these digital tools and technology can completely transform the customer experience in the days to come. Furthermore, it has introduced 5 Registered Mobile Number based services from Contact Centre, which have helped the clientele in these testing times. Additionally, your Bank is in the process of revamping the Contact Centre operations with state-of-the-art technology and to harness untapped potential.

Even during these difficult times of the COVID-19 pandemic, Your Bank has conducted virtual customer meets for seeking customer feedback for improvement in customer experience. It has also conducted programmes to sensitise the Branches for providing good Customer Service. With the launch of the Doorstep Banking, the customers can avail ten doorstep services such as Account statement, Cash withdrawal facility, Life Certificate submission etc. Pensioners can avail this facility for submitting the Life Certificate without visiting the Branches. Virtual Pensioners meets were also conducted to inform the Senior Citizens on the benefits and the ways in which they can avail of the Doorstep Banking Services. Your Bank has introduced the concept of Floor Managers in over 2,400 branches for enhanced customer experience.

## H. Financial Inclusion and Government Schemes (FI&GS)

To enhance customer convenience and customer delight, following new facilities were introduced during the FY2020-21:

a) Multi Device Login: Implementation of KO (Kiosk Operator) family concept with KO family consisting of a KO and maximum of 5 sub-KOs. Through this service, the Customer Service Point (CSP) is able to offer the services through multiple nodes simultaneously, within. This will enable the CSP to provide service through more than one device (maximum Six) using a single CSP code, replicating a branch set up.

b) EMV enablement on MATM: Micro ATMs (MATMs) in the BC channel have been made ready for acceptance of EMV chip cards, which helps in reducing the risk associated with magnetic stripe cards.

c) Passbook Printing for FI & non-FI customers: Passbook of all the customers can be updated at the CSP outlet through bar code validation. Passbook printing at CSP location has helped in decluttering of the branches.

d) Voice prompt: Voice Prompt while performing transactions at CSP outlets rolled out in Hindi, English, Tamil and Telugu. It acts as a risk mitigant for illiterate/semi-literate customers as they can hear the details of the transactions being performed in their account.

## I. Trade Finance

Your Bank caters to e2e Trade Finance requirements of our customers – both Inland & Cross Border.

Eximbills Enterprise (EE): EE is the centralised technology platform facilitating Trade Finance transactions. The Web based application uses latest technology and has STP capabilities with various systems enabling bank to meet market requirements. It has a seamless real-time integration with multiple applications for smooth transaction flow. The centralised structure helps in risk management by standardising the operational processes and provides MIS for decision making and statutory and regulatory reporting.

Customer Enterprise (CE / e-Trade): SBI e-Trade, also known as Customer Enterprise (CE), is a unique Digital platform is a One-Stop, centralised application, seamlessly integrated with EE as well as Core Banking System to satisfy needs of corporate customers for their Domestic Trade Finance & International TF.

CE's unique and highly configurable User Management allows Corporates to operate with ease, comfort, and flexibility. Some of the unique features like Corporate group level view of all sub-companies, Trade Portfolio One-view Dashboard, Notifications and Alerts, Digital Document Submission, etc. adds to the customer's experience and delight.

During COVID-19 situation and lock-down durations, CE has played a very crucial role in helping Corporates to continue their Trade finance businesses digitally, without any interruptions and thereby facilitating a strong push for 'AatmaNirbhar Bharat', vision of Govt of India.

Centralised SWIFT Interface Gateway (CSIG): CSIG is a centralised messaging system for cross border transactions over the SWIFT network. It is an integrated web-enabled messaging software that runs centrally and accessed by the interface channels and branches, facilitating the electronic exchange of financial and non-financial messages.

| Award | Category | Remarks |
|---|---|---|
| IBA Annual Banking Technology Awards 2021 | Best Payment Initiatives | Winner |
| | Best Digital Financial Inclusion | Winner |
| | Most Innovative Project | Winner |
| | Best use of Data Analytics | Runner-up |
| Banking Frontiers Finnoviti Award | Finnoviti Award 2021 | Winner (AI /ML models like Project Shikhar & Recommendation Engine) |
| M & O Certificate by M/s Uptime Institute, USA | Maintenance & Operations Certificate of Data Centre | • Gachibowli Data Centre awarded the M&O certificate (Stamp of Approval) from Uptime Institute<br>• Only Data Centre in the BFSI sector in India to Achieve M&O award by Uptime Institute |

# 3. Risk Management

## A. Risk Management Overview

Risk Management at your Bank includes risk identification, risk assessment, risk measurement and risk mitigation with its main objective being to minimise negative impact on profitability and capital.

Your Bank is exposed to various risks that are an inherent part of any banking business. The major risks are credit risk, market risk, liquidity risk, and operational risk, which also includes IT risk.

Your Bank is committed towards creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading controls and security measures, including cyber security measures, to ensure avoidance or mitigation of various risks. Your Bank has policies and procedures in place to measure, assess, monitor, and manage risks systematically across all its portfolios.

An independent Risk Governance Structure, in line with international best practices, was put in place, in the context of separation of duties and ensuring independence of Risk Measurement, Monitoring and Control functions. This framework visualises empowerment of Business Units at the operating level, with technology being the key driver, enabling identification and management of risk at the place of origination. The various risks across your Bank and the SBI Group are monitored and reviewed through the Executive Level Committees and the Risk Management Committee of the Board (RMCB), which meets regularly. The Risk Management Committees at operational unit and business unit level are also in place.

### 1. Credit Risk Mitigation Measures

Your Bank has put in place strong credit appraisal and risk management frameworks for identification, measurement, monitoring and control of the risks in credit exposures. The industrial environment is scanned, researched, and analysed in a structured manner by a dedicated team for deciding its Outlook and growth appetite for 39 identified industries/sectors, which constitute close to 70% of your Bank's total advances (excluding Retail and Agri). Risks in these sectors are monitored continuously and wherever warranted, the industries concerned are reviewed immediately. Impact of the COVID-19 pandemic on your Bank's portfolio is tracked very closely. Your Bank identified corporates that may require additional assistance very early in Q1 of FY2021, which facilitated quick remedial measures. In addition to this, various analyses were undertaken to proactively identify probable stressed portfolios and necessary remedial measures were taken in time. Similarly, impact of the pandemic on multiple industries such as NBFC, Construction, Textiles, Ports, Shipping, and Hotel was carried out. Exposure to sensitive/stressed sectors such as Real Estate/Telecom are reviewed at half-yearly intervals. Sectors such as NBFC, Power, Telecom, Textiles, which are going through a challenging phase, are watched continuously and analysis of new developments are shared with the business groups to enable them to take informed credit decisions. Furthermore, knowledge sharing sessions are conducted for the benefit of the operating staff at various levels. Additionally, monthly dashboard covering top 15 industries is provided to business units detailing the developments in this important Industries / Sectors in these sectors to keep them updated on the latest information/developments.

As of FY2020, credit rating thresholds were based on the outlook of the industry/sector. As the Probability of Default (PD) for industries may not be same, your Bank has decided to shift to a framework for arriving credit rating threshold, based on both the PD and Outlook of the respective industry/sector w.e.f. 1st April, 2020.

Your Bank uses various internal Credit Risk Assessment Models and scorecards for assessing borrower-wise credit risk. Models for internal credit ratings of the borrowers were developed in-house. They are reviewed through cycles of comprehensive validation and back testing frameworks including external validation and review. Your Bank also has in place 'Dynamic Review of Internal Rating' framework, which facilitates early identification of stress and triggers the appropriate mitigation mechanisms.

Your Bank has adopted an IT platform for credit appraisal processes through a Loan Origination Software/Loan Lifecycle Management system (LOS/LLMS). Models developed by your Bank are hosted on these platforms, which are interfaced with CIBIL and RBI defaulters' lists.

Your Bank has a framework for Risk Adjusted Return on Capital (RAROC) and the Customer level RAROC calculation has also been digitised. Furthermore, behavioural models for monitoring and scoring retail borrower performance have been developed and hosted on Credit Risk Data Mart.

Your Bank conducts Stress Tests every half-year on its Credit portfolio. Stress Scenarios are regularly updated in line with RBI guidelines, industry best practices and changes in macro-economic variables.

Your Bank undertakes specific analytical studies to identify trends in movement of NPAs, quarterly review of loan sanction in order to keep track of quality of asset portfolio on regular basis.

Your bank has been tracking the credit portfolio in view of the current Pandemic. Bank performed customised stress testing of all portfolios including Corporate, Retail – Personal segment, SME & Ag portfolios, at periodic intervals during 2020-21 to identify stress built up. Bank has also identified borrowers well in advance to take appropriate mitigation measures. These measures facilitated smooth implementation of various support measures for the stressed sectors.

RBI has allowed your Bank to participate in the parallel run process for Foundation Internal Ratings Based (FIRB) under the Advanced Approaches for Credit Risk. The data under parallel run of FIRB is being submitted to RBI. Models for estimation of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) are hosted in Credit Risk Data mart for computation of IRB capital.

### 2. Market Risk Mitigation Measures

Your Bank's market risk management consists of identification and measurement of risks, control measures, monitoring, and reporting systems. Market risk is managed through a well-defined Board approved Investment Policy, Trading Policy and Market Risk Management Policy and Market Risk Limit Policy that caps risk in different

trading desks or various securities through trading risk limits/triggers for effective and judicious management of investment funds. These risk measures include position limits, gap limits, tenor restrictions, sensitivity limits, namely, PV01, Modified Duration, Value-at-Risk (VaR) Limit, Stop Loss Trigger Level, NOOP, Forex Daylight Limit, LMAT, UMAT and Options Greeks are monitored on end-of-day basis.

Value at Risk (VaR) is a tool used for monitoring risk in the Bank's trading portfolio. Enterprise level VaR of your Bank is calculated daily and back tested daily. The Stressed VAR for market risk is also computed daily. This is supplemented by a Board approved stress testing policy and framework that simulates various market risk scenarios to measure stress losses and initiate remedial measures.

The market risk capital charge of your Bank is computed using the Standardised Measurement Method (SMM) applying the regulatory factors.

Bank undertakes Risk adjusted performance analysis of its domestic and overseas portfolios. It also analyses the credit rating migration of non SLR bonds as a tool for decision making.

## 3. Operational Risk Mitigation Measures

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Key elements of your Bank's Operational Risk Management, among others, include timely Incident reporting, ongoing review of Systems and Controls, enhancing risk awareness through Risk & Control Self-Assessment (RCSA), Theme based RCSA, monitoring of Key Risk Indicators (KRIs) and aligning Risk Management activities with Business Strategy.

Your Bank has a detailed Business Continuity Plan (BCP) in place for ensuring continuity of operations at the Branches and Offices during disruptions. BCP enabled us to ensure minimum business disruption during the natural disasters which occurred during the year such as the cyclones in the eastern coast and the disruption caused by the COVID-19 pandemic.

For FY2021, your Bank has allocated capital for Operational Risk as per the RBI requirements under the Basic Indicator Approach (BIA).

Your Bank observes Risk Awareness Day on 1st September annually to improve its risk culture. As part of sensitisation, Risk Awareness Day pledge was administered, and an online Quiz contest was conducted for the Bank employees. Furthermore, risk awareness is also being embedded through the training system at all levels. In addition to this, training sessions for CFOs of the Circle and DGM (Risk) of Business Units for mitigation of Operational Risk at all Branches/ CPCs/Business Units are being organised regularly.

## 4. Enterprise Risk Mitigation Measures

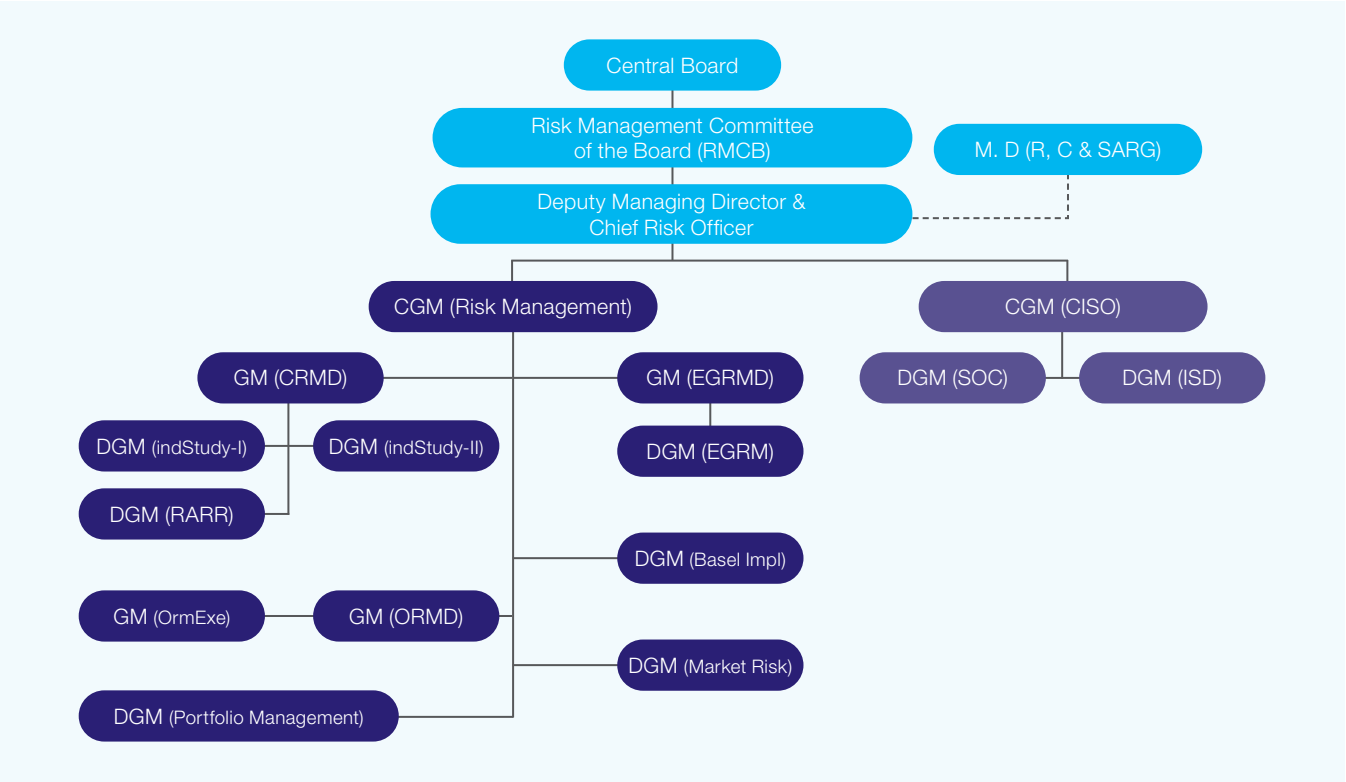
Enterprise Risk Management aims to put in place a comprehensive framework to manage and align risk with strategy at the whole Bank level. It encompasses global best practices such as establishing a Risk Appetite Framework, Risk Culture Assessment framework, Material Risk Assessment, amongst others.

As part of your Bank's vision to transform the role of Risk into a Strategic function, a Board approved Enterprise Risk Management (ERM) Policy is in place.

The Risk Appetite Framework incorporates limits for major risks with monitoring parameters. In order to promote a strong risk culture in your Bank, a Risk Culture Assessment Framework is being operationalised in a phased manner. As part of Material Risk Assessment Framework, a quarterly analysis of risk-based parameters for Credit Risk, Market Risk, Operational Risk and Liquidity Risk, amongst others, is presented to the Enterprise and Group Risk Management Committee (EGRMC)/ Risk Management Committee of the Board (RMCB).

Your Bank conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) exercise on a yearly basis with respect to adequacy of Capital under normal and stressed conditions at Solo and Group level. The document includes an assessment of identified risks at Bank level and at Group level, internal controls and mitigation measures, and capital assessment.

In the ICAAP, besides the Pillar 1 risks, such as Credit Risk, Market Risk and Operational Risk, Pillar 2 Risks, such as Liquidity Risk, Interest Rate Risk in Banking Book (IRRBB), Concentration Risk and others are also assessed, and capital is provided where required. New and emerging risks are identified and discussed in the ICAAP.




## 5. Group Risk Mitigation Measures

Group Risk Management aims to put in place standardised risk management processes in Group entities. Policies relating to Group Risk Management, Group Liquidity and Contingency Funding Plan (CFP), maintaining Arm's Length and requirements for Intra Group Transactions and Exposures are in place. Additionally, monitoring of the consolidated Prudential Exposures and Group Risk components is being done regularly.

All Group entities where SBI has 20% or more stake and management control, including non-banking entities, carry out the ICAAP exercise and a Group ICAAP Policy is in place to ensure uniformity.

## 6. Basel Implementation

The RBI Guidelines on Basel III Capital Regulations have been implemented, and your Bank is adequately capitalised as per current requirements, including maintaining the required level of Capital Conservation Buffer (CCB). Your Bank is identified as D-SIB by the Regulator and is accordingly required to keep additional Common Equity Tier 1 (CET1) of 0.60% of RWAs from 1st April, 2019.

## B. Internal Control

Internal Audit (IA) in Your Bank is an independent activity and has sufficient standing and authority within your Bank. The IA Department, headed by a Deputy Managing Director, works under the guidance and supervision of the Audit Committee of the Board. Your Bank's IA function works in close co-ordination with the Risk Management and Compliance Departments to evaluate effectiveness of controls, assess compliance with controls and adherence to internal processes and procedures. The IA function undertakes a comprehensive risk-based audit of the operating units of your Bank, in line with regulatory guidelines relating to Risk Based Supervision.

Keeping pace with rapid digitalisation in your Bank, the IA function has initiated technological interventions for providing enhanced efficiency and effectiveness through system driven and analytics-based audits.

Some key initiatives include the following:

- Web-based, online Risk Focused Internal Audit (RFIA) for assessing compliance with controls at a granular level
- Analytics-based, continuous assessment of compliable controls through remote evaluation of huge data
- System-driven, analytics based off-site monitoring of transactions
- Concurrent Audit of business units to ensure contemporaneous scrutiny of compliances
- Early review of sanctions to assess quality of loans of ₹1 crore and above
- Online self-audit by branches for self-assessment by branches and vetting by controllers

As part of RFIA, IA Department conducts various audits, viz. Credit Audit, Information Systems Audit, Cyber Security Audit, Home Office Audit (audit of foreign offices), Concurrent Audit, FEMA Audit, Audit of Outsourced Activities of your Bank, Expenditure Audit and Compliance Audit.

Your Bank has created a new wing at IAD to strengthen the overview of the audit of its aggregate risk assessment processes.

In addition to this, it undertakes Management Audit of business verticals to assess their strategic effectiveness and Thematic audits as per the directions of the Audit Committee or the regulators.

**Branch Audit**

IA Department undertakes critical review of the operations of auditee units through RFIA, an adjunct to Risk Based Supervision, as per RBI directives. The domestic branches are broadly segregated into four groups (Group I, Special I, II and III) based on business profile and advances exposures. Your Bank has initiated a system driven process for identification of branches for audit, whereby, analytical algorithms are deployed to identify units displaying significantly different behavioural patterns. This enables your Bank to step in with a prioritised audit to identify the causative factors at these outlier branches and flag the underlying problem areas for early intervention.

During FY2021, the IA Department has completed RFIA of 12,359 units of Domestic Branches & Central Processing Centres (CPCs). Further, Evidence Based Compliance Testing (EBCT) was completed in 3,388 branches identified under Trigger Based Audit (TBA).

**Credit Audit**

Credit Audit is an integral part of Risk Based Internal Audit system, aimed at identification of inherent business risk (credit risk), evaluation of effectiveness of control systems for monitoring the inherent risks (control risk) and may also suggest the remedial measures for controlling the credit risk underlying the high value loan portfolios.

Bank has put in place Risk Focused Credit Audit (RFCA), an effective tool for periodic evaluation of quality of the credit portfolio and to bring about qualitative improvement in credit administration, maintaining the integrity of credit rating process, portfolio quality, through critically examining individual large commercial loans with exposures of above ₹20 crore annually.

**Early Review of Sanction**

A review of all eligible sanction proposals with total credit exposure of above ₹1 crore is carried out under 'Early Review of Sanctions'(ERS). ERS captures the critical risks in sanctioned proposals at an early stage and apprises the Business Units of such risks for mitigation thereof. ERS facilitates in improving the quality of sourcing, pre-sanction and sanction processes. ERS activity has been recently Centralised and under this initiative the services of in-house officers/Chartered Accountants are being taken in place of retired officials for Review of Loan Proposals. This is for the purpose of better control and monitoring and also to build a professional team for Loan Review under ERS. The entire ERS process is system driven and done through the Loan Lifecycle Management Solution.

**FEMA Audit**

The branches that are authorised to deal (Authorised Dealers) in Foreign currency transaction, including Trade Finance Centralised Processing Cells-TFCPC are subjected to FEMA audit. All branches in CAG/CCG/TFCPCs and "A" & "B" category branches not linked to TFCPCs are audited once in a year. Around 20% of branches linked to TFCPC are also audited along with the linked TFCPC depending on the risk perception/volume of Forex operations of the linked branches. During FY2021, 479 such branches/units are subject to FEMA audit.

**Information System and Cyber Security Audit**

Your Bank's branches are subjected to Information System audits ("IS Audits") to assess the IT-related risks as part of RFIA of the branch(es). IS Audit of centralised IT establishments is also carried out by a team of qualified officials, which includes IS auditors appointed through lateral recruitment. During FY2021, IS Audits of 84 centralised IT establishments were completed. In addition to this, a cyber-security audit of your Bank is also executed annually, as per the Cybersecurity Policy of your Bank. Also, ISA takes care of audit of IT-outsourced activities.

**Foreign Offices Audit**

Foreign Offices are subjected to Home Office Audit in addition to Internal Audit conducted locally at the respective centres under the oversight of Internal Audit Department. Home Office Audit due at 17 Foreign Offices and Management Audit due at 1 Representative Office and 1 Subsidiary during FY2021, is deferred to FY2022 due to restrictions imposed on account of COVID-19 pandemic. However, these offices were subjected to internal audit as per approved periodicity.

**Concurrent Audit System (CAS)**

Concurrent Audit System in your Bank covers advances and other risk exposures as prescribed by the regulatory authority. In order to further strengthen the CAS, all Extremely High Risk/Very High Risk/High Risk Branches, categorised as per the risk matrix prescribed by RBI are covered under CAS. Additionally, Concurrent Auditors are placed at all Credit Central Processing Cells to identify shortcomings in underwriting at a very early stage of the client relationship. Your Bank has engaged Chartered Accountant Firms in addition to the retired experienced bank officers and regular officers for audits.

**Off-site Transaction Monitoring System (OTMS)**

For the purpose of monitoring the transactions offsite, scenario-based alerts are generated and flagged to the business units for corrective actions. Presently, there are 54 types of scenarios embedded in the system against which the transactions are scrubbed at regular periods, wherein inconsistent transactions are flagged by the system for affirmation of the related compliances. The scenarios are periodically reviewed and enlarged, depending upon the need and certain triggers.

**Legal Audit**

Legal Audit in your Bank covers scrutiny of the loan and security related documents of loans amounting to ₹5 crore and above. The legal audit is a control function, carried out through a panel of advocates in addition to the scrutiny by the in-house team of internal auditors, to ensure that there are no shortcomings in the documents or creation of security in favour of your Bank. During FY2020-21, legal audit was carried out for 13,535 accounts.

**Audit of Outsourced Activities (Non-IT)**

Your Bank recognises the need of service providers engaged by your Bank to be as compliant with the legal and regulatory requirements as your Bank itself. Therefore, the Audit of Outsourced activities is conducted at regular intervals to gain a reasonable assurance that adequate systems and procedures are in place to mitigate legal, financial and reputational risks that may arise on account of the outsourced activities.

Audit of outsourced activities in your Bank covers audits of vendors (Non – IT) engaged in providing ATM services, Corporate Business Correspondents (BC), Individual BCs and CSPs, Recovery and Resolution agents, Cash Management Services, Cheque Book Printing, Collateral Management, Marketing of Loan proposals, Registrar and Transfer Agents, Document Archival Centre, and Cash Efficiency Project amongst others.

During FY2020-21, your Bank has completed audit of 30,384 CSPs out of 60,776 CSPs engaged under financial inclusion plan. In respect of other outsourced activities audit of 738 vendors as planned was completed.

**RFIA of Corporate Centre departments**

This Department was created to audit and assess the aggregate risk and maintain oversight of risk residing at the macro level. The risk assessment covers inherent risks, control risks, residual risks and gaps in Governance and oversight. It also assesses the degree of compliance to regulatory and statutory requirements". Thus, providing a fair and reasonable assurance to the Senior Management and Board, on the direction and trend of aggregate risk in your Bank.

**Management Audit**

Management Audit covers identified Corporate Centre establishments/Circle's Local Head Office/Regional Rural Banks sponsored by your Bank. The Strategy, Processes and Risk Management at auditee units are covered under the audit.

## C. Compliance Risk Management

Your Bank gives utmost priority to meeting Regulatory and Statutory compliances. Towards this, we have completely revamped our compliance architecture to ensure a sharper focus for tracking areas giving rise to compliance risks and for taking quick remedial steps.

A deep-rooted compliance culture is crucial for the Bank to manage its compliance risk effectively and this is being strengthened through various forms of communication and interactions across the organization.

To forestall any compliance risk, all products, process, policies are vetted from the Regulatory perspective before they are operationalized. A Compliance Risk Management Committee, comprising of Senior Executives from business verticals and support functions, maintains oversight on all compliance related issues. The committee meets regularly and extends necessary guidance to all the internal stakeholders for ensuring Regulatory compliance.

Compliance testing of RBI's regulations and remediation of gaps, if any, is regularly carried out. The testing universe is being expanded to ensure that the control mechanisms are in place to comply with all the regulatory requirements.

## D. KYC / AML-CFT MEASURES:

Bank has a Board approved KYC Policy, in line with the extant RBI Master Direction. The Policy incorporates Bank's approach to KYC, AML and CFT issues. Bank has taken steps to implement provisions of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time.

The policy contains Banks framework for Customer Acceptance, Risk Management, Customer Identification and Monitoring of Transactions. Bank has put in place a robust system containing a combination of manual and system enabled methodology to ensure KYC compliance. No account is opened, in anonymous or fictitious/benami name or where the Branch/Business unit is unable to apply appropriate CDD measures. Bank does not open accounts for transacting in or settling transactions of virtual currencies. However, while implementing the policy, Bank takes care that it does not result in denial of banking services to those who are financially or socially disadvantaged.

To facilitate contactless customer onboarding, Video Customer Identification Procedure (V- CIP) has been rolled out nationally. Using this process, new customers can open fully functional accounts without visiting any Branch.

AML CFT Deptt of the Bank takes care of ongoing due diligence through transaction monitoring. Bank follows a risk-based approach wherein Customers are categorized as low, medium and high risk, based on the assessment and risk perception. Bank takes care of filing of obligatory reports to Financial Intelligence Unit-India (FIU-IND). Suitable reports are also filed on priority in cases of accounts, suspected of having terrorist links.

Several initiatives are put in place to bring greater awareness amongst the staff. Ongoing employee training programmes are conducted by the Bank so that the members of staff are adequately trained in AML/CFT policy. AML-CFT Day is being observed on 2nd November every year wherein pledge is taken on that day at all branches/processing centers and Administrative Offices. Similarly, 1st August is observed as KYC Compliance and Fraud Prevention Day.

## E. Insurance

Your Bank is procuring insurance policies, covering your Bank's assets and other risks. Insurance coverage includes cash and valuables, Properties of the Bank, Fraudulent transactions under Debit Card/Electronic banking, and Cyber Risk, amongst others.

## F. Premises

**IGBC Green Building Awards :**

1. Our prestigious State Bank Bhavan building at Nariman Point has received the Excellence award in IGBC Performance Challenge 2020.
2. Further the IGBC rating of State Bank Bhavan has been upgraded to Gold from the existing Silver rating obtained in 2017. Remarkable improvements in areas such as water efficiency, Energy efficient lights, Energy efficient Sewage treatment plant, Cooling tower of air conditioning plant and Organic farming etc. have helped us in achieving this rating. We have also obtained **"Platinum"** Certification from IGBC for our **"Dunedin Bungalow"**. At present, SBI has a total of eight IGBC rated Green Buildings.

## 4. Official Language

Your Bank has an extensive geographical footprint across the world and caters to thousands of customers through its 22,219 branches and 62,617 ATMs, offices located abroad and various banking channels. Close to 2,06,000 staff members of the Your Bank (excluding subordinate staff) are committed for propagating the use of the official language in the Banking industry through various channels set up by your Bank.

Following are the innovative initiatives for spread and usage of Official Language by State Bank of India:

1. Internet banking website 'Online SBI' is now available in 12 languages – Hindi, Tamil, Marathi, Gujarati, Kannada, Oriya, Bangla, Punjabi, Telugu, Malayalam, Konkani and English.
2. SBI Quick Application has been made available to customers in Hindi, Marathi and English, which includes Bank's holiday calendar, ATM card services, mobile top up/ recharge. Furthermore, facilities such as Pradhan Mantri Social Security schemes, ATM branch locator, among other schemes have also been provided.
3. Internet banking site Online SBI has been made available in 14 Indian Languages.
4. BHIM Pay SBI is available in Hindi, Tamil and English.
5. SBI's YONO LITE App is available in 12 Indian languages. Further, YONO Krishi App has been made available in 10 Indian languages including Hindi, Tamil, Telugu and Malayalam.
6. SBI Quick App has been made available in 14 Indian languages.
7. Our call centres are currently providing solutions in 13 languages, with more than 80% of the queries being made in Indian languages.
8. Bank's revamped website 'BANK. SBI' is available in Hindi and English.
9. The ATM screen as required by the Department of Financial Services and its slip has the option of Hindi and local language. Passbook printing, net banking, Statement of account are also being provided in Hindi.

**All India Webinars Conducted:**

1. The Official Language Review Meeting of all the 17 Circles was held on 18th June 2020 at the Corporate Centre, Mumbai.
2. Webinar on the subject "Customer Satisfaction" was held on 29th June 2020 at Bengaluru.
3. Training programme for Probationary Officers was held on 19th June 2020 at Kolkata.
4. All India Group Discussion on Implementation of Sustainable Development Goals for Sustainable Life was held on 19th September 2020 in collaboration with the Department of Sustainability.
5. In collaboration with Department of Sustainability and FICCI, a webinar on the subject impact of COVID-19 on achieving the Sustainable Development Goals, was organised on 25th September 2020. Deputy Managing Director (HR) and Corporate Development Officer chaired the webinar, which was attended by a large number of state Bank members including FICCI officials.

**Various Programmes for the Dissemination of the Official Language:**

1. A webinar on the subject "Official Language Implementation for Official Language Officers: Future challenges and possibilities" was held on 29th June 2020, at the Corporate Centre, Mumbai.
2. A discourse programme was held with Dr Sumeet Jairath, Secretary, Department of Official Language, Ministry of Home Affairs, Government of India, New Delhi on 17th September 2020. The Seminar was attended by Rajbhasha Officers and Circle Development Officers all over India and was chaired by DMD (HR) & CDO.
3. A seminar on the subject "Writings of Premchand and the Indian Society" was held on the occasion of Premchand Jayanti on 31st July 2020. Dr Karunashankar Upadhyay, Head of the Department of Hindi, University of Mumbai presided, and Deputy Managing Director (HR) and Corporate Development Officer chaired the seminar.
4. Webinar for all the Officers, translators and staff members of the Department of Official Language was organised under the Chairmanship of General Manager (Official Language & Corporate Services) on the latest concepts related to translation was held on 22nd July 2020 with the objective of familiarising the concepts of simple translation. Dr Srinarayan Singh, former Director, Central Translation Bureau, Government of India was invited to acquaint the members with the latest concepts of translation.
5. Hindi Fortnight was successfully organised in a fully online mode this year. Apart from the various regular competitions, your Bank successfully conducted all India Online Hindi Quiz wherein about 10,000 staff members participated.

**Other initiatives:**

1. Special issues of Prayas were published – April-June was on Ethics, July-September issue was on CSR, October-December issue was Positivity and January-March issue focused on International Women's Day.
2. Trilingual Banking Terminology (English, Kannada & Hindi) was published by your Bank's Bengaluru Circle, which was inaugurated by the Parliamentary Committee on Official Language 7th October 2020.
3. Official Language Fortnight was held in all Offices/Branches of State Bank of India and the fortnight was celebrated with gaiety and enthusiasm.
4. In order to increase the readership and for reaching out to more and more people, WEBPRAYAS was launched, which was developed In-house on SharePoint. Listeners can listen/ read subject wise articles, poems, and stories as per their choice and interest.
5. Mobile Edition of WEBPRAYAS was launched by DMD (HR) & CDO on 18th March 2021. Audio version of Prayas magazine can be heard on

one's Mobile anytime and anywhere simply by scanning QR Code on mobile phone.

**Awards and Recognition:**

1. State Bank of India's home magazine 'Prayas' has been conferred with Kirti Puraskar by Department of Official Language, Ministry of Home Affairs, Government of India for the fourth time. The award would be presented by the Honorable President of India.
2. State Bank of India, Local Head Office Patna and Administrative Office Kottayam were conferred with regional awards for implementation of official language by Government of India, Department of Official Language, Ministry of Home Affairs for the year 2019-20.
3. Our Bhubaneswar, Jabalpur, Surat and Indore Town Official language Implementation Committees bagged Regional Prizes for best implementation of Rajbhasha.
4. A translation competition was organised by the Department of Language, Ministry of Home Affairs, GOI to prepare a global data base for translation in the Banking sector by the name of Kanthasth. The competition had the best performance of State Bank of India among all Central government ministries and offices (including Indian Railways and Security Forces) in all public sector establishments, all public sector Banks and insurance companies. 9 officers were awarded certificates by Secretary, Department of Official Language, Ministry of Home Affairs and citations were given to all the winners by Deputy Managing Director (HR) & Corporate Development Officer.

## 5. Marketing and Communications

The Marketing and Communications (M&C) Department is responsible for your Bank's initiatives towards branding, product marketing and corporate communications. With the objective of optimizing its efforts in promoting the products and services by adopting contemporary marketing approach and to give impetus to the digital initiatives and connect with the youth, the M&C Department endeavors to develop and implement integrated marketing strategies to address business challenges of different divisions of your Bank including Indian and overseas operations. This department comprises of domain skilled professionals and specialists drawn from various relevant fields - media, marketing communications, digital marketing, advertising, and public relations.

During the year of Pandemic, even though the branches and ATM's were functioning uninterruptedly, the focus of your Bank's M&C team was to promote SBI's digital initiatives and the efforts of employees during the times of COVID-19. For this, your Bank undertook initiatives to increase the download of SBI's digital banking channels like YONO, SBI BHIM Pay, INB, etc. and get customers to use them more and more. We also undertook digital initiatives like #GharseBanking, #Khushiyonkaswagat, etc. along with several other campaigns for customer awareness about our digital products and services which could be availed sitting at home during the time of Lock Down.

The Department has further strengthened its process on integrating marketing efforts across all Business Units and has set up a suitable process for initiating any marketing campaign. The M&C team launched major marketing campaigns for products such as Home Loans, Personal Loans, Current Account, NRI Services, and Digital Products. The Department also initiated an integrated approach to drive consideration for the range of retail loan products. Different media channels such as print, social media, ATMs, etc. were used for all these campaigns. The Department also promoted several of its sustainability initiatives and CSR through various forms of media.

Going forward, along with the other marketing initiatives, your Bank plans to further promote its various digital initiatives along with its flagship product YONO. The thrust of the department is to constantly redefine and reinvent all its marketing initiatives to stay relevant and act as a change catalyst for State Bank of India to position itself as one of the most vibrant and trusted brands.

## 6. Vigilance Mechanism

1. There are three aspects to the vigilance function- Preventive, Punitive and Participative. Based on past experiences/incidences, system/process improvements are being under taken continuously by leveraging technology and guidelines of the Bank are being streamlined as a preventive vigilance measure.

Wealth Hub Mysuru Inauguration by the Chairman

2. During this year Vigilance Awareness Week was observed from 27th October 2020 to 2nd November 2020, with the theme "Satark Bharat, Samriddh Bharat (Vigilant India, Prosperous India). As a part of observance of Vigilance Awareness Week, "Integrity Pledge" has been administered to all staff members. All channels of Bank such as SBI Times, ATMs, CDMs, Internet Banking, Facebook, Twitter, Instagram, Linkedin are used to create awareness among employees and public on the theme of Vigilance Awareness Week (VAW). During the VAW, we held a conference of CVC with the Top Management of the Bank. The Commission was presented with the elaborate Preventive Vigilance measures taken by the Bank. Commission appreciated various measures taken by the Bank. During this period, while strictly adhering to extant Covid-19 guidelines, actions relating to internal house keeping were taken up in campaign mode. A "Vigilance Bulletin" was published incorporating case studies and other important guidelines to provide awareness amongst employees.

3. During the financial year under review, the following measures were initiated in order to improve the effectiveness of vigilance administration and timely disposal of disciplinary cases.

i. DFS has appointed 6 Additional Chief Vigilance Officers (ACVOs) on deputation basis, in the Bank, to strengthen Vigilance Administration and to support CVO. Out of 6 ACVOs, 4 are posted at 4 Zones (North, South, East and West) and 2 at Corporate Centre to handle cases of Corporate banking (CAG, CCG, IBG & SARG) and Subsidiaries and RRBs. The roles and responsibilities of these ACVO are finalised and required infrastructure is created for them. With appointment of ACVOs for Subsidiaries & RRBs, the vigilance administration of RRBs & Subsidiaries is brought under direct supervision of CVO.

ii. In order to put in place a mechanism to monitor the progress of staff accountability examination in respect of large value frauds of ₹50 crores and above, a Committee namely "ABBFF Review Committee" under chairmanship of MD (CB & GM) has been constituted. This Committee will review the progress of all cases being referred to ABBFF at bi-monthly intervals. The reviewed status report is being shared with all stakeholders to initiate prompt action, as desired at their end, so that the timelines prescribed by ABBFF can be met.

iii. To take holistic view in the disciplinary cases and to ensure uniform decisions and speedy disposal, centralized DAs have been created and 5 DAs (4 Hubs, 1 at CCG) have been posted / designated.

4. Vigilance Department has conducted 193 preventive vigilance programmes and trained 3735 officers. Suo-motu investigations have been conducted in 768 branches to ensure preventive measures are made effective.

5. During the financial year 2020-2021, a total of 1,716 cases (including 908 new cases) were taken up for examination, out of which 1045 cases have since been closed.

## 7. Asset and Liability Management

Efficient Management of Assets and Liabilities (ALM) is vital for sustainable and qualitative growth of Banks. ALM aims to strengthen Balance Sheet by pro-actively reviewing the market dynamics, capturing the signals emanating therefrom and assessing the regulatory requirements to ensure value creation.

As part of sound Risk Management practices, your Bank has been constantly reviewing its Internal Policies on 'Deposits', 'Asset and Liability Management', 'Stress Test on Liquidity and Interest Rate Risks', 'Contingency Funding Plan' and adapting changes in the market conditions. Bank has been carrying out Reverse Stress Test to take care of the eventual risk that may crop up as a worst-case scenario.

Studies are conducted at regular intervals to assess the behavioral pattern of customers (embedded options available to customers) in order to give proper treatment to the non-contractual items of assets and liabilities while assessing liquidity position. Behavioral analysis is being carried out at half-yearly intervals to ensure accurate positioning of outflows/inflows, in liquidity and interest rate sensitivity statements, that arise due to off-balance sheet exposures, impact of probable loan losses etc. The prevailing assumptions relating to non-contractual items of assets and liabilities are periodically reviewed and updated based on the outcomes of the latest studies.

The stock of High-Quality Liquid Assets (HQLA) and cash outflows are effectively monitored on a daily basis under dynamic market environment to ensure maintenance of LCR as prescribed by the Regulator as well as Bank's ALM Policy benchmarks.

Your Bank has proactively implemented the NSFR guidelines of RBI measuring the long-term resilience of the Bank in terms of liquidity, which is coming into force effective from 1st October 2021.

Your Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures from both a short-term and long-term perspective. For this purpose, impact on Earnings at Risk (EaR) and Market Value of Equity (MVE) is assessed with pre-defined tolerance limits which enables the Management to initiate appropriate preventive steps in a likely scenario of erosion in NII / Net Worth.

In order to encourage branches to garner stable funds and assess their profitability based on cost of funds, a matched maturity-based Funds Transfer Pricing was implemented by your Bank.

The Asset Liability Management Committee (ALCO) of your Bank monitors and manages Liquidity and Interest Rate Risks by constantly modulating the asset-liability mix in the Balance Sheet. ALCO, inter alia, reviews the Interest Rate scenarios, pattern of growth of liability products, credit growth, competitive advantages, liquidity management, adherence to the regulatory prescriptions and pricing of liabilities and assets from time to time.

Your Bank has been in the forefront of monetary policy transmission, having achieved adequate level of transmission through its lending rates and has taken additional steps to expedite the transmission process by reducing its MCLR reset frequency from 1 year to 6 months for eligible floating rate advances. The Bank

had also transmitted the Repo rate cuts during the year in entirety through its EBLR.

With automation of Regulatory Reports/ Returns pertaining to ALM, your Bank is better positioned in monitoring and compliance in respect of Liquidity and Interest Rate Risk Management.

## 8. Ethics and Business Conduct

Your Bank established the Ethics & Business Conduct Vertical in the year 2017. The moot idea behind the decision was to further strengthen and integrate ethics in the operational fabric of the Bank in a more overt and structured manner. A flagship initiative in the entire Indian Banking and Public Sector landscape, it was yet another reiteration of your Bank's strong commitment to uphold the highest standards of integrity and conduct. What started from a scratch, has over the period of time shaped into a robust, comprehensive and an effective organisational ethics framework. Ever since inception, the Ethics and Business Conduct vertical of your Bank has been carrying out a host of initiatives and programs. A quick glance of the major ethical initiatives so far, the formulation of the Vision, Mission & Values Statements of your Bank, in sync with the employee expectations and the changing times, articulated the basic guiding principles, both at an individual and institutional level. The core Values of the Bank were the foundations on which the Bank's Code of Ethics was ideated and designed. Today, pivoted around its Values and the Code, the entire ethical program of your Bank is optimally primed to permeate and percolate exalted behavioural norms across all levels.

While the ethics program is mostly tech driven, to further leverage the digital, major initiatives like development and operationalisation of Ethics Website, Business Conduct and Discipline Management Online Processing Portal & Dashboard and GARIMA, an online portal for lodging sexual harassment related complaints, were taken and concluded in the recent times. Various policies that can have an influence on the employee ethical behaviour like Gift & Entertainment, Social Media etc have also been constantly reviewed, updated and circulated in the Bank.

Release of Policy Guidelines by the Chairman

Your Bank's commitment towards nurturing an inclusive, secure and a high trust workplace for its women employees is driven by the Garima (POSH) framework. Towards this end, many activities that cover the entire process cycle- education, escalation and empowerment- on matters relating to gender-sensitivity and sexual harassment have been undertaken. In the area of consequence management, workflows have been reviewed, streamlined and where required, redesigned to ensure a fairer, faster and a more efficient Discipline Management structure. This has ensured that the ethical transgressions are adequately dealt with promptly and in a transparent manner, which is one of the key requirements of fostering an ethical culture in an organisation.

The FY 2020-21, for the major part, was marked by disruptions caused by the Pandemic. However, the operational resilience built in the preceding years, by constant integration of the digital platforms in all work spheres, ensured that the entire gamut of activities of the Ethics & Business Conduct vertical continued unaffected and uninterrupted, just like the pre-covid times. On the contrary, the scope and span of it further expanded. In addition to the one existing, three new daily email broadcast series were started. These were based upon developing leadership traits, employee well-being and practising ethics beyond the workplace. Similarly, in addition to the one existing, a new weekly blog series was ideated. Viewing the major corporate failures from the moral lens, it was a brief commentary as to what went wrong from an ethical perspective. The abridged version of the Bank's Code, The Code of Ethics in Brief, was prepared for circulation amongst the new entrants during onboarding. A comprehensive online certification module on the Code, the successful completion of which is digitally certified, was also designed and hosted on the intranet.

In the area of Discipline Management, your Bank has completed the operationalization of centralized Disciplinary Authority (DA) structure for Officers up to SMGS-V. The framework is serving well its intended purpose of bringing in uniformity of approach in handling the disciplinary matters across the spectrum. Last but not the least, even amidst the disruptions, your Bank reached out to the newly selected Probationary Officers, newly promoted JMGS-I and the officials working in the consequence management setup through a series of webinars on Ethics, GARIMA-POSH and Discipline Management touch basing close to 3000 officials. In addition, customised workshops on ethics for the various internal verticals were also conducted.

The journey to perfection is lengthy and a patient trudge. Your Bank, that has already come a long way, looks forward to continuing with the same zeal and enthusiasm on its goal to attain ethical excellence, a perquisite to enhanced brand equity and continued success.

## 9. Corporate Social Responsibility

Social Responsibility is deeply ingrained in the culture of your Bank. Consequently, it has been undertaking various social welfare initiatives for creating lasting social impact. The objective of CSR policy in the bank is to:

- Participate in activities that benefit community development, social responsibility and environmental sustainability, so as to reach out to socially and economically disadvantaged sections of society.
- Accord primacy to support national priorities such as Swachh Bharat Abhiyan, Jal Shakti Abhiyan, Beti Bachao Beti Padhao, and River Rejuvenation, amongst others.

The focus areas of your Bank's CSR activities for FY2021 include healthcare, education, livelihood, sports, welfare of armed forces veterans, skill development, environment sustainability, protection of National Heritage, empowerment of women, youth and senior citizens.

### CSR Spend during FY2021

In terms of the Reserve Bank of India guidelines, your Bank can spend up to 1% of its previous year's profits towards its CSR efforts. The net profit of your Bank for FY2020 was ₹14,488 crore. Accordingly, the budget for CSR for FY2021 was ₹144.88 crore. An amount of ₹71.18 crore has been allocated to SBI Foundation for carrying out CSR activities on project mode.

(₹ in crore)

| | FY2021 CSR Expenditure |
|---|---|
| National Donations | 26.00 |
| Donations & other direct activities including RSETIs (for capex expenditure) | 47.70 |
| **Total** | **73.70** |
| SBI Foundation | 71.18 |
| **Total CSR spend** | **144.88** |

**SBI's Fight against COVID-19:**

Your Bank has spent a total of ₹43 crore, which constitutes around 0.30 % of net profit, towards the Banks' support in fight against the COVID-19 pandemic. Some of the initiatives include:

- Your Bank has committed ₹30 crore to implement various COVID-19 relief programmes through the following key intervention areas – providing food relief with support from on-ground implementation partners PAN India; distribution of PPE kits PAN India; strengthening healthcare infrastructure by procuring ventilators and other health equipment for government hospitals across India; capacity building of healthcare workers with ECHO India; supporting initiatives for students mental well-being during the COVID-19 pandemic; and supporting two R&D projects to fight the COVID-19 outbreak in tie-up with the Indian Institute of Science (IISc).
- Your Bank has donated ₹11 crore to PMCARES fund, as support towards Covid 19 Vaccination drive.
- ₹1 crore has been donated to the Apollo Hospitals Educational and Research Foundation to set up medical rooms at six centres in collaboration with OYO and Apollo Hospital under the aegis of Apollo Hospitals Educational and Research Foundation.
- Your Bank has donated ₹1 crore to Mumbai Police Foundation, for the welfare of the families of Covid warriors, who died while discharging their duty.

**Supporting Girl Education and their Welfare:**

- As a part of the 'Beti Bachao Beti Padhao' campaign of the Government, Your Bank has committed to provide an education grant of ₹1000 per month to 8,333 girl children of war-veterans/ex-servicemen/war-widows for a period of one year. Total amounting to ₹10 crore.
- Your Bank has supported in the education and welfare of 10 girl children through Shanti Sahyog, New Delhi for a period of one year. Care and nurture of 16 girl children has been undertaken through Universal Smile Trust, Kolkata.

**Supporting Sports and Athletes:**

- As a socially responsible organisation, your Bank has extended whole-hearted assistance in funding for the Target Olympic Podium Scheme of Ministry of Youth Affairs and Sports. An amount of ₹5 crores have been donated to the National Sports Development Fund for the cause of athletes participating in Olympic games.

**Supporting Health Care:**

To address the health challenges of the society, your Bank demonstrated its commitment to the society it serves. Your bank provides basic infrastructure to various Hospitals, NGOs, Trusts working for society under Health Sector improve the

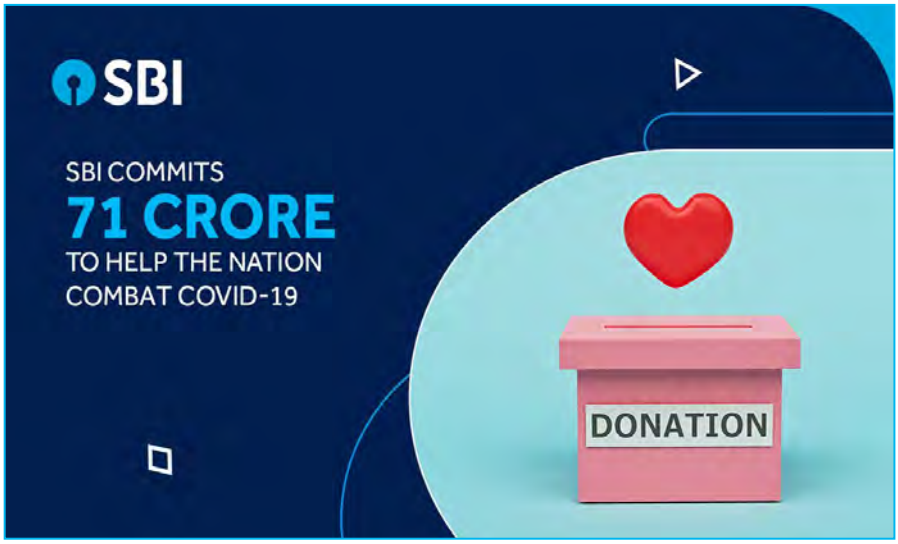
conditions of the common man. To deliver quality healthcare to those belonging to underprivileged and economically weaker sections of the society, your Bank has supported to the cause by taking some of the initiatives in Health Sector.

- Support for Medical treatment of Cancer patients at Gujarat Cancer Society
- Donation of Medical and Electrical equipment to cataract patients at Ramakrishna Math, Antpur
- Donation of high-end Medical equipment FISH (Fluorescent microscope with fish software, hybridising chamber and Fish probes and implementation kit) used to detect molecular and genetic status in cancer patients
- Procurement and Installation of Dialysis Machine and Dialyzer reprocess machine for kalapurnam General Hospital at khichan village of Phalodi Tehsil, Dist Jodhpur
- Support to Eye Operation of 50 Poor and needy students at Shri Labhmuni Jansewa Trust, Mandsaur
- Your Bank has adopted 25 Children suffering from Acute Myeloid Leukaemia (AML), through Cancer Patients Aid Association (CPAA)
- Your Bank has donated Mobile Cancer Screening Unit to Nandamuri Basavataraka Ramarao Memorial Cancer Hospital, Hyderabad
- Your Bank has also supported to various Trust Hospitals by donating ambulances, setting up of Operation Theatre, and donating medical equipment, amongst others

**Supporting Education:**

Your Bank always strives to support education of weaker social group in remote, unreachable and underdeveloped areas. The areas covered are given below:

- Financial help for Education programme for 100 Children with disability in community schools at Vijapura District, Karnataka for a period of 18 months from October 2020 to March 2022
- Purchase and installation of Solar Power Plant at Badhit Senior Secondary School, Ajmer. School provides vocational training to 260 deaf students
- Donation to Kat-Katha NGO for women empowerment and children education of trafficked women at GB Roard, Delhi
- Your bank has helped in setting up of computer labs and robology labs for the needy and destitute students
- Support rendered to various NGOs and trusts working in the field of education for children by donating school buses, study equipment, and providing education facilities




**Skill Development:**

Rural Self Employment Training Institutes (RSETIs): India is one of the youngest nations in the world with more than 50% of its population below 25 years of age. Employability of the growing young demography is one of the important factors in the economic development of the country. The skill development initiatives support the supply of trained manpower.

Your Bank has set up Rural Self Employment Training Institutes (RSETIs) across the country as an institution to help and mitigate the unemployment and under-employment problem among youth in the country. During the FY2021, your Bank had allocated an amount of ₹22.50 crore for capex expenditure to 17 RSETI buildings.

**Swachh Bharat, Environment Protection and Sanitation:**

Your Bank is committed to the Government's mission of "Swachh Bharat" and has undertaken several initiatives across the country, which include providing sanitary napkin vending machines, dumper bins, and machines for plastic recycles, amongst others. Your Bank is also committed to environment protection and contributes positively to reduce the carbon footprint. The major initiatives implemented by your Bank are as follows:

- Donation of Lab Equipment and construction/renovation of five disabled friendly toilets at Leprosy Mission Trust
- Tree Plantation at Ahmedabad, Miyawaki System, organised by Green Leaf Trust and supported by SBI
- Donation to Prabhav Foundation Green Park, New Delhi towards plantation of tree plantation on the banks of Yamuna river near Kalindi Kunj and Abul Fazal Pond, New Delhi

**Women Empowerment**

Your Bank is committed towards strengthening women empowerment and care for senior citizen. The major initiatives taken in this space are as follows:

- Setting up of a stitching training Center for women at Shri Sewa Bharti Siksha Samiti, Indore
- Setting up of a Computer Library with 10 workstations and necessary software at The Hindu Women's Welfare Society (Shradhaanand Mahilashram)
- Your bank has supported Khirpai Ramakrishna Sarada Sevashrama, towards construction of dormitory for poor and underprivileged women

**Welfare of Tribal People and Persons with Disabilities**

Your bank has supported welfare of Persons with Disabilities by donating prosthetics legs, wheelchairs, braille kits and other equipment for the use by the persons with disabilities.

Special activities have been undertaken for the upliftment of tribal people by providing avenues for self-employment and providing facilities for their well-being.

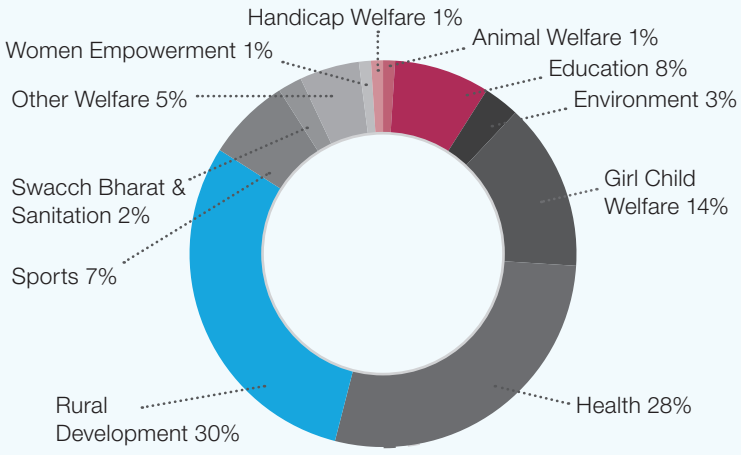
**Animal Welfare**

- Your Bank has adopted tigers and other endangered animals for their welfare for a period of one year through various zoological parks and animal shelters
- Support granted for installation of Bird Perching Stands at Kolleru Wildlife Sanctuary for the welfare of rare species of birds

**Support during Natural Calamity**

- Your Bank has contributed towards environment-friendly measures by understaking the plantation of 15,500 saplings across the "Amphan" affected coastal area of South 24 Parganas District, West Bengal
- Support rendered to flood hit areas in Hyderabad by providing essential items to the people who were affected by the floods.

**SECTOR WISE SPENT FY2021**



**Employee Volunteer - SBI Children's Welfare Fund:**

With the concept of "Charity begins at home", your Bank had established a Trust in 1983, SBI Children's Welfare Fund, an initiative undertaken by the staff members. The Trust was created by the voluntary contribution from the employees of your Bank towards the betterment of the underprivileged children and orphans. The interest earned on the corpus of the fund is utilised to extend grants to selected institutions that are engaged in the welfare of underprivileged children viz. orphans, differently abled, destitute and deprived. During FY2021, total contribution of ₹0.54 crore has been received from the staff of the Bank and your Bank has donated an amount of ₹0.64 crore to 8 institutions/organisations across the country, which are working for the welfare of the children who are from the marginalised and downtrodden section of the society including PWDs.

# V. Subsidiaries

## SBI CAPITAL MARKETS LIMITED (SBICAP)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit (losses) Mar 2021 |
|---|---|---|---|
| SBI Capital Markets Ltd. | 58.03 | 100% | 273.25 |
| SBICAP SECURITIES LIMITED (SSL) | NOT APPLICABLE | | 207.12 |
| SBICAP VENTURES LIMITED (SVL) | | | 37.04 |
| SBICAP (SINGAPORE) LIMITED(SSGL) | | | (4.15) |
| SBICAP TRUSTEE CO. LIMITED (STCL) | | | 12.98 |

SBICAPs is India's leading investment banker, offering a bouquet of investment banking and corporate advisory services to diversified clients across three product groups - Project Advisory and Structured Finance, Equity Capital Markets and Debt Capital Markets. These services include Project Advisory, Loan Syndication, Structured Debt Placement, Mergers and Acquisitions, Private Equity, Restructuring Advisory, Stressed Assets Resolution, IPO, FPO, Rights Issues, Debt and Hybrid Capital raising. SBICAP is also involved in fund raising through new product such as Real Estate Investment Trusts (REIT) and Infrastructure Investment Trusts (InvIT) in line with Government's Asset Monetisation Plan.

The ranking of SBICAP across the product groups are given below:

- Ranked No. 1 - India Borrower Loans in Local Currency (INR) - Mandated Lead Arranger - market share of 74.4% as per Bloomberg league tables.
- Ranked No. 1 ranking in Emerging Markets, Merger and Acquisition deals in India as per Refinitiv.
- Ranks 3rd in FY21 with market share of 12.13% in Debt capital market space as per the Bloomberg League Table.
- Ranks No. 3 in the league tables with a market share of 69.5% by Issue Amount in Equity Capital Market space as per Prime Database.

On a standalone basis, SBICAPs posted a PBT of ₹383.25 crore during FY 21 as against ₹275.56 crore during the FY20 and a PAT of ₹273.25 crore for FY 21 as against ₹215.43 crore for FY 20. On a consolidated basis it has posted a profit of ₹527.10 crore as against ₹334.49 crore in the previous year.

### A. SBICAP SECURITIES LIMITED (SSL)

SSL, a wholly owned subsidiary of SBI Capital Markets Limited, besides offering equity broking services to retail and institutional clients both in cash as well as in Futures and Options segments, is also engaged in Retail Distribution of other financial products such as Mutual Funds, Tax Free Bonds, Home Loan, Auto Loan, amongst others.

SSL has over 101 branches and offers Demat, e-broking, e-IPO, and e-MF services to both retail and institutional clients. SSL currently has around 24 lakh clients. The Company posted a net profit of ₹207.12 crore during FY 21 as against ₹84.94 crore in FY 20.

### B. SBICAP VENTURES LIMITED (SVL)

SBICAP Ventures Ltd (SVL), a wholly owned subsidiary of SBI Capital Markets Limited, presently manages two funds: Neev Fund & SWAMIH Investment Fund I.

Neev Fund is SEBI registered Category I AIF with a mandate to invest in infrastructure development of eight low-income states. SVL is a General Partner in Neev Fund with ₹63.64 crores investment which is 12.61% of fund size. The fund has fully invested its investible corpus of ₹447.99 crores across 10 portfolio companies. SVL plans to announce launch of SVL-SME Fund (Neev II) in Q-1 FY 2022.

SWAMIH Investment Fund I is SEBI registered Category-II AIF which achieved its first close on December 6, 2019 at ₹10,037.50 crores with Government of India and public sector banks and institutions as investors in the Fund. It has mandate to provide last mile funding to stalled housing projects. The Fund has disbursed ₹1,268.40 crores across 38 projects.

The company is also selected as Asset Manager for two Fund of Funds -Self Reliant India Fund and UK India Development Cooperation Fund which are in the process of operationalization.

The Company posted a net profit of ₹37.04 crore during FY 21 as against ₹11.01 crore in FY 20.

### C. SBICAP (SINGAPORE) LIMITED (SSGL)

SSGL is a wholly owned subsidiary of SBI Capital Markets Limited. It commenced business in December, 2012. SSGL is in the process of winding up of operations.

### D. SBICAP TRUSTEE CO. LIMITED (STCL)

STCL is a wholly owned subsidiary of SBI Capital Markets Limited. STCL commenced Security Trustee business from 01st August, 2008.

STCL posted Net Profit of ₹12.98 Crores during the period ended FY 21 as against ₹20.52 crores for the period ended FY 20.

STCL plays an active role in providing Security Trustee Services to High Value lending to Infra Projects, Large and Medium Corporates and is the No.1 Security Trustee in the industry. They also have significant presence as Debenture Trustee in the Debenture/Bond market.

Further, STCL have added the role of Facility Agent, Document Management Systems (DMS) and Securitization in their line of services.

## SBI Cards & Payments Services Limited (SBICARD)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | PAT (₹ Cr) FY21 |
|---|---|---|---|
| SBI Cards and Payment Services Limited | 652.63 | 69.39% | 985 |

SBI Cards and Payment Services Limited (SBICARD) is a subsidiary of State Bank of India wherein State Bank of India holds 69.39% stake. SBI Cards and Payment Services Limited (formerly known as SBI Cards and Payment Services Private Limited) is a non-banking financial company that offer extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel & fuel and banking partnerships cards along with corporate cards covering all major cardholders' segments in terms of income profile and lifestyle. It has diversified customer acquisition network that enables to engage prospective customers across multiple channels. SBI Card is a technology driven company.

During FY21, the company operated in an adverse macro-economic environment affected by the COVID pandemic. Post easing of COVID lock-down there has been a strong business recovery in terms of higher new accounts, spends and receivables. However, the credit risk situation continues to be impacted by macro-economic variables surrounding us leading to higher credit costs. The company undertook several initiatives to improve collections and recoveries. To cover itself for future credit risks, the company has provided higher provisions and the overall management overlay stands at ₹297 Cr as on Mar'21. This is over and above the base provisions of ₹1,358 Cr.

The company achieved Earnings before Credit Costs (EBCC) of ₹4,024 Cr at 10% YoY and Profit after Tax (PAT) of ₹985 Crore in FY21 as compared to ₹1,245 Crore in FY20.

**Financial Highlights (FY21)**

- PAT 985 Cr
- Cost to income 53.6% (FY20 56.6%)
- Diversified borrowings mix, adequate banking limits available.
- Healthy CAR @ 24.8%, T-1 @ 20.9%
- GNPA @ 4.99%, NNPA @ 1.15%

**Other Business Highlights FY21**

- Card base of 1.18 crore.
- 12% growth in cards; 4% growth in receivables.
- Consistently ranked #2 in terms of both cards and spends.
- Market Share*: cards 19.0% (FY20 18.3%), spends 19.5% (FY20 17.9%) (*as per RBI report available till Feb'21)

**New Launches and Partnerships**

- Launch of IRCTC RupayCard
- Launch of SBI Amex Card
- Partnership with PayTM : Paytm SBI Card, Paytm SBI Card SELECT
- Partnered with key players, including Google Pay and Jio Pay, to further the digital partnerships and portfolio.
- Launch of BPCL Premium Card : BPCL SBI Card OCTANE
- Launch of a new cobranded Card: Delhi Metro SBI Card
- Launch of Aurum Card to target super affluent, an invitation only card enriched by exclusive privileges along with a personalisedkit and Metallic Card.

**Digital campaigns**

- Contactless Ad Campaign (Sep-Oct'20)
- Festive campaign 'Apnepanwaalidiwali' during Q3'FY21
- Contactless Ad Campaign and SBI Card mobile app campaign in Q4'FY21

**Significant Awards received during FY21:**

- Iconic Brand of India 2020 at the Economic Times Iconic Brand Digital Conclave held on 30th June 2020.
- Bronze Award for Best-in-Class Contact Centre (Over 100 seats) in Customer Contact Week Asia Excellence Awards 2020 in Oct 2020
- SBI Card Pay won InnTech2020 Award. The award was won by SBI Card and Mahindra Comviva jointly in Nov 2020
- SBI Card has received two awards under the category of Disaster Recovery and Storage Technology
- SBI Card won in Best Advance in Mobile Learning Technology for the year 2020
- SBI Card has been awarded for the Best-in-Class Enterprise-wide Digital Transformation by The Economic Times in March 2021.

## SBI DFHI LIMITED (SBI DFHI)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit (losses) 31st March 2021 |
|---|---|---|---|
| SBI DFHI Ltd. | 131.52 | 69.04% | ₹251.67 |

SBI DFHI Limited is standalone Primary Dealers (PD) with a pan India presence. As a Primary Dealer (PD) it is mandated to support the book building process in primary auctions and provide depth and liquidity to secondary markets in G-Sec. Besides Government securities, it also deals in money market instruments, non-G-Sec debt instruments, amongst others. As a PD, its business activities are regulated by RBI.

State Bank of India group holds 72.17% share in the Company, which posted a Net Profit of ₹251.67 crore as on 31st March 2021 as against ₹176.34 crore as on 31st March 2020. Total balance sheet size was ₹10,013.89 crore as on 31st March 2021 as against ₹11,383.36 crore as on 31st March 2020.

## SBI GENERAL INSURANCE COMPANY LIMITED (SBIGIC)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit (losses) 31st March 2021 |
|---|---|---|---|
| SBI General Insurance Company Ltd. | 151 | 70% | 544 |

SBI General Insurance Company Limited commenced its operations as a joint venture between State Bank of India (SBI) and Insurance Australia Group (IAG). Pursuant to stake sale by IAG on 27th March 2020, SBI owns 70%, while Napean Opportunities LLP (Premji Invest affiliate) owns 16.01%, Honey Wheat Investment Ltd., an entity forming part of Warburg Pincus Group owns 9.99%, PI Opportunities Fund-1 owns 2.35% and Axis New Opportunities AIF-I owns 1.65% stake in SBI General Insurance.

The outbreak of COVID-19 has been deeply challenging and unprecedented. It has led to a sudden shift in the way businesses operate. For insurers as well, the situation has redefined the way of working for business continuity. The Company's robust Business Continuity Plan, digital infrastructure and agile processes enabled seamless transition of work modes, process automations, and uninterrupted service to all its customers.

SBI General revamped its brand identity, unveiling SBIGI 2.0. This new identity reflects the digital agility and future-readiness, along with the parent brand, SBI's intrinsic values. The new tagline 'Suraksha Aur Bharosa Dono' stands tall as the brand promise to customers. SBIGI 2.0 promises to bring in higher operational efficiencies and quicker response times, along with safety and security for all the customers. The company is focused on providing simple, easy to understand and affordable products through a robust multi-distribution model encompassing Bancassurance, Agency, Broking and Retail Direct Channels. SBI General's distribution family includes over 25,000 IRDAI certified employees including the State Bank Group employees, and over 13,000 Agents to make insurance easily available even in the remote areas of the country. The Company has also entered into strategic partnerships with India's leading automobile manufactures, Web aggregators and brokers with an endeavor to create long-term sustainable value.

SBI General has achieved Gross written premium of ₹8,312 Cr in FY21 as against ₹6,840 Cr in FY 20. The Company registered growth rate of 22% with a market share of 4.16% in FY 21. The Company ranked at 7th amongst private insurers and 12th in the overall industry. The Company has generated a net profit of ₹544 Cr with a YOY growth of 32% as on FY 21.

SBI general insurance company ltd is assigned AAA/Stable rating by CRISIL as highest corporate credit rating.

SBI general has been awarded with the prestigious 'General Insurance Provider of the Year' at the 25th edition of Business Today - Money Today Financial Services Awards, 2021.

The Company won Finnoviti, 2021 Award for innovation in making Health insurance available on Whatsapp.

The company recognized with 2 awards for CSR efforts towards empowering the rural population and clean water & sanitation drive by ICC Social Impact and Awards, 2021.

During the year, the company have been recognized with the 'Silver Shield', for 'Excellence in Financial reporting, 2019-20' in the Non-Life Insurance category, organized by ICAI.

SBI General has been recognized as a 'Company with Great Managers' at the Great Managers Awards, 2020. The Company has been recognized for its CSR project with Learning Space Foundation by BFSI Digital Stallion Awards, 2021.

## SBI GLOBAL FACTORS LIMITED (SBIGFL)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit (losses) 31st March 2021 |
|---|---|---|---|
| SBI Global Factors Ltd. | 137.79 | 86.18% | 18.47 |

SBIGFL is a leading provider of factoring services for domestic and international trade. SBI holds 86.18% share in the Company. The Company's services are especially suitable for MSME clients for freeing up resources locked in book debts. By virtue of its membership of Factors Chain International (FCI), the Company is able to ameliorate credit risk from export receivables under the 2-factor model.

The Company reported a PBT of ₹26.72 crore during the period ended March 2021 against previous period ended March 2020 PBT of ₹40.28 crore. In current period PAT is ₹18.47 crore against previous period PAT of ₹16.77 crore. Turnover period ended FY 2021 is ₹4,352 crore as compared to turnover of ₹4,394 crore in previous year. Funds in use (FIU) as on 31st Mar 2021 is ₹1,378 crore as compared to ₹1,317 crore as on 31st Mar 2020. Turnover in Export Factoring -2 Factor Model for 12 months ended March 2021 is equivalent to EUR 30.02 Mio (Previous Year EUR 46.48 mio). In INR terms, the EF turnover touched ₹262 crore for 12 months ended Mar 2021, as against ₹366.58 crore in previous year.

## SBI LIFE INSURANCE COMPANY LIMITED (SBILIFE)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit (losses) 31st March 2021 |
|---|---|---|---|
| SBI Life Insurance Company Ltd. | 555 | 55.50 | 1,456 |

SBI Life has a multi-channel distribution network comprising an expansive bancassurance channel, including State Bank, the largest bancassurance partner in India, a large and productive individual agent network comprising 170,096 agents as of March 31, 2021, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries.

During the period ended March 31, 2021, the Company operated in sound and stable manner, with its sole objective of increasing insurance penetration and concentrating on individual regular business and protection business through an active and prudent strategy, sales team maintaining the quality as well as quantity and established a firmer market position. The Company has proven its market leadership in the year ended March 31, 2021 with numero-uno position in Individual New Business Premium, Individual Rated Premium, Total Rated Premium and Total New Business Premium among private insurers.

The company witnessed a 24% growth in Total New Business Premium (NBP) vis-à-vis the industry growth of 7.5%. The market share of SBI Life in Total New Business Premium (NBP) among all private players as on 31st March 2021 is 21.9%. Total New Business of the Company for the year ended FY21 stands at ₹20,624 crores. Group New Business Premium for the year ended FY21 stands at ₹8,125 crores; witnessing a growth of 52%.

The Company continues to maintain the leadership position amongst private players in number of policies issued, which reflects mass coverage and strong market acceptance across geographies amongst life insurers. During the year, more than 16.5 lakhs individual new policies were issued.

SBI Life witnessed a PAT of ₹1,456 crores in FY21 against ₹1,422 crores in FY20, growth of 2%. AUM of the Company crosses ₹2.2 trillion mark and recorded a growth of 38% at ₹2,20,871 crores as on 31st March 2021 as compared to ₹1,60,363 crores as on 31st March 2020.

Value of New Business (VoNB) stood at ₹2,334 crores on actual tax rate basis, witnessing growth of 16%. VoNB margin stood at 20.4% on actual tax rate basis; an improvement of 170 basis points from FY20. Embedded value stands at ₹33,386 crores on actual tax rate basis, with growth of 27% over last year.

Leveraging wider reach achieved through its network of 947 offices, SBI Life has systematically brought large rural areas under insurance reach.

Awards and recognitions received during the year include:

1. Silver Award under the category of "CSR COVID Relief Project" at the 4th CSR Health Impact Awards 2020.
2. 'Insurer of the Year- Life Category' award at The Insurance Industry Awards 2020 by FICCI
3. 'Silver' for 'Real Life Real Stories featuring Suyash Jadhav for 'Best Use of Video' at the Shark Awards 2020.
4. 'Silver' for 'Real Life Real Stories featuring Suyash Jadhav for 'Best Branded Content' at the Brandwagon ACE Awards 2020.
5. 'Gold' for 'Real Life Real Stories featuring Suyash Jadhav at Campaign India Digital Crest Awards.
6. 'Silver' under Digital Technologies by SKOCH Award for CKYC, Offline KYC and ASP Process Integration Initiatives.
7. Won a Gold award for "Best rural activation sales volume" at the 'Asia Consumer Engagement awards for rural marketing'.
8. Won a Gold award for "Long term rural engagement program of the year" at the 'Asia Consumer Engagement awards for rural marketing'.
9. Won a Gold award for "Small Budget on-ground program of the year in rural" at the 'Asia Consumer Engagement awards for rural marketing'.
10. Best CFO under BFSI – Large Cap category at Magzter Awards, 2021.

## SBI FUNDS MANAGEMENT PRIVATE LIMITED (SBIFMPL)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit (losses) 31st March 2021 |
|---|---|---|---|
| SBI Funds Management Pvt. Ltd. | 31.50 | 62.88% | 860.40 |
| SBI Mutual Fund Trustee Company Pvt. Ltd. | 0.10 | 100% | 2.74 |
| SBI Funds Management (International) Pvt. Ltd. | 100% by SBIFMPL | | 0.97 |

SBIFMPL, the Asset Management Company of SBI Mutual Fund, is amongst the fastest growing AMCs with a growth of over 35% against the industry average of 18.8% in 2020-21. In the last three years, SBIFMPL has achieved a CAGR of 32.3% against the industry average of around 11.7%. In the FY 2020-21, the Fund House has consolidated the 1st rank position which it achieved in the FY 2019-20. SBIFMPL has one of largest investor base with over 89.5 Lakh LIVE investor folio's with about 18.5 Lakh new live investor folio's added in the year. The Funds House has 17.2 Lakh direct investors and over 1.67 Lakh institutional investors including 1273 retirement funds. SBIFMPL has maintained its top leadership position as the ETF manager in the country with 50% market share.

SBIFMPL posted a PAT of ₹860.40 crore during the period ended March 2021 as against ₹603.45 crore earned during the year ended March 2020. The average "Assets Under Management" (AUM) of the Company during the quarter ended March 21 were ₹504,455 Crore with a market share of 15.71% as against the average assets under management of ₹3,73,537 crore with a market share of 13.82% during the quarter ended March 2020. The Company has a fully owned foreign subsidiary viz. SBI Funds Management (International) Private Limited, which is based in Mauritius and manages Off- shore Fund. SBIFMPL also provides Portfolio Management services (PMS) and Alternative Investment Funds (AIF).

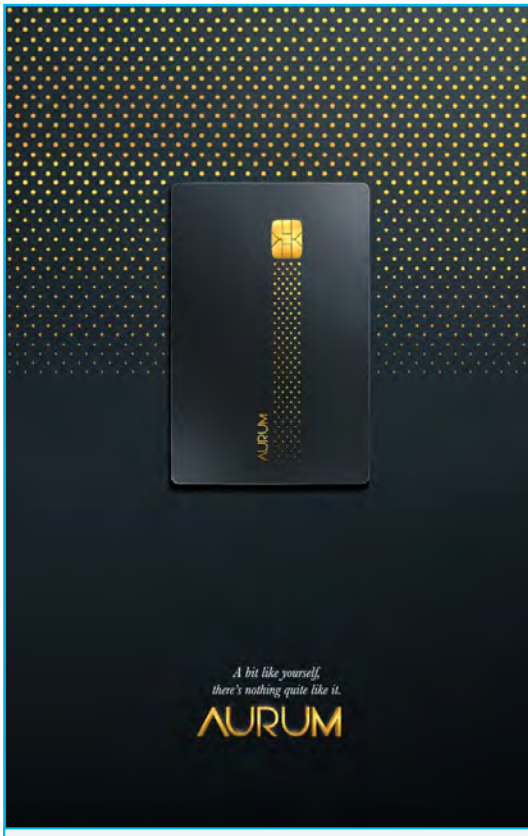
## SBI PENSION FUNDS PRIVATE LIMITED (SBIPFPL)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit (losses) 31st March 2021 |
|---|---|---|---|
| SBI Pension Funds Private Limited.* | 18 | 60% | 3.44 |

**SBI Capital Markets Limited and SBI Funds Management Private Limited are holding 20% equity each in the Company.*

SBIPFPL has been appointed as the Pension Fund Manager (PFM) along with six others to manage the pension corpus under National Pension System (NPS). SBIPFPL is one of the three PFMs appointed by the Pension Fund Regulatory & Development Authority (PFRDA) for management of Pension Funds under the NPS for Central Government (except Armed Forces) and State Government employees and one of the seven PFMs appointed for management of Pension Funds under the Private Sector. The total Assets Under Management (AUM) of the company as on 31st March 2021 was ₹2,22,615.34 crores (YoY growth of 39.00%) against ₹1,60,491.55 crore on 31st March 2020.




Launch of AURUM in the Super Affluent Segment

The Company maintained lead position amongst PFMs in terms of AUM in both Government and Private Sectors. The overall AUM market share in Private Sector was 55%, while in the Government Sector it was 35%.

During the financial year 2020-21, Request for Proposal (RFP) for selection of Sponsors of Pension Funds for National Pension System (NPS) for Government Sector Schemes, Private Sector Schemes and other Schemes Regulated / Administered was floated by PFRDA on 23rd December 2020. The Sponsors on behalf of the Company submitted the application and the Company has received the Fresh Certificate of Registration under the PFRDA (Pension Fund) Regulations, 2015. The Company has also started end-to-end digital platform for onboarding of Corporate and Individual subscriber under NPS schemes.

Celebration of being certified Great Place to Work in the presence of MD (IB, T &S)".

## SBI SG GLOBAL SECURITIES SERVICES PRIVATE LIMITED (SBI-SG)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit 31st March 2021 |
|---|---|---|---|
| SBI SG Global Securities Services Pvt. Ltd. | 52 | 65% | 87.02 |

SBI-SG is a joint venture between State Bank of India and Societe Generale with 65% holding by SBI. The Company was set up to offer high quality custodial and fund administration services to complete the bouquet of premier financial services offered to its premium clients by the SBI Group. SBI- SG commenced commercial operations in 2010. The Company's Net Profit is ₹87.02 Cr for the period ended 31st March 21 as against ₹62.45 Cr for the period ended 31st March 2020. Accumulated profit is ₹209.99 Cr as on 31st March 21 as against ₹143 .03 Cr as on 31st March 20.

Assets under Custody (AUC) have crossed ₹10,40,000 Cr as on 31.03.2021 while the Assets Under Administration (AUA) have crossed ₹7,00,000 Cr as on 31.03.2021. SBI-SG has been rated as one of the leading custodians in India as per Global Custodian magazine's Agent Banks and Emerging Markets Survey 2020. SBI-SG has also been rated #1 custodian in India in the Global Investor/ISF Sub - Custody survey for 2017.

## SBI PAYMENT SERVICES PRIVATE LIMITED (SBI PAYMENTS)

(₹ Crore)

| Name of the subsidiary company | Ownership (SBI Interest) | % of ownership | Net Profit 31st March 2021 |
|---|---|---|---|
| SBI Payment Services Private Limited | 4.50 | 74% | 139.95 |

SBI became the first public sector bank to form an exclusive JV i.e., SBI Payment Services Pvt. Ltd. (SBI Payments) for merchant acquiring business and holds 74% stake in the company. The objective of the company is to create a state-of-the-art acceptance ecosystem in all geographies of the country and enable the merchants to accept payments digitally across various form factors.

SBI Payments is one of the largest acquirers in the country with more than 2.22 mio Merchant Payment Acceptance Touch Points and over 7.47 lakhs PoS machines as on 31st March 2021 distributed across geographies (Tier 1 to Tier 6). Company has launched a low-cost mobile based payment acceptance solution i.e., YONO SBI merchant application to cater merchants from every category (micro merchants to large merchants). This acceptance model is fast and simple solution for merchants to fully manage their business directly from their phone and accept payments using various modes such as QR, Cards and YONO. Some of the other key initiatives taken by the company during the financial year are roll out of e-chargeslip and EMI facility on PoS terminals, Android Terminals, NCMC enablement etc.

SBI Payments is one of the subsidiaries of SBI to move to IND-AS accounting system in year FY 19-20. The company posted net profit of ₹49 Cr in FY 2019-20 and ₹140 Cr in FY ended on 31st March 2021.

## SBI FOUNDATION

SBI Foundation was established by State Bank of India in 2015 as a Section VIII company under Companies Act (2013) to undertake the CSR activities of SBI and its Subsidiaries in a planned and focused manner.

Your Bank through the SBI Foundation is presently working on various projects & initiatives to build momentum for transforming India by creating an inclusive development paradigm that serves all Indians without any discrimination based on region, language, caste, creed, religion amongst others. For FY2021, the total CSR spend on initiatives through SBI Foundation was ₹47.92 crore.

## 1. FLAGSHIP PROGRAMS

Your Bank supports four flagship programs, which are implemented by SBI Foundation and are mentioned hereunder:

### A. SBI Youth for India Fellowship (YFI):

SBI Youth for India fellowship is a 12-month fellowship program to provide a framework for India's bright young minds to join hands with rural communities, empathise with their struggles and connect with their aspirations. The selected fellows, from some of the top institutes/corporates, work with 12 partner NGOs on challenging development projects. The initiative provides avenues for the youth to become aware of the ground realities and presents them with an opportunity to contribute through their efforts towards building strong cohesive communities. YFI has an alumni base of 352 passionate change makers, approximately 70% of Alumni are associated with the development sector after the fellowship. At present, the 8th Cohort with 100 fellows are deployed in rural geographies to undertake impactful projects.

### B. SBI Gram Seva Program

"SBI Gram Seva" is a flagship program of SBI Foundation, which aims for holistic and sustainable rural development. Launched

in August 2017, SBI Gram Seva has been quietly transforming adopted villages through integrated development approach, strategically including all major areas of rural development. The objectives of the program are:

- Digitalisation of villages
- Promotion of quality education for rural students
- Improvement of primary health services
- Improvement in accessibility to safe drinking water and sanitation
- Promote sustainable livelihood practices and improving farmers' income
- Empowerment of rural Women and Youth Engagement
- Environment protection
- Improvement of rural infrastructure for improved access to basic services
- Improvement in coverage of benefits and schemes of the Government
- Capacity building for participatory rural development

In the first phase, SBI Gram Seva was implemented in 50 villages in partnership with Grassroots NGO partners from Assam, Bihar, Jharkhand, Maharashtra, Uttar Pradesh and Uttarakhand. Over the last three years, the program has been able to make a commendable impact in the villages, besides bringing community participation into the fore.

On 2nd October 2020, the second phase of the program was launched by adopting 25 new villages in 5 States-Meghalaya, Mizoram, Nagaland, Telangana and Karnataka. The program has so far impacted 16,396 families and 74,785 beneficiaries across 11 states.

### C. Centre of Excellence for Persons with Disabilities (CoE)

The Centre of Excellence (CoE) primarily works on empowering PwDs through skill enhancement to make significant and measurable improvement that enables individuals to enjoy a more productive and satisfying life by optimising their cognitive, physical, social and vocational functioning. The CoE has conducted 77 online training programmes for 3,678 employees with disabilities from 9 public sector banks during FY 2020-21. The CoE also conducted 11 online sensitisation and awareness programs on disability for Human Resources (HR) Heads and middle level HR managers of 7 public sector banks, NGO partners and SBI YFI Fellows.

Other programs funded by the Bank through SBI Foundation for promoting inclusion and empowerment of PwDs are:

- SBI and Microsoft Employment Initiative for Persons with Disabilities (S.A.M.E.I.P.) – An initiative undertaken in collaboration with Microsoft India to enable career pathways for 500 underserved youth with disabilities in the digitally transformed BFSI sector in

India by setting up five centres in five cities viz. Mumbai, Delhi, Bangalore, Chennai & Kolkata. The programme is being driven in collaboration with various government and industry skilling bodies and partner non-profit organisations to build a sustainable and scalable programme for the inclusion of people with disabilities in the BFSI space.

- Inclusive Education Program – An initiative to support 200 CwSN (children with special needs) in Vijayapura District of Karnataka to access comprehensive interventions of education and rehabilitation in model and community schools.
- Education Program for Children with Disabilities – An initiative to provide education, therapy and vocational skill development to 50 children with disabilities and to set up a vocational centre to provide a means of earning a livelihood and thereby empowering young adults with intellectual disabilities.
- Shravan Shakti: An initiative to integrate children between age group of 0-5 years with a congenital hearing loss into the mainstream by supporting the cochlear implant surgeries of 50 children in Kolkata and 17 children in Delhi NCR, which is helping them to lead a productive life. All 67 children have been operated upon so far.
- Braille Smart Class: An initiative to provide inclusive education by use of an independent, inclusive and accessible teaching mechanism in the form of Braille self-learning devices for Children with Visual Impairment on a pilot basis in Mumbai.

## D. Healthcare Flagship Program

As a response to the COVID-19 pandemic in India and with a view to supplement the efforts of Government, your Bank through the SBI Foundation launched a new flagship programme on healthcare and undertook both short-term and mid/long-term relief initiatives to combat the COVID-19 pandemic in India.

### I. COVID-19 Relief Initiatives

Amidst the COVID-19 pandemic, the country encountered an acute shortage of ventilators, other health equipment and personal protective equipment (PPE) kits for use by healthcare professionals and the police force. SBI Foundation procured 335 ventilators, which were distributed with help from SBI Circles across the country to government hospitals that are on the frontline in the war against COVID-19. Apart from ventilators, 3,650 other health equipment were procured, which included thermal scanners, self-check kiosks, IR thermometers, pulse oximeters, ECG machines, NST machine, 2D echo machine, fumigator, fogging machines, multipara monitors, nebulisers, radiometer, oxygen concentrator, HFMC machines, IV stands, cardio monitors, BiPap machines, stretcher cabins, recovery trolley and air conditioners for distribution to government hospitals. 74,767 PPE kits were also distributed to healthcare professionals and the police force across the country.

Due to the state enforced lockdown to prevent the spread of COVID-19 in India, migrants, domestic help workers and daily wage earners were significantly impacted. 6,85,665 freshly cooked meals and dry ration kits were distributed amongst the vulnerable communities to help them sustain during the lockdown.

As part of our intervention to combat COVID-19, your Bank through the SBI Foundation funded two research and development projects through Indian Institute of Science (IISc) to design a mobile molecular diagnostic and testing lab, which was handed over to the Government of Karnataka to shorten turnaround time and scale-up COVID-19 testing and to design an electro-mechanical ventilator design with locally available components.

Your Bank through the SBI Foundation also supported an initiative to train and mentor 327,954 healthcare providers across various states in India who are serving communities and populations most at risk from COVID-19 through dissemination of best practices for prevention and treatment of the coronavirus by adopting the ECHO model. 10 hubs were established with State National Health Missions of Assam, Gujarat, Maharashtra (with PHI Nagpur), Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh (with SGPGIMS), Karnataka, Chhattisgarh, and Kerala. Furthermore, 10 STOs from 10 key states were identified under the project.

### II. India Health Alliance, an initiative by SBI Foundation

Your Bank through SBI Foundation launched the India Health Alliance (IHA), a collaborative healthcare programme to support the Government of India in its efforts to combat current and future healthcare challenges in the country. The prime focus of IHA is on combating the COVID-19 healthcare pandemic in India, providing comprehensive primary healthcare and optimum nutrition to the vulnerable population, promoting innovative finance, as well as promoting innovations and cutting-edge technologies that can overall strengthen health systems of the country. Your Bank through the SBI Foundation undertook mid/long-term COVID-19 Relief Initiatives in partnership with varied implementation partners:

- Community Based Testing – An initiative to reach out to vulnerable populations by rolling out a community-based testing initiative for COVID-19 in an urban slum locality in Mumbai, India. The purpose of this initiative is early identification of COVID-19 through intensive community surveillance, quick testing (between 9,000 - 14,000 COVID-19 tests) through a diagnostic centre established for easy access and immediate treatment.
- Tele-Care for the Vulnerable – An initiative to reach out to vulnerable communities in urban slums of Indore, Madhya Pradesh for providing person-centred primary care, counselling and emotional support & support in accessing the social entitlements; schemes. The project will be implemented in two hyper-localised vulnerable clusters in Indore covering a population of 50,000 in each cluster and having 1,00,000 direct beneficiaries.
- Comprehensive COVID-19 Care to Strengthen Existing Efforts in Public Health System – deployed 2 indigenously developed innovative technologies/ solutions – COEO Labs (AI and sensor-based secretion management product) and Turtle Shell Technologies Dozee (India's first contactless vital monitoring device) at public health care organisations including PHCs, hospitals, and quarantine centres in worst affected cities viz. Mumbai, Delhi, Chennai, Lucknow, Guntur, Vizag, and Rajamundry. The technologies were supported through

our partnership with Centre for Cellular and Molecular Platforms (C-CAMP), an initiative supported by Department of Biotechnology, Ministry of Science, Technology and Earth Sciences, Government of India.

### III. Projects in partnership with Implementing Agencies

To contribute towards improving the health scenario in India, your Bank has also extended its support to various CSR projects through SBI Foundation to provide access to quality healthcare to all. Some of the key projects are mentioned hereunder:

- Swasth Mahila, Swasth Goa – An initiative to provide a technology intervention in the form of iBreast devices, training and capacity building support to the Government of Goa to screen 1,00,000 women for breast cancer in the State over a period of 2 years.
- The School Initiative for Mental Health Advocacy – An initiative to support schools in Mumbai, India through the pandemic by conducting capacity building webinars for teachers, counsellors and leaders and providing online consultation to schools; and to develop systems and pathways for whole-school mental health services for schools in India.
- Project Jagruti – An initiative to reach out to remote villages and tribal hamlets in Murbad Tehsil, Thane district for providing basic healthcare services and creating awareness on healthcare with the populations who have limited or no access to any healthcare facilities.
- Sanjeevani: Clinic on Wheels (Sikkim & Telangana) – An initiative to operate two mobile medical units to reach 20 rural villages each in Namchi block, Sikkim and in Gadwal district, Telangana.

Apart from the flagship programs and the COVID-19 Relief Response, your Bank through SBI Foundation has supported the following CSR initiatives in varied thematic areas:

## 2. EDUCATION

Education is one of the most important tools to bring about a socio-economic transformation within society. However, not all sections of the society have equal access to the same and therefore, your Bank through SBI Foundation has supported various educational projects to provide children with access to quality education. Some of the key projects are mentioned hereunder:

Chairman SBI & MD BPCL Launching BPCL SBI Card OCTANE

- Gyan Shala Middle School Programme – An initiative to further the common goal of providing quality middle school education to underprivileged children between 4th and 8th grades living in the slums of Ahmedabad, Gujarat. A total of 1,799 out-of-school/ underprivileged children were imparted high quality middle school education under the project. Gyan Shala model has the potential to redefine the way learning is conceived and organised in schools.
- CM RISE – New Horizons – An initiative to support learning of underprivileged children who study in government schools by improving the quality of teacher workforce through sustained high-quality professional development across 52 districts in Madhya Pradesh and thereby significantly improve the quality of learning in the State.
- Prarambhik Bhasha Shikshan Program – An initiative to build capacities of the government school teachers with the aim of improving language learning outcomes of ~16,000 children across schools of Ambala district, Haryana. 7,138 children studying in 479 schools of Ambala districts are being reached out to under the Program. The Prarambhik Bhasha Shikshan Program is a part of India's first ever development impact bond – the Haryana Early Literacy Outcomes Development Impact Bond (DIB).
- Personal Safety Education & Child Sexual Abuse Prevention & Training – An initiative to reach out to over 3,429 children and 1,509 caregivers with messages of personal safety through the Personal Safety Education Initiative, covering schools of Mumbai, Maharashtra. The initiative will enable students to identify and talk about sexual assault and disclose first-hand experiences which will make them feel less vulnerable and help do away with the culture of silence.
- Learn, Play, Grow – An initiative to provide high quality educational content for 60,000 children and their caregivers in 3,000 anganwadis across 4 districts of Meghalaya in India, building the capacity of anganwadi workers (AWWs)

to prepare children for school by using early learning materials in a play-based manner engaging and educating parents and caregivers on fun ways to support child's educational development.

- Project Gadadhar Abhyudaya Prakalpa (GAP) – An initiative to support five GAP units for a duration of 3 years for conducting activities aimed at physical, mental, and intellectual development of underprivileged children enrolled at GAP units.

## 3. PROMOTION OF SPORTS

- STEAM Scholarship – An initiative to support a year-long STEAM (Standing for Science, Technology, Engineering, Analytics, and Medicine) Scholarship in partnership with Abhinav Bindra Foundation Trust, for 13 grassroots athletes of various sports, granting them full access to sports science facilities and provide customised sports specific routines based on their goals in consultation with their coaches.

## 4. CONSERVATION OF NATIONAL HERITAGE, ARTS & CULTURE

To achieve the dual goals of preservation of Culture & Heritage and contribute to "The Swachh Iconic Places" initiative, SBI Foundation supported the following project:

- Swachh Iconic CSMT – An initiative for conservation and restoration of South and East façade of the Heritage Building at Chhatrapati Shivaji Maharaj Terminus, Mumbai in partnership with Central Railways.

## 5. ENVIRONMENT AND SUSTAINABILITY

Your Bank is committed towards environment protection and to reduce its carbon footprints. Hence, your Bank through the SBI Foundation has supported the following projects:

- Waste No More – An innovative Private Public Partnership (PPP) project for dry waste management with 100% segregation and recycling dry waste in collaboration with Municipal Corporation of Greater Mumbai, Hindustan Unilever India and Xynteo India.
- Sanitation Project – A SBI Green Fund initiative to construct 42 new community toilets and upgrade 15 existing community toilets in Dekadong and Doomni villages in Baksa district of Assam.
- Towards Green Livelihoods: Promoting Bamboo based Livelihoods & Sustainable Ecosystem – A SBI Green Fund initiative to plant 12,000 bamboo saplings in 6 nurseries created on private/community waste lands of tribal farmers in Nashik and Palghar districts of Maharashtra.
- Tree Plantation Project – A SBI Green Fund initiative to plant 10,000 indigenous species of trees in over 42 hectares of wastelands in Udaipur, Rajasthan.
- Jal Dhara – A SBI Green Fund initiative to rejuvenate 4 Himalayan springs and ensure water security by optimum spring shed management and thus, recharge the springs through community participation in Almora and Bageshwar districts of Uttarakhand.
- Clean Energy – A SBI Green Fund initiative to provide decentralised solar home lighting solutions along with hybridisation of existing micro hydro plant with solar photovoltaic system for continuous access to clean energy in Kalahandi and Gajapati districts of Odisha.
- Project WasteEnd – A SBI Green Fund initiative to enable rural communities to design and setup low-cost waste management systems, operated and managed by the communities living in Ajmer district, Rajasthan.
- Empowering Rural Communities- An initiative to support and empower 150 voluntarily relocated families living in and around Protected Forest Areas in the Western Ghats of India by aiming to reclaim 375 acres of land under protected area by providing alternative sustainable livelihood support.

## 6. RESEARCH & DEVELOPMENT

Your Bank supported R&D efforts aimed at promoting clean energy transport and sustainable energy solutions in India, in collaboration with IIT Madras by supporting the projects mentioned hereunder:

- Development and Upgradation of CBEEV's Assets & Infrastructure– An initiative to support the Development and Upgradation of CBEEV's Assets & Infrastructure for procuring necessary equipment to upgrade the research facilities at CBEEV and enable R&D activities and innovative product development that are cost-effective, user-friendly and efficient by conducting various tests on Li-ion batteries, chargers, EVs, and micro-grid, amongst others.
- Infrastructure Systems Lab and R&D in Infrastructure Delivery – An initiative for setting up the Infrastructure Systems Lab and undertake R&D in Infrastructure Delivery by procuring necessary equipment to set up a modern infrastructure systems laboratory for prototyping and testing next generation solutions with a view to solve problems in infrastructure development.

**Awards:**

SBI Foundation has won two awards during this year for its CSR initiatives:

| Name of the Award | Category |
|---|---|
| Grant Thornton SABERA 2020 Awards | Agriculture and Rural Development |
| Corona Warriors Award by Hon'ble Governor of Maharashtra. | Healthcare |
| ICC Social Impact Awards 2021 | Empowering the Rural Population |

## REGIONAL RURAL BANKS (RRBs)

With two-third of our country's population living in rural areas, it presents a huge yet under tapped opportunity for the Indian Banking Sector. Our large network of sponsored Regional Rural Banks (RRBs) is well placed, to play a larger role and have a great potential to address this scenario. Regional Rural Banks have a distinct competitive advantage, due to their large account base and decades of trust-earning service tradition, resulting in close proximity to the rural customers.

- The State Bank has sponsored 14 Regional Rural Banks operating at regional levels in 14 different States. These RRBs have a combined branch strength of 4,726 spread across 216 Districts as on 31st March 2021.
- State Bank of India holds 35% stake in each of them as on 31.03.2021 with Government of India holding 50% and the respective State Governments holding the remaining 15% stake.
- The Sponsored RRBs of SBI are on CBS platform and offer banking services on par with any other commercial Banks operating in the country. The Banks have adopted the best practices and are well placed to handle the ever-evolving demands of customers, particularly in Rural and Semi-urban space, through their customer centric approach.

Ownership Percentage of SBI In RRBs sponsored by SBI

| % | Sr. No. | Name of RRBs |
|---|---|---|
| 35.00% | 1 | Andhra Pradesh Grameena Vikas Bank |
| 35.00% | 2 | Arunachal Pradesh Rural Bank |
| 35.00% | 3 | Chhattisgarh Rajya Gramin Bank |
| 35.00% | 4 | Ellaquai Dehati Bank |
| 35.00% | 5 | Jharkhand Rajya Gramin Bank |
| 35.00% | 6 | Madhyanchal Gramin Bank |
| 35.00% | 7 | Meghalaya Rural Bank |
| 35.00% | 8 | Mizoram Rural Bank |
| 35.00% | 9 | Nagaland Rural Bank |
| 35.00% | 10 | Rajasthan Marudhara Gramin Bank |
| 35.00% | 11 | Saurashtra Gramin Bank |
| 35.00% | 12 | Telangana Grameena Bank |
| 35.00% | 13 | Utkal Grameen Bank |
| 35.00% | 14 | Uttarakhand Gramin Bank |

**Business Highlights of FY 2020-21 :**

- The aggregate deposits and advances of the 14 RRBs sponsored by the Bank as on 31st March 2021 stood at ₹1,05,628 cr and ₹66,551 cr respectively as against ₹93,474 cr and ₹57,842 cr as on 31st March 2020.
- During the year under review, despite the persistently challenging macroeconomic environment and Covid pandemic, the Bank improved its business, with Deposits growing by 13.00% and Advances by 15.06% on YoY as on 31st March 2021. As a planned strategy to diversify to the portfolio, RRBs expanded their Housing Loan and Gold Loan exposure by 20.35% and 91.73% (YoY) respectively.
- During FY2020-21, the RRBs together have posted a Net-Profit of ₹1004.28 cr as against Net-Profit of ₹248.80 cr as on 31st March 2020 despite substantial provision of Pension of ₹1457.69 Cr. The Banks continue to focus on improving earnings from their core banking business, strengthening the fee income streams and maintaining control on operating costs.
- The combined Gross Non- Performing Assets ratio of the RRBs has declined to 5.44% in current Financial year as against 5.96% as on 31st March 2020 due to focused approach for reduction of NPA. The Net NPA stands at 2.16% as against 2.56% as on 31st March 2020.
- Business per employee during the FY improved to ₹10.09 cr as on 31st March 2021 as against ₹8.43 cr in the previous FY.

**Major Developments in FY 2020-21:**

The year under review witnessed several significant events, some of which are listed below:

- In November 2019, in line with a Government of India decision to amalgamate 3 RRBs operating in the state of Uttar Pradesh, "Purvanchal Bank" sponsored by SBI was amalgamated with Baroda U.P. Bank under the sponsorship of Bank of Baroda w.e.f. 01.04.2020.
- The 14 RRBs with 4,726 Branch network, are expected to work more efficiently in the upcoming years, thanks to the introduction of Asset Management Hubs (AMHs) - a Centralised Credit Processing system.
- In order to counter the competition from new age Banks in the geography and to have a digital presence, our 2 large RRBs i.e. Andhra Pradesh Grameena Vikas Bank and Telangana Grameena Bank have launched Mobile App for Digital account opening with Video KYC facility. This facility is being implemented in all 14 RRBs sponsored by SBI.

**The Bank exited from its RRBs as per details given below: -**

| Name of RRB | Amount |
|---|---|
| Purvanchal Bank | 13.21 |

In accordance with notification issued by Govt. of India, the following amalgamations have taken place in between the Regional Rural Banks sponsored by SBI and RRBs sponsored by other banks.

The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by State Bank of India are as below

| Name of transferor RRBs | Sponsor Bank of transferor RRBs | New Name after Amalgamation of RRBs | Sponsor Bank of transferee RRBs | Effective Date of Amalgamation |
|---|---|---|---|---|
| Baroda Uttar Pradesh Gramin Bank | Bank of Baroda | Baroda U.P. Bank | Bank of Baroda | 1st April ,2020 |
| Kashi Gomti Samyut Gramin Bank | Union Bank of India | | | |
| Purvanchal Bank | State Bank of India | | | |

**Associates:**

| Sr. No. | Name of the Associate | Country of Incorporation | Group's Stake (%) | |
|---|---|---|---|---|
| | | | Current Year | Previous Year |
| 1 | Andhra Pradesh Grameena Vikas Bank | India | 35.00 | 35.00 |
| 2 | Arunachal Pradesh Rural Bank | India | 35.00 | 35.00 |
| 3 | Chhattisgarh Rajya Gramin Bank | India | 35.00 | 35.00 |
| 4 | Ellaquai Dehati Bank | India | 35.00 | **36.27$$** |
| 5 | Jharkhand Rajya Gramin Bank | India | 35.00 | 35.00 |
| 6 | Madhyanchal Gramin Bank | India | 35.00 | **35.46##** |
| 7 | Meghalaya Rural Bank | India | 35.00 | 35.00 |
| 8 | Mizoram Rural Bank | India | 35.00 | 35.00 |
| 9 | Nagaland Rural Bank | India | 35.00 | 35.00 |
| 10 | Purvanchal Bank | India | 35.00 | 35.00 |
| 11 | Rajasthan Marudhara Gramin Bank | India | 35.00 | 35.00 |
| 12 | Saurashtra Gramin Bank | India | 35.00 | 35.00 |
| 13 | Telangana Grameena Bank | India | 35.00 | 35.00 |
| 14 | Utkal Grameen Bank | India | 35.00 | **36.51**** |
| 15 | Uttarakhand Gramin Bank | India | 35.00 | 35.00 |

*$$ Sponsor Bank and State Govt had infused their part of ₹5.48 crore and ₹2.35 crore respectively of approved fresh infusion of Share Capital. During the FY 2020-21, Central Govt had infused their part of share capital of ₹7.83 crore and our share is restored to 35%.*

*## Sponsor Bank and GOI had infused their part of ₹8.91 crore and ₹12.73 crore respectively of approved fresh infusion of Share Capital. During the FY 2020-21, State Govt had infused their part of share capital of ₹3.82 crore and our share is restored to 35%.*

*** Sponsor Bank and GOI had infused their part of ₹93.856 crore and ₹134.08 crore respectively of approved fresh infusion of Share Capital. During the FY 2020-21, State Govt had infused their part of share capital of ₹40.22 crore and our share is restored to 35%.*

**During the year, SBI has Invested/ Disinvested capital in the following Regional Rural Banks (RRBs) sponsored by it:-**

(₹ in crore)

| Regional Rural Banks | Investment Amount | Disinvestment Amount | Remarks |
|---|---|---|---|
| Madhyanchal Gramin Bank | 5.31 | 0.00 | |
| Purvanchal Bank | 0.00 | 13.21 | Due to Amalgamation |
| **TOTAL** | **5.31** | **13.21** | |

The SBI Group's stake remains the same after the aforesaid capital infusion.

# SCHEDULE V, PART B - MANAGEMENT:

In terms of compliance with the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations 2018, following ratios have changed by more than 25%, as per details given below:

| (in %) | Mar 20 | Mar 21 | Variation (bps) | % Change |
|---|---|---|---|---|
| Net Profit Margin | 4.79 | 6.61 | 182 | 38.00 |
| ROE | 7.74 | 9.94 | 220 | 28.42 |

**Net Profit Margin:**

The Net Profit has registered YoY growth of 40.88% (from a profit of ₹14,488 Cr in FY20 to Net Profit of ₹20,410 Cr during FY21) as against YoY growth of only 2.02% in Total Income (from ₹3,02,545 Cr in FY20 to ₹3,08,647 Cr in FY21).

**Return on Net worth:**

The Net Profit has registered YoY growth of 40.88% (from a profit of ₹14,488 Cr in FY20 to Net Profit of ₹20,410 Cr during FY21) as against YoY growth of only 9.50% in Net worth of the Bank (from ₹1,96,037 Cr in FY20 to ₹2,14,666 Cr in FY21).

# VI. RESPONSIBILITY STATEMENT

## The Board of Directors hereby states:

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. that they have selected such accounting policies and applied them consistently and made judgements and estimates as are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Bank as on the 31st March 2021, and of the profit and loss of Your Bank for the year ended on that date;

iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 and State Bank of India Act, 1955 for safeguarding the assets of your Bank and preventing and detecting frauds and other irregularities;

iv. that they have prepared the annual accounts on a going concern basis;

v. hat the internal financial controls had been laid down, to be followed by your Bank and that such internal financial controls are adequate and were operating effectively; and

vi. that proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# VII. ACKNOWLEDGMENT

During the year, Shri Sanjiv Malhotra, Shri Bhaskar Pramanik and Shri Basant Seth retired from the Board on 25th June 2020, whereas Dr. Purnima Gupta retired from the Board on 31st January 2021, consequent upon completion of their respective terms. Shri B. Venugopal was reelected as Director by shareholders u/s 19(c) of the SBI Act, 1955 w.e.f. 26th June 2020 on the Board. Dr. Ganesh Natarajan, Shri Ketan S. Vikamsey and Shri Mrugank M. Paranjape were elected by the Shareholders as Directors on the Board u/s 19(c) of the SBI Act, 1955 w.e.f. 26th June 2020. Shri Ashwani Bhatia was appointed as Managing Director on the Board w.e.f. 24th August 2020, whereas Shri Swaminathan J. and Shri Ashwini Kumar Tewari were appointed as Managing Directors on the Board w.e.f. 28th January 2021.

Shri Rajnish Kumar retired as Chairman on completion of his tenure on 6th October 2020 and Shri Dinesh Kumar Khara was appointed as Chairman in his place w.e.f. 7th October 2020. Shri Arijit Basu, Managing Director, superannuated on 31st October 2020.

The Directors place on record their appreciation for the contributions made by Shri Rajnish Kumar, the outgoing Chairman, Shri Arijit Basu, Managing Director, and Non-executive Directors, namely, Shri Sanjiv Malhotra, Shri Bhaskar Pramanik, Shri Basant Seth and Dr. Purnima Gupta, to the deliberations of the Board.

The Directors welcome the new Chairman, Shri Dinesh Kumar Khara, new Managing Directors, namely Shri Ashwani Bhatia, Shri Swaminathan J., Shri Ashwini Kumar Tewari, and new Non-executive Directors, namely, Dr. Ganesh Natarajan, Shri Ketan S. Vikamsey and Shri Mrugank M. Paranjape on the Board.

The Directors also express their gratitude for the guidance and co-operation received from the Government of India, RBI, SEBI, IRDA and other government and regulatory agencies.

The Directors also thank all the valued clients, shareholders, Banks and financial institutions, stock exchanges, rating agencies and other stakeholders for their patronage and support and take this opportunity to express their appreciation for the dedicated and committed team of employees of the Bank.

For and on behalf of the
Central Board of Directors

Chairman

Date: 21st May, 2021

# CORPORATE GOVERNANCE

## THE BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

State Bank of India is committed to the best practices in the area of Corporate Governance, in letter and spirit. The Bank believes that good Corporate Governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the Bank to maintain a high level of business ethics and to optimise the value for all its stakeholders. The objectives can be summarised as:

- To protect and enhance shareholder value.
- To protect the interest of all other stakeholders such as customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and customer service and to achieve excellence at all levels.
- To provide corporate leadership of highest standard for others to emulate.

### The Bank is Committed to:

- Ensuring that the Bank's Board of Directors meets regularly, provides effective leadership and insights in business and functional matters and monitors Bank's performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advices and resources as are necessary to enable it to carry out its role effectively.
- Ensuring that the Chairman has the responsibility for all aspects of executive management and is accountable to the Board for the ultimate performance of the Bank and implementation of the policies laid down by the Board. The role of the Chairman and the Board of Directors are also guided by the SBI Act, 1955 with all relevant amendments.
- Ensuring that a senior executive is made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board, and reports deviations, if any.

The Bank has complied with the provisions of Corporate Governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendments Regulations, 2018 with the Stock Exchanges except where the provisions of these regulations are not in conformity with SBI Act and SBI General Regulations, 1955 and the directives issued by RBI/GOI. A report on the implementation of these provisions of Corporate Governance in the Bank is furnished below:

### Central Board: Role and Composition

State Bank of India was formed in 1955 by an Act of the Parliament, i.e., The State Bank of India Act, 1955 (Act). A Central Board of Directors was constituted according to the Act.

The Bank's Central Board draws its powers from and carries out its functions in compliance with the provisions of SBI Act & Regulations 1955. Its major roles include, among others,

- Overseeing the risk profile of the Bank;
- Monitoring the integrity of its business and control mechanisms;
- Ensuring expert management, and
- Maximizing the interests of its stakeholders.

The Central Board is headed by the Chairman, appointed under section 19(a) of SBI Act; four Managing Directors are also appointed members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are Whole Time Directors. As on 31st March 2021, there were eight other Directors on the Board who are eminent professionals representing Technology, Accountancy, Finance, Economics and Academics. The composition of the Central Board, as on 31st March 2021, is as under:

- Chairman appointed by the Central Government in consultation with the RBI u/s 19(a)
- four Managing Directors, appointed by the Central Government in consultation with the RBI u/s 19(b)
- four directors, elected by the Shareholders under Section 19(c),
- two directors, nominated by the Central Government under Section 19(d),
- one director, nominated by the Central Government under Section 19(e), and
- one director, nominated by the Central Government on the recommendations of the RBI under Section 19(f).

The composition of the Board complies with provisions laid down in Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent that they don't violate the provisions provided u/s 19 of SBI Act, 1955. There is no inter-se relationship between Directors.

A brief resume of each of the Non- Executive Directors is given in Annexure I. Particulars of the directorships/ memberships held by all the Directors in various Boards/ Committees are given in Annexure II and the details of their Shareholding in the Bank are mentioned in Annexure III.

## Meetings of the Central Board

The Bank's Central Board has to meet a minimum of six times in a year. During the year 2020-21, fourteen Central Board Meetings were held. The dates of the meetings and attendance of the directors are as under:

**Dates & Attendance of Directors at Board Meetings During 2020-21**

**No. of Meetings held** : 14

**Dates of the Meetings** : 21.04.2020, 28.05.2020, 05.06.2020, 25.06.2020, 15.07.2020, 31.07.2020, 27.08.2020, 30.09.2020, 05.10.2020, 04.11.2020, 17.12.2020, 04.02.2021, 24.02.2021, 24.03.2021

| Name of the Director | No. of Meetings held after nomination/ election / during incumbency | No. of Meetings attended |
|---|---|---|
| Shri Rajnish Kumar, Chairman (upto 06.10.2020) | 09 | 09 |
| Shri Dinesh Kumar Khara, Chairman (w.e.f. 07.10.2020) | 05 | 05 |
| Shri Dinesh Kumar Khara, MD (upto 06.10.2020) | 09 | 09 |
| Shri Arijit Basu, MD (upto 31.10.2020) | 09 | 09 |
| Shri Challa Sreenivasulu Setty, MD | 14 | 14 |
| Shri Ashwani Bhatia, MD (w.e.f. 24.08.2020) | 08 | 06 |
| Shri Swaminathan J, MD (w.e.f. 28.01.2021) | 03 | 03 |
| Shri Ashwini Kumar Tewari, MD (w.e.f. 28.01.2021) | 03 | 03 |
| Shri Sanjiv Malhotra (upto 25.06.2020) | 04 | 04 |
| Shri Bhaskar Pramanik (upto 25.06.2020) | 04 | 04 |
| Shri Basant Seth (upto 25.06.2020) | 04 | 04 |
| Shri B. Venugopal | 14 | 14 |
| Dr. Ganesh Natarajan (w.e.f. 26.06.2020) | 10 | 10 |
| Shri Ketan S. Vikamsey (w.e.f. 26.06.2020) | 10 | 10 |
| Shri Mrugank M. Paranjape (w.e.f. 26.06.2020) | 10 | 10 |
| Dr. Pushpendra Rai | 13 | 13 |
| Dr. Purnima Gupta (upto 31.01.2021) | 11 | 11 |
| Shri Sanjeev Maheshwari | 14 | 13 |
| Shri Debasish Panda | 14 | 08 |
| Shri Chandan Sinha | 14 | 13 |

## Executive Committee of the Central Board

The Executive Committee of the Central Board (ECCB) is constituted in terms of Section 30 of the SBI Act, 1955. The State Bank of India General Regulations (46 & 47) provide that, subject to the general or special directions of the Central Board, ECCB may deal with any matter within the competence of the Central Board. ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(f) of the SBI Act (Reserve Bank of India nominee), and all or any of the other Directors who are normally residents, or may, for the time being, be present at any place within India where the meeting is held. The ECCB meetings are held once every week. The details of attendance of ECCB Meetings during the year 2020-21 are as under:

**Attendance Of Directors At ECCB Meetings During 2020-21**

**No. of Meetings held** : 53

| S. No. | Directors | No. of Meetings held after nomination/ election/ during incumbency | No. of Meetings attended |
|---|---|---|---|
| 1 | Shri Rajnish Kumar, Chairman (upto 06.10.2020) | 28 | 28 |
| 2 | Shri Dinesh Kumar Khara, Chairman (w.e.f. 07.10.2020) | 25 | 25 |
| 3 | Shri Dinesh Kumar Khara, MD (upto 06.10.2020) | 28 | 28 |
| 4 | Shri Arijit Basu, MD (upto 31.10.2020) | 31 | 31 |
| 5 | Shri Challa Sreenivasulu Setty, MD | 53 | 52 |
| 6 | Shri Ashwani Bhatia, MD (w.e.f. 24.08.2020) | 31 | 28 |
| 7 | Shri Swaminathan J, MD (w.e.f. 28.01.2021) | 09 | 09 |
| 8 | Shri Ashwini Kumar Tewari, MD (w.e.f. 28.01.2021) | 09 | 09 |
| 9 | Shri Sanjiv Malhotra (upto 25.06.2020) | 13 | 11 |
| 10 | Shri B. Venugopal | 53 | 48 |
| 11 | Shri Ketan S. Vikamsey (w.e.f. 26.06.2020) | 40 | 05 |
| 12 | Shri Mrugank M. Paranjape (w.e.f. 26.06.2020) | 40 | 37 |
| 13 | Shri Sanjeev Maheshwari | 53 | 30 |
| 14 | Shri Chandan Sinha | 53 | 48 |
| **Directors who are normally not residents of the place of Meetings but were present on the day at the place where the meeting was held / participated through Videoconferencing:** | | | |
| 1 | Shri Bhaskar Pramanik (upto 25.06.2020) | - | 13 |
| 2 | Dr. Ganesh Natarajan (w.e.f. 26.06.2020) | - | 37 |
| 3 | Dr. Pushpendra Rai | - | 30 |
| 4 | Dr. Purnima Gupta (upto 31.01.2021) | - | 23 |

## Other Board Level Committees:

In terms of the provisions of SBI Act and General Regulations, 1955 and Govt./ RBI/SEBI guidelines, the Central Board has constituted other ten Board Level Committees viz. Audit Committee of the Board, Risk Management Committee of the Board, Stakeholders Relationship Committee cum Customer Service Committee of the Board, Special Committee of the Board for Monitoring of Large Value Frauds, IT Strategy Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee of the Board, Board Committee to Monitor Recovery and Committee to Review the Identification of Wilful Defaulters/Non- Co-operative Borrowers. These Committees provide effective professional support in Board oversight in key areas like Audit & Accounts, Risk Management, resolution of Shareholders'/Investors' grievances, Fraud Review and Control, Review of customer service and redressal of customer grievances, Technology Management, Corporate Social Responsibilities, Payment of Incentives to Executive Directors, Oversight on Recovery of Loans and Advances, Review of identification of Wilful Defaulters/Non Co-operative Borrowers and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors. While the Nomination & Remuneration Committee meets at least once a year, the other Committees meet periodically, once in a quarter generally, to deliberate on policy issues and/or review domain performance, as per the calendar of reviews approved by the Central Board. The Committees also call external specialists, besides drawing upon the services of top executives from the Bank, as and when needed. The Nomination & Remuneration Committee is constituted, to carry out necessary due diligence and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by shareholders. The Nomination Committee & Remuneration Committee also approves payment of incentives to Whole Time Directors, based on Govt. of India guidelines. The minutes and proceedings containing brief reports on the discussions held at the meetings of the Committees are placed before the Central Board.

## Audit Committee of the Board

The Audit Committee of the Board (ACB) was constituted on 27th July 1994 and last re-constituted on the 04th February 2021. The ACB functions as per RBI guidelines and complies with the provisions of

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendment Regulation 2018 to the extent that they do not violate the directives/guidelines issued by RBI.

## Functions of ACB

a. ACB provides direction as also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/external audit, compliance of RBI inspection. It also appoints Statutory Auditors of the Bank and reviews their performance from time to time.

b. ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.

c. ACB reviews the internal inspection/ audit plan and functions in the Bank – the system, its quality and effectiveness in terms of follow-up. It also, especially, focuses on the follow up of :

- KYC-AML guidelines;
- Major areas of housekeeping;
- Compliance of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The terms of reference and role of the Audit Committee was reviewed by the Central Board at its meeting held on 06.03.2019 in line with the SEBI (LODR) Amendments Regulations, 2018.

d. It obtains and reviews reports from the Compliance Department in the Bank.

e. ACB follows up on all the issues raised in RBI's Risk Based Supervision under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors before the finalisation of the annual/ quarterly financial accounts and reports. A formal 'Audit Charter' or 'Terms of Reference' of the Audit Committee has been approved by the Central Board and a calendar of Reviews to be submitted to the Audit Committee is also in place, which is updated periodically, the last revision effected from 18th December 2014.

## Composition & Attendance During 2020-21

The ACB has eight members of the Board of Directors as on 31.03.2021, including two whole time Directors, two official Directors (nominees of GOI and RBI) and four non- official, non-executive Directors. Meetings of the ACB are chaired by a Non-Official, Non-Executive Director (Chartered Accountant). The constitution and quorum requirements, as per RBI guidelines, are complied with meticulously. During the year, twelve meetings of ACB were held to review the various matters connected with the internal control, systems and procedures and other aspects as required in terms of RBI guidelines.

**Dates of Meetings of ACB Held & Attendance Of Directors During 2020-21**

**No. of Meetings held** : 12

**Dates of the Meetings** : 29.04.2020, 27.05.2020, 04.06.2020, 30.07.2020, 19.08.2020, 31.08.2020, 29.09.2020, 03.11.2020, 15.12.2020, 13.01.2021, 03.02.2021, 23.03.2021

| Name of the Director | No. of Meetings held after nomination/ election / during incumbency | No. of Meetings attended |
|---|---|---|
| Shri Ketan S. Vikamsey- Chairman of the Committee (Member & Chairman of the Committee w.e.f. 26.06.2020) | 09 | 09 |
| Shri Basant Seth - (Member & Chairman of the Committee upto 25.06.2020) | 03 | 03 |
| Shri Dinesh Kumar Khara, MD (Member upto 06.10.2020) | 07 | 07 |
| Shri Challa Sreenivasulu Setty, MD | 12 | 12 |
| Shri Ashwani Bhatia, MD (Member w.e.f. 02.11.2020) | 05 | 05 |
| Shri Bhaskar Pramanik (Member upto 25.06.2020) | 03 | 02 |
| Shri B. Venugopal | 12 | 12 |
| Dr. Ganesh Natarajan (Member w.e.f. 26.06.2020 & upto 03.02.2021) | 08 | 08 |
| Shri Mrugank M. Paranjape (Member w.e.f. 26.06.2020) | 09 | 07 |
| Shri Sanjeev Maheshwari | 12 | 11 |
| Shri Debasish Panda | 12 | 0 |
| Shri Chandan Sinha | 12 | 11 |

## Risk Management Committee of the Board

The Risk Management Committee of the Board (RMCB) was constituted on the 23rd March 2004, to oversee the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on the 04th February 2021 and has eight members. The Non- executive Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2020-21, nine meetings of the RMCB were held. The terms of reference and role of RMCB was reviewed by the Central Board on 06.03.2019 in line with the SEBI (LODR) Amendments Regulations, 2018 which were effective from 1st April, 2019

**Dates of Meetings of RMCB Held & Attendance of Directors During 2020-21**

**No. of Meetings held** : 9

**Dates of the Meetings** : 13.04.2020, 26.05.2020, 23.06.2020, 22.07.2020, 24.08.2020, 22.09.2020, 08.12.2020, 27.01.2021, 16.03.2021

| Name of the Director | No. of Meetings held after nomination / election / during tenure | No. of Meetings attended |
|---|---|---|
| Shri Mrugank M. Paranjape, Chairman of the Committee (Member & Chairman of the Committee w.e.f. 26.06.2020) | 06 | 06 |
| Shri Sanjiv Malhotra (Member & Chairman of the Committee upto 25.06.2020) | 03 | 03 |
| Shri Dinesh Kumar Khara, MD (Member w.e.f. 21.04.2020 & upto 06.10.2020) | 05 | 05 |
| Shri Dinesh Kumar Khara, MD (as alternate member) | -- | 01 |
| Shri Arijit Basu, MD (Member upto 31.10.2020) | 06 | 06 |
| Shri Challa Sreenivasulu Setty, MD (Member upto 20.04.2020 & again w.e.f. 04.02.2021) | 02 | 01 |
| Shri Challa Sreenivasulu Setty, MD (as alternate member) | -- | 02 |
| Shri Ashwani Bhatia, MD (Member w.e.f. 02.11.2020 & upto 03.02.2021) | 02 | 02 |
| Shri Swaminathan J, MD Member (w.e.f. 04.02.2021) | 01 | 01 |
| Shri Bhaskar Pramanik (Member upto 25.06.2020) | 03 | 03 |
| Shri Basant Seth (Member upto 25.06.2020) | 03 | 02 |
| Shri B. Venugopal | 09 | 07 |
| Dr. Ganesh Natarajan (Member w.e.f. 26.06.2020) | 06 | 06 |
| Shri Ketan S. Vikamsey (Member w.e.f. 26.06.2020) | 06 | 05 |
| Dr. Pushpendra Rai (Member w.e.f. 05.06.2020) | 07 | 06 |
| Dr. Purnima Gupta (Member upto 25.06.2020) | 03 | 03 |
| Shri Sanjeev Maheshwari (Member w.e.f. 26.06.2020) | 06 | 05 |

## Stakeholders Relationship Committee (SRC) Cum Customer Service Committee of the Board (CSCB)

In pursuance of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Stakeholders Relationship Committee (SRC) [earlier known as Shareholders'/ Investors' Grievance Committee of the Board (SIGCB), formed on the 30th January 2001] was formed to look into the redressal of Shareholders' and Investors' complaints regarding transfer of shares, non-receipt of annual report, non-receipt of interest on bonds/declared dividends, etc. The Customer Service Committee of the Board (CSCB) was constituted on the 26th August 2004, to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. In line with the view expressed in the RBI's Discussion Paper on "Governance in Commercial Banks in India" published on its website on June 11, 2020 and with a view to rationalize the number of Board Level Committees, the merger of Stakeholders Relationship Committee (SRC) and Customer Service Committee of the Board (CSCB) was approved by the Central Board in its meeting dated 25.06.2020 and the merged Committee was named as Stakeholders Relationship Committee cum Customer Service Committee of the Board and became effective from 26.06.2020. The Committee was last reconstituted on 04th February 2021 and has eight members. It is chaired by a Non- Executive Director. The composition of the Committee and its role complies with the SEBI Regulations. The Customer Service Committee of the Board (CSCB) met once on 14.05.2020 (before merger), whereas Stakeholders Relationship Committee (SRC) did not meet upto the date of merger. The merged Committee i.e. Stakeholders Relationship Committee cum Customer Service Committee of the Board met three times during 2020-21.

### Dates of Meetings of CSCB Held & Attendance of Directors During 2020-21

**No. of Meetings held** : 1

**Dates of the Meetings** : 14.05.2020

| Name of the Director | No. of Meetings held after nomination / election / during tenure | No. of Meetings attended |
|---|---|---|
| Shri B. Venugopal, Chairman of the Committee | 01 | 01 |
| Shri Arijit Basu, MD | 01 | 01 |
| Shri Challa Sreenivasulu Setty, MD | 01 | 01 |
| Shri Sanjiv Malhotra | 01 | 01 |
| Shri Bhaskar Pramanik | 01 | 01 |
| Shri Basant Seth | 01 | 01 |
| Dr. Pushpendra Rai (Member w.e.f. 05.06.2020) | 0 | 0 |
| Dr. Purnima Gupta | 01 | 01 |
| Shri Sanjeev Maheshwari | 01 | 01 |

### Dates of Meetings of SRC Cum CSCB Held & Attendance of Directors During 2020-21

**No. of Meetings held** : 3

**Dates of the Meetings** : 26.08.2020, 10.11.2020, 23.02.2021

| Name of the Director | No. of Meetings held after nomination / election / during tenure | No. of Meetings attended |
|---|---|---|
| Dr. Pushpendra Rai, Chairman of the Committee | 03 | 03 |
| Shri B. Venugopal | 03 | 03 |
| Dr. Ganesh Natarajan | 03 | 02 |
| Shri Ketan S. Vikamsey | 03 | 03 |
| Shri Mrugank M. Paranjape | 03 | 02 |
| Dr. Purnima Gupta (Member upto 31.01.2021) | 02 | 01 |
| Shri Sanjeev Maheshwari | 03 | 02 |
| Shri Dinesh Kumar Khara, MD (Member upto 06.10.2020) | 01 | 01 |
| Shri Challa Sreenivasulu Setty, MD | 03 | 03 |
| Shri Ashwani Bhatia, MD (Member w.e.f. 02.11.2020 & upto 03.02.2021) | 01 | 01 |
| Shri Swaminathan J, MD (Member w.e.f. 04.02.2021) | 01 | 01 |

| | |
|---|---|
| Number of shareholders' complaints received so far (during the year): | 278 |
| Number not solved to the satisfaction of shareholders: | Nil |
| Number of Pending Complaints: (Complaints which are sub-judice): | Nil |
| Name and designation of Compliance officer: | Shri Sham K<br>Chief Manager (Compliance & Company Secretary) |

## Special Committee of the Board for Monitoring of Large Value Frauds

The Special Committee of the Board for monitoring of Large Value Frauds (SCBMF) was constituted on the 29th March 2004.

The major functions of the Committee are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons for delay in detection and reporting, if any, monitoring progress of CBI/Police investigation, recovery position, ensuring that staff accountability exercise is completed quickly, reviewing the efficacy of remedial action taken to prevent recurrence of frauds and putting in place suitablepreventive measures. The SCBMF was merged with Audit Committee of the Board on 25.06.2020 by the Central Board of the Bank, but subsequently the Committee was restored by the Central Board w.e.f. 27.08.2020. The Committee was last reconstituted on the 04th February 2021 and has six members and is chaired by a Non-Executive Director. The Committee met five times during 2020-21:

**Dates of Meetings of (SCBMF) Held & Attendance of Directors During 2020-21**

**No. of Meetings held** : 5

**Dates of the Meetings** : 26.05.2020, 15.09.2020, 17.11.2020, 19.01.2021, 30.03.2021

| Name of the Director | No. of Meetings held after nomination / election / during tenure | No. of Meetings attended |
|---|---|---|
| Shri Ketan S. Vikamsey, Chairman of the Committee (Chairman & Member of the Committee w.e.f. 27.08.2020) | 04 | 04 |
| Shri Basant Seth (Chairman & Member of the Committee upto 25.06.2020) | 01 | 01 |
| Shri Arijit Basu, MD (Member upto 31.10.2020) | 02 | 02 |
| Shri Challa Sreenivasulu Setty, MD | 05 | 05 |
| Shri Ashwani Bhatia, MD (Member w.e.f. 02.11.2020) | 02 | 02 |
| Shri Swaminathan J, MD (Member w.e.f. 04.02.2021) | 01 | 01 |
| Shri Sanjiv Malhotra (Member upto 25.06.2020) | 01 | 01 |
| Shri Bhaskar Pramanik (Member upto 25.06.2020) | 01 | 01 |
| Dr. Ganesh Natarajan (Member w.e.f. 27.08.2020) | 04 | 03 |
| Dr. Pushpendra Rai (Member w.e.f. 05.06.2020) | 04 | 02 |
| Dr. Purnima Gupta (Member upto 31.01.2021) | 04 | 03 |
| Shri Sanjeev Maheshwari | 05 | 03 |

## IT Strategy Committee of the Board

With a view to tracking the progress of the Bank's IT initiatives, the Bank's Central Board constituted a Technology Committee of the Board on 26th August 2004. The Technology Committee has been renamed as IT Strategy Committee of the Board w.e.f. 24th October 2011. The Committee has played a strategic role in the Bank's technology domain. The Committee is entrusted with the following roles and responsibilities:

(i) approving IT strategy and policy documents, ensuring that the management has put an effective strategic planning process in place;

(ii) ensuring that the IT Organisational structure complements the business model and its direction;

(iii) ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

(iv) evaluating effectiveness of management's monitoring of IT risks and overseeing the aggregate funding of IT at the Bank level; and

(v) reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value).

The Committee was last reconstituted on the 04th February 2021 with seven members and is chaired by a Non- Executive Director. The Committee met five times during 2020-21.

**Dates of Meetings of ITSC Held & Attendance of Directors During 2020-21**

**No. of Meetings held** : 5

**Dates of the Meetings** : 21.05.2020, 08.06.2020, 12.08.2020, 20.10.2020, 09.02.2021

| Name of the Director | No. of Meetings held after nomination / election / during tenure | No. of Meetings attended |
|---|---|---|
| Dr. Ganesh Natarajan, Chairman of the Committee (Chairman & Member of the Committee w.e.f. 26.06.2020) | 03 | 03 |
| Shri Bhaskar Pramanik (Chairman & Member of the Committee upto 25.06.2020) | 02 | 02 |
| Shri Dinesh Kumar Khara, MD (Member upto 06.10.2020) | 03 | 03 |
| Shri Arijit Basu, MD (Member upto 26.08.2020) | 03 | 03 |
| Shri Arijit Basu, MD (as alternate member) | - | 01 |
| Shri Ashwani Bhatia, MD (Member w.e.f. 27.08.2020 & upto 03.02.2021) | 01 | 01 |

| Name of the Director | No. of Meetings held after nomination / election / during tenure | No. of Meetings attended |
|---|---|---|
| Shri Swaminathan J, MD (Member w.e.f. 04.02.2021) | 01 | 01 |
| Shri Ashwini Kumar Tewari, MD (Member w.e.f. 04.02.2021) | 01 | 01 |
| Shri Sanjiv Malhotra (Member upto 25.06.2020) | 02 | 02 |
| Shri B. Venugopal | 05 | 04 |
| Shri Mrugank M. Paranjape (Member w.e.f. 26.06.2020) | 03 | 03 |
| Dr. Pushpendra Rai (Member w.e.f. 05.06.2020) | 04 | 04 |
| Dr. Purnima Gupta (Member upto 31.01.2021) | 04 | 03 |
| Shri Sanjeev Maheshwari | 05 | 03 |

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSRC) was constituted on the 24th September 2014 as a measure of good corporate governance to review the activities undertaken by Bank under Corporate Social Responsibility Policy. The Committee was last reconstituted on the 04th February 2021 and has seven members. The Senior Managing Director on the Committee is the Chairman. During the year 2020-21, four meetings of the Committee were held.

**Dates of Meetings of CSRC Held & Attendance of Directors During 2020-21**

**No. of Meetings held** : 4

**Dates of the Meetings** : 08.04.2020, 05.08.2020, 27.10.2020, 16.02.2021

| Name of the Director | No. of Meetings held after nomination / election / during tenure | No. of Meetings attended |
|---|---|---|
| Shri Dinesh Kumar Khara, MD (Member & Chairman of the Committee upto 06.10.2020) | 02 | 02 |
| Shri Arijit Basu, MD (as alternate member) | - | 01 |
| Shri Challa Sreenivasulu Setty, MD (Chairman of the Committee w.e.f. 07.10.2020) | 04 | 04 |
| Shri Ashwani Bhatia, MD (Member w.e.f. 02.11.2020) | 01 | 01 |
| Shri Sanjiv Malhotra (Member upto 25.06.2020) | 01 | 01 |
| Shri Bhaskar Pramanik (Member upto 25.06.2020) | 01 | 01 |
| Shri Basant Seth (Member upto 25.06.2020) | 01 | 01 |
| Shri B. Venugopal | 04 | 04 |
| Dr. Ganesh Natarajan (Member w.e.f. 26.06.2020) | 03 | 03 |
| Shri Ketan S. Vikamsey (Member w.e.f. 26.06.2020) | 03 | 03 |
| Shri Mrugank M. Paranjape (Member w.e.f. 26.06.2020) | 03 | 03 |
| Dr. Pushpendra Rai (Member w.e.f. 05.06.2020) | 03 | 01 |
| Dr. Purnima Gupta (Member upto 31.01.2021) | 03 | 03 |

## Nomination and Remuneration Committee of the Board

RBI vide its Master Direction DBR. Appt. No: 9/29.67.001/2019-20 dated August 2, 2019 and Government of India vide its letter No. F. No 16/19/2019-BO.I dated 30.08.2019 have directed the Bank to constitute a single Nomination and Remuneration Committee (NRC) and accordingly a single NRC was constituted w.e.f. 25th October, 2019.

The Committee was last reconstituted on 04th February 2021. The Committee has five members consisting of non- executive Directors, namely, Shri B. Venugopal, Dr. Ganesh Natarajan, Shri Ketan S. Vikamsey, Shri Mrugank M. Paranjape and Dr. Pushpendra Rai. The Committee scrutinizes and recommends payment of incentives to Whole Time Directors. It also carries out necessary due diligence and

arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by shareholders. In addition, NRC also, inter alia, formulates the criteria/ framework for evaluation of performance of the Board, Board Level Committees and the Directors. The Committee meets at least once a year. In FY 2020-21, NRC met two times.

**Dates of Meetings of NRC Held & Attendance of Directors during 2020 - 21**

**No. of Meetings held** : 2

**Dates of the Meetings** : 28.05.2020, 08.12.2020

| Name of the Director | No. of Meetings held after nomination / election / during incumbency | No. of Meetings attended |
|---|---|---|
| Shri Basant Seth (Chairman & Member upto 25.06.2020) | 01 | 01 |
| Shri Sanjiv Malhotra (Member upto 25.06.2020) | 01 | 01 |
| Dr. Purnima Gupta (Member upto 25.06.2020) | 01 | 01 |
| Shri Sanjeev Maheshwari (Member upto 25.06.2020) | 01 | 01 |
| Shri B. Venugopal, Chairman of the Committee (Chairman & Member w.e.f. 26.06.2020) | 01 | 01 |
| Dr. Pushpendra Rai (Member w.e.f. 26.06.2020) | 01 | 0 |
| Shri Mrugank M. Paranjape (Member w.e.f. 26.06.2020) | 01 | 01 |
| Dr. Ganesh Natarajan (Member w.e.f. 26.06.2020) | 01 | 01 |
| Shri Ketan S. Vikamsey (Member w.e.f. 26.06.2020) | 01 | 01 |

## Board Committee to Monitor Recovery

In terms of Govt. of India advices, a Board Committee to Monitor Recovery was constituted by the Central Board at its meeting held on 20th December 2012 for overseeing Recovery of Loans and Advances. The Committee was last reconstituted on 04th February 2021, has ten members consisting of Chairman, four Managing Directors and five Non-Executive Director including the Govt. of India Nominee Director. The Committee met four times during the year and reviewed the NPA management and large NPA accounts of the Bank.

## Review Committee for Identification of Wilful Defaulters/ Non-Co-Operative Borrowers

The Committee was constituted by the Central Board in terms of RBI instructions. The Managing Director – Risk, Compliance & SARG is the Chairman of this Committee and five Non-Executive Directors as members.

The role of this Committee is to review the Order of the "Committee for Identification of Wilful Defaulters/Non-Co-operative Borrowers" (a Committee comprising Dy. Managing Director and Senior Executives of the Bank to examine the facts and record the fact of the Borrower being a Wilful Defaulter/Non-Co-operative Borrower) and confirm the same for the Order to be considered final.

The Committee met twelve times during the year 2020-21.

## Local Boards

In terms of the provisions of SBI Act and General Regulations 1955, at every centre where the Bank has a Local Head Office (LHO), Local Boards/Committees of Local Boards are functional. The Local Boards exercise such powers and perform such other functions and duties delegated to them by the Central Board. As on 31st March 2021, Local Boards at three LHOs and Committees of the Local Boards at the remaining fourteen LHOs were functional. The Minutes and Proceedings of the meetings of Local Boards/ Committees of Local Boards are placed before the Central Board.

## Sitting Fees

The remuneration of the Whole Time Directors are prescribed by GOI from time to time. Sitting Fees, as approved by the Board is paid to the Non-Executive Directors for attending the meetings of the Board/Committees of the Board. No remuneration, other than the Sitting Fees for attending Board and/or its Committee meetings, is paid to Non- Executive Directors. With effect from 25th October 2019, Sitting Fees of ₹70,000/- is paid for attending the Meetings of the Central Board and ₹30,000/- for attending the meetings of other Board level Committees. Details of Sitting fees paid during the year 2020-21 are placed in Annexure-IV.

## Compliance with Bank's Code of Conduct

The Directors on the Bank's Central Board and Senior Management have affirmed compliance with the Bank's Code of Conduct for the financial year 2020-21. Declaration to this effect signed by the Chairman is placed in Annexure-V. The Code of Conduct is posted on the Bank's website.

## Developments During the Year

1. On-Boarding programmes for newly elected Directors were arranged during the year. It included, inter alia, the organization structures, Overview of various business groups and Associates & Subsidiaries of the Bank, IT Developments, IT Security, HR and Training etc.

2. Performance Evaluation of the Board: With an objective to continuously improve Board's governance, your Bank had engaged a reputed external consulting organization, which assisted in laying down parameters for performance evaluation of Directors, Chairman, Board Level Committees and Central Board as a whole and also assisted in facilitating the overall evaluation process. The parameters of evaluation and the overall process was aligned to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and new SEBI Guidance Note on Board Evaluation, 2017. The Performance Evaluation Exercise for FY 2020-21 was completed during the year.

   The evaluation process has validated the Board of Directors' confidence in the governance values of the Bank, the synergy that exists amongst the Board of Directors and the collaboration between the Chairman, the Board and the Management.

3. In order to apprise the Board Members on matters of strategic and financial importance, considering the varied demands being increasingly placed on the Boards of Banks in terms of governance and key role played by our Bank in the economy, several presentations were made before the Board Members during the year, especially on impact of Covid-19 pandemic on Global and Indian economy, Financial sector, Banking Industry and in particular on SBI, by various Industry Experts and Bank's own Departments. The details of some of major presentations made are as under:

   1) Presentation on Impact of Covid-19 Epidemic on NBFCs by Commercial Client Group Vertical of the Bank in ECCB meeting dated 08.04.2020.

   2) Presentation on Covid-19 impact on the Global and Indian economy and Key Imperatives for SBI by McKinsey & Company in ECCB meeting dated 14.05.2020.

   3) Presentation on COVID19 –Trends and opportunities for SBI to win in the rebound by Boston Consulting Group (BCG) in ECCB meeting dated 21.05.2020.

   4) Presentation on NBFC Sector by Risk Management Department of the Bank in ECCB meeting dated 26.05.2020.

   5) Presentation on Perspectives on Indian economy, Corporate and Financial sector by CRISIL on 06.06.2020.

   6) Presentation on Impact of Covid-19 on CRE/ LRD Portfolio of the Bank by Liases Foras in ECCB meeting dated 22.12.2020. The said workshop was aligned to the Bank's Strategy of keeping the Board members and the Senior Management of the Bank abreast with the latest trend in the industry and to decide on the way forward.

   Further, to keep the Directors abreast and updated in areas of Corporate Governance, Credit delivery, Information Security, etc. and in line with the practice of interacting with eminent domain experts on emerging key challenges, interactive programmes were also arranged for the Directors from time to time. Directors are deputed to Seminars/ Meetings convened by Professional bodies like IDRBT/CAFRAL (sponsored by RBI)/ GOI. Three Non-Executive Directors participated at a programme on IT Cyber Security organised by IDRBT on 3 & 4 Dec 2020, whereas one Non-Executive Director attended such programme on 2 & 3 March 2021. The objective of the programme was to enable the management to contribute effectively in planning and execution of the cyber security strategy of the Bank.

   Presentations are often arranged involving outside experts, at Board meetings, on important topics like Corporate Governance, Risk Management, IT, Audit, etc.

**Salary And Allowances Paid To The Chairman And Managing Directors In FY2020-21 (₹)**

| Name | PF Index | Basic | DA | Other | Total | Remark | Period |
|---|---|---|---|---|---|---|---|
| Rajnish Kumar | 7619901 | 1393548.39 | 236903.23 | 1404000.00 | 3034451.62 | 1404000.00 is leave encashment paid on retirement in October 2020. | 01.04.2020 to 06.10.2020 |
| Dinesh Kumar Khara | 8702764 | 2924283.87 | 487750.25 | 400000.00 | 3812034.12 | 400000.00 is Incentive Paid. | 01.04.2020 to 31.03.2021 |
| Challa Sreenivasulu Setty | 8598630 | 2479600.00 | 421532.00 | | 2901132.00 | | 01.04.2020 to 31.03.2021 |
| Ashwani Bhatia | 8631212 | 1490806.45 | 253437.10 | | 1744243.55 | | 24.08.2020 to 31.03.2021 |
| Arijit Basu | 7847890 | 1637200.00 | 276464.00 | 509886.00 | 2423550.00 | 509886.00 is Amount of Leave Encashment Paid on retirement in October 2020. | 01.04.2020 to 31.10.2020 |
| Swaminathan Janakiraman | 2155056 | 437303.23 | 74341.55 | | 511644.78 | | 28.01.2021 to 31.03.2021 |
| Ashwini Kumar Tewari | 2435024 | 437303.23 | 74341.55 | | 511644.78 | | 28.01.2021 to 31.03.2021 |

## Attendance at the Annual General Meeting

The last Annual General Meeting (AGM) for the year 2019-20, was held on 14th July, 2020, at Mumbai by VC / OAVM at 11:00 AM and e-voting facility was provided to the shareholders as per the relaxation given by MCA and SEBI due to Covid 19 pandemic. All the Directors attended the meeting through Video Conferencing. AGM 2018-19 was held on 20th June, 2019 at Mumbai at 03:00 PM and was attended by 8 Directors, viz, Shri Rajnish Kumar, Shri P. K. Gupta, Shri Dinesh Kumar Khara, Shri Arijit Basu, Smt. Anshula Kant, Shri Bhaskar Pramanik, Dr. Pushpendra Rai and Dr. Purnima Gupta. AGM 2017-18 was held on 28th June, 2018 at Mumbai at 03:00 PM. SBI Act, 1955 and SBI General Regulations, 1955 do not provide the postal ballot facility. Generally, AGMs are held in Mumbai where Corporate Centre of the Bank is located. As per SBI Act, 1955 only one agenda i.e. adoption of Balance Sheet and Profit and Loss Account of the Bank is required to be discussed and approved at the AGM.

### Disclosure

1. The Bank has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Bank at large.
2. The Bank has complied with applicable rules and regulations prescribed by stock exchanges, SEBI, RBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Bank except penalty levied by RBI as disclosed in the Secretarial Audit Report
3. Whistle Blower Policy was introduced in our Bank vide GoI circular dated 04.11.2011 on Public Interest Disclosure & Protection of Informer (PIDPI). The said policy is reviewed from time to time. SEBI (LODR) Regulations, 2015 mandates establishment of a mechanism called "Whistle Blower Policy" to report to the management, fraud or violation of the Bank's Code of Conduct or ethic policy. The Central Vigilance Commission vide its letter dated 11.03.2019 has advised the Bank to modify the existing Whistle Blower Mechanism in line with the provisions of Section 177 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and guidelines/directions issued by RBI under Section 35(A) of Banking Regulations Act and accordingly, replace and supersede the existing policy. The new policy as approved by the Central Board on 27.11.2019 is made available on Bank's website on www.sbi.co.in. As per said policy no personnel has been denied access to the Audit Committee.
4. Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the bank's website www. sbi.co.in or bank.sbi under link corporate governance-policies.
5. In terms of Regulation 25(9) of SEBI (LODR) Regulations, 2015 the Central Board at its meeting held on 28.05.2020 has taken on record the Declaration and Confirmation received from Independent Directors under Regulation 25(8) of SEBI (LODR) Regulations, 2015 and Independent Directors fulfill the conditions specified under Regulation 16(1)(b) of SEBI (LODR) Regulations and are independent of the management.
6. Discretionary Requirements as specified in Part E of Schedule II of SEBI (LODR), Regulations are as follows: (i) The Bank has Executive Chairman and appointed under Section 19(a) of the SBI Act, 1955 by the Central Government in consultation with the Reserve Bank of India (ii) The Bank prepares presentation on financial performance on quarterly basis for its investors/ analysts and submit the copy of the same with stock exchanges for investors information and is also made available on Bank's official website (iii) The Bank has submitted a declaration with the stock exchanges that the Statutory Auditors of the Bank have issued Audit Report on Audited Financial Results (Standalone and Consolidated) for year ended 31st March, 2021 with unmodified opinion. (iv) The Bank has separate Internal Audit Department which periodically submit its report directly to the Audit Committee of the Bank.
7. The Bank has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C , D and E of Schedule V to the extent that the requirements of the Clause do not violate the provisions of State Bank of India Act 1955, the rules and regulations made there under and guidelines or directives issued by the Reserve Bank of India.

## Means of Communication

The Bank strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives. Annual, half-yearly and quarterly results of the Bank for the year 2020-21 were published in the leading newspapers of the country having wide circulation in India. The results were also displayed on the Bank's website www.sbi.co.in or https://bank.sbi. Soft copies of full Annual Report is sent to all those shareholders who have registered their e-mail address(es) either with the Bank or with depositories and physical copy of Annual Report is sent to other shareholders. The Bank's website displays, interalia, official news releases of the Bank, the Bank's Annual Reports, Half-yearly and quarterly results and details of various product offerings. Every year, after the annual / half-yearly / quarterly results are declared, a Press- meet is held on the same day, in which the Chairman makes a presentation and answers the queries of the media. This is followed by another meeting to which a number of investment analysts / Investors are invited. Details of the Bank's performance are discussed with the analysts / Investors in the meeting. After declaring quarterly results, press notifications are issued and copy of the same is submitted to the stock exchanges along with the copy of presentation made on Bank's performance for Investors/ Analysts.

## General Shareholder Information

| | | |
|---|---|---|
| The Annual General Meeting of the Shareholders | : | Date: 25.06.2021, Time 03.00 PM Venue: State Bank Auditorium, State Bank Bhavan, Madame Cama Road, Mumbai 400 021 with option to conduct meeting through VC/OAVM. |
| Financial Calendar | : | 01.04.2020 to 31.03.2021 |
| Dividend Payment Date | : | 18.06.2021 |
| Listing of securities on Stock Exchanges | : | BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. GDRs listed on London Stock Exchange (LSE), Singapore Exchange Limited (Bonds). Listing fees have been paid upto date to all Stock exchanges, including LSE. |
| Stock Code/CUSIP | : | Stock Code 500112 (BSE), SBIN (NSE), CUSIP US 856552203 (LSE) |
| Share Transfer System | : | Share transfers in Physical form are processed and returned to the shareholders within stipulated time. Quarterly Share transfer audit and reconciliation of Share Capital audit are regularly carried out by an independent Company Secretary. However, SEBI has put a restriction on/debarred physical transfer of shares from 1st April, 2019. |
| Registrar and Transfer Agent (Existing) | : | M/s Alankit Assignments Ltd. |
| Unit Address | : | 205-208, Anarkali Complex, E/7, Jhandelwalan Extension, New Delhi - 110055 |
| Phone Numbers | : | 011-42541234, 7290071335 |
| E-mail address | : | sbi.igr@alankit.com |
| Address for Correspondence | : | SBI, Shares & Bonds Department, Corporate Centre, 14th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai 400 021. |
| Telephone Numbers | : | (022) 2274 0841 to 2274 0848 |
| Fax | : | (022) 2285 5348 |
| E-mail Address | : | investor.complaints@sbi.co.in / dgm.snb@sbi.co.in |
| Name of the debenture trustees with full contact details (Capital Instruments issued in INR) | : | IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400 001 Contact No. 91-22-4080 7006 Fax Number: 91-22-6631 1776 |

e-Initiative: In accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020,and Subsequent SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 the requirements of Regulations 36 (1)(b) and (c) and Regulation 58 (1) (b) & (c) of the LODR are dispensed with and hence Annual Report will be forwarded to the shareholders at their registered mail address through electronic mode only. Further Annual Report can be downloaded from our website www.sbi.co.in >>>>>Investor Relations>>>>Shareholder Info.

### Investors' Care

To meet various requirements of the investors regarding their holdings, the Bank has a full-fledged Department - Shares & Bonds Department - at Mumbai. The investors' grievances, whether received at the Bank's offices or at the office of the registrar and transfer agents, are redressed expeditiously and monitored at the Top Management level.

In terms of Regulation 44(5) of SEBI (LODR) Regulations, the Bank provides one way live webcast of the proceedings of the AGM. The webcast facility will be available from 03:00 PM onwards on 25.06.2021 and the shareholders can have access at https://www.evoting.nsdl.com or https://bank.sbi. In view of the outbreak of the COVID-19 pandemic, social distancing norms are to be followed and because of the continuing restrictions on movement of persons at several places in the country, the Bank has decided to conduct AGM through VC/OAVM and provide e-voting facility to the shareholders of the Bank.

### Capital Augmentation During FY2021

No equity capital was raised during FY 2020-21.

### Outstanding Global Depository Receipts (GDR)

At the time of issue of GDRs in 1996, two way fungibility was not permitted by the Government/RBI, i.e., if the holder of GDR desired to obtain the underlying equity shares of the Indian Company, then such GDR was to be converted into shares of the Indian Company, but not vice versa. Later, two-way fungibility of ADRs/ GDRs was permitted by the Government of India/ RBI. The Bank has permitted two-way fungibility to the Bank's GDR programme.

The Bank had 109,728,17 GDRs as on 31st March 2021 representing 1,097,281,70 equity shares.

### Unclaimed Shares

| Category of shareholder | No. of Shareholders | Outstanding Shares |
|---|---|---|
| No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year | 983 | 2,36,878 |
| Add- No. of e-SBBJ shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year | 144 | 16,954 |
| Total | 1127 | 2,53,832 |
| No. of Shareholders, who approached the issuer for transfer of shares from the unclaimed suspense account during the year | 2 | 242 |
| No. of Shareholders, whom shares were transferred from the unclaimed suspense account during the year | 2 | 242 |
| Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year | 1125 | 2,53,590 |

The voting rights on such unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

## DIVIDEND HISTORY/ DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy is in place. The same is available on the Bank's website www.sbi.co.in under link Corporate Governance > Policies.

### Qualitative Disclosure on Derivative Transactions Financial Year 2020-21

The Bank, at present, deals in over the counter (OTC) derivatives to hedge against interest rate and currency risks. It also deals in exchange traded Interest Rate Futures, Currency Futures and Currency Options.

Interest rate derivatives dealt by the Bank are Rupee interest rate swaps (OIS), Foreign Currency interest rate swaps (IRS), Forward Rate Agreements (FRA), Caps, Floors and Collars. Currency derivatives dealt by the Bank are Currency Swaps (CIRS / CCS), USD/INR Options and Cross-Currency Options. The Bank also does NDF trades as permitted by RBI.

The products are offered to Bank's customers for hedging their exposures. These are also used for reducing Bank's Balance Sheet Risk. Trading / Arbitrage activities on Derivatives are done selectively within prescribed risk limits whenever opportunities are sighted.

The Bank runs USD/INR Option Book and manages Greek limits efficiently. The Bank also runs MIFOR book for making USD / INR swap prices.

Derivative transactions carry market risk i.e., the probable loss the Bank may incur caused by adverse movements in interest rates and / or exchange rates. A derivative position also carries credit risk i.e., the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes measures to be taken to contain the risks. The market risk parameters (Greek limits, Loss limits, Cut-loss triggers, Open position limits, VaR, Modified Duration, PV01, etc.) have been clearly defined in the policy which are strictly adhered to. For containing Credit risk, the policy stipulates customer / counterparty eligibility criteria [credit rating, tenure of relationship, availability of CEL limit, Customer Appropriateness & Suitability (CAS) testing etc.] which are strictly complied with. Appropriate limits are set for the corporate counterparties by respective Business Units considering their ability to honour obligations. The Bank executes ISDA agreement with each derivatives counterparty – both corporate as well as interbank.

For each of the Interbank counterparty, a counterparty exposure limit is put in place by the Risk vertical. The Bank has executed CSA (Credit Support Annex) – a part of ISDA Master Agreement with a few counterparties. As per the terms of CSA, collateral is posted or transferred with swap counterparties to mitigate the credit risk arising from 'in the money' derivative positions.

The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures and monitors market risk associated with derivative transactions. MRMD assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

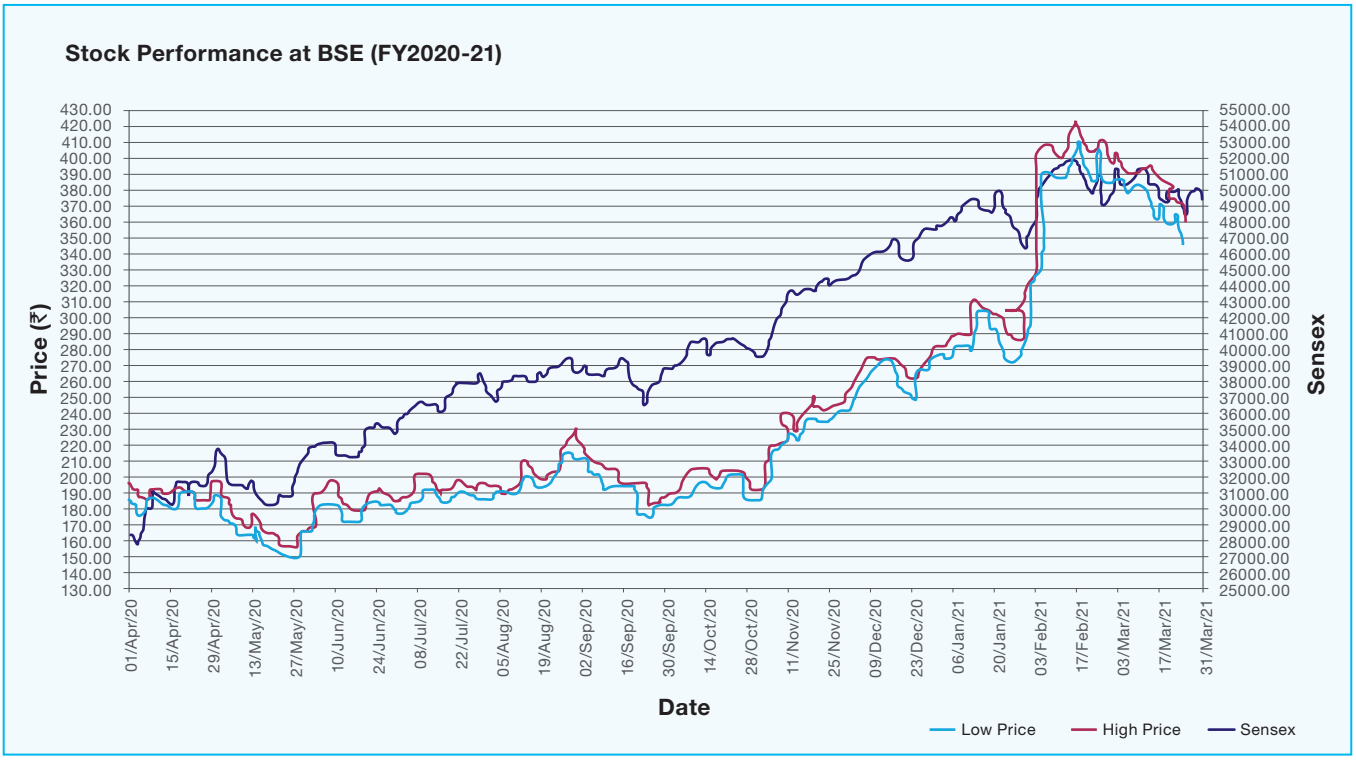
The accounting policy for derivatives has been drawn up in accordance with the RBI guidelines, the details of which are presented under Schedule 17: Principal Accounting Policies (PAP).

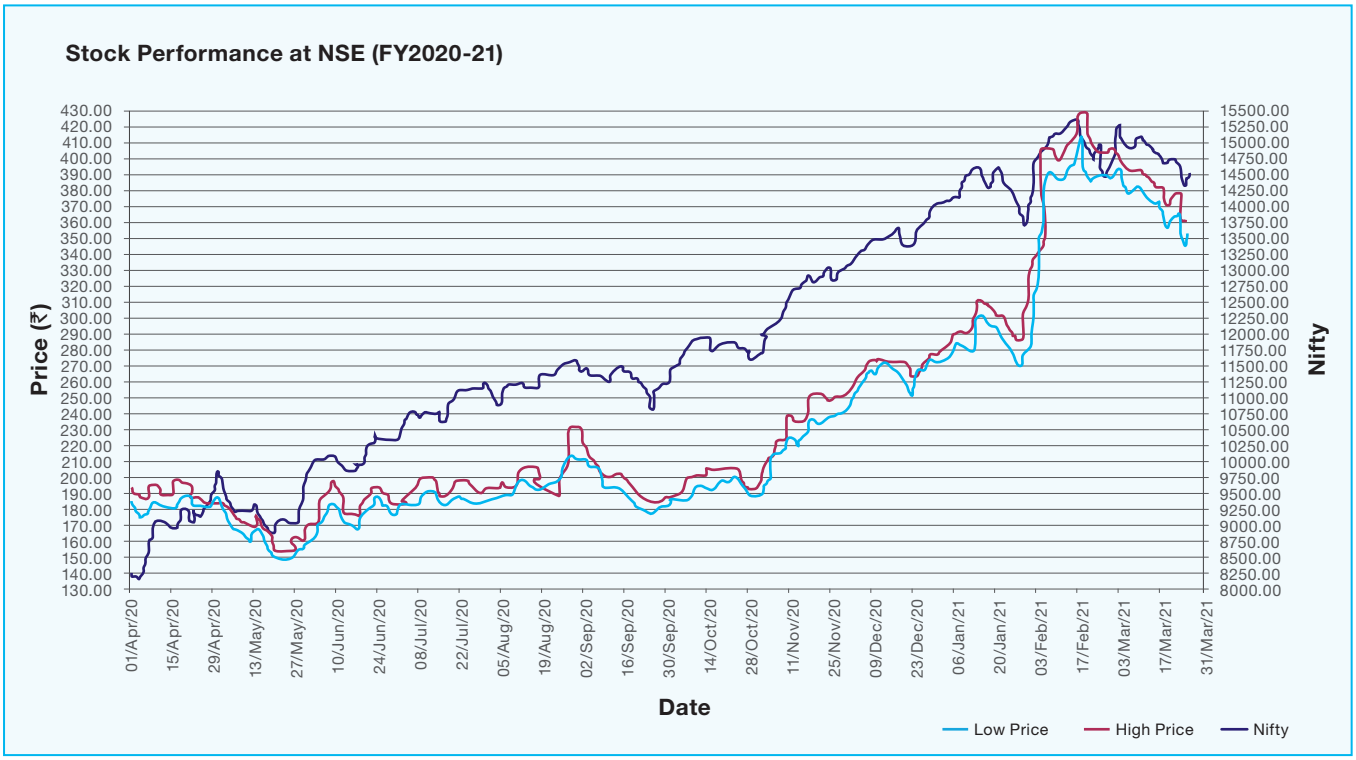
## Disclosures as Required under SEBI (LODR) (Amendment) Regulations, 2018 (Listing Regulations)

1. The Central Board of the Bank at its meeting held on 04.02.2021, reviewed and approved the terms of reference/ role/ reconstitution of various Board level committees viz Audit, Stakeholders Relationship, Risk Management and the Nomination and Remuneration Committee, respectively, in terms of amendment in SEBI (LODR) Regulations.
2. In terms of Regulation 24A of Listing Regulations a secretarial audit report for financial year ended 31.03.2021 is annexed to the Annual Report.
3. There is no revision in credit rating obtained for all debt instruments.
4. During FY 2020-21 the Bank has not raised capital through Preferential Allotment or Qualified Institutional Placement. Therefore, the certificate for utilization of funds was not obtained as required.
5. The Bank has obtained certificate under Regulation 34 and Schedule V of Listing Regulations and none of the directors of the Bank have been debarred or disqualified from being appointed by any statutory authority. (Copy of Certificate attached)
6. Details of familiarization programs imparted for independent directors are disclosed on the website of the Bank under the web link: https://sbi.co.in/portal/web/corporate-governance/regulatory-disclosures.
7. Total fees paid to existing Statutory Central Auditors (SCAs) during FY 2020-21 as per the Schedule V Para C, Clause 10 (k) of Listing Regulations, is ₹6,71,65,903.40 only.

## Share Price Movement

The movement of the share price and the BSE Sensex NSE Nifty is presented in the following tables.






## Market Price Data

| Months | BSE (₹) | | NSE (₹) | | LSE (GDR) US$ | |
|---|---|---|---|---|---|---|
| | High | Low | High | Low | High | Low |
| Apr-20 | 198.00 | 175.00 | 198.00 | 175.00 | 25.25 | 23.40 |
| May-20 | 184.70 | 149.55 | 183.50 | 149.45 | 23.90 | 19.82 |
| Jun-20 | 197.70 | 163.45 | 197.50 | 163.35 | 25.55 | 22.45 |
| Jul-20 | 202.50 | 178.85 | 202.50 | 178.60 | 26.25 | 24.30 |
| Aug-20 | 232.00 | 189.60 | 231.55 | 189.55 | 30.15 | 25.40 |
| Sep-20 | 219.00 | 175.55 | 219.00 | 175.50 | 29.80 | 24.10 |
| Oct-20 | 207.35 | 186.00 | 207.30 | 185.90 | 27.55 | 25.30 |
| Nov-20 | 252.90 | 190.05 | 253.00 | 190.05 | 33.70 | 26.20 |
| Dec-20 | 279.75 | 244.10 | 279.90 | 244.10 | 37.90 | 33.45 |
| Jan-21 | 310.80 | 269.55 | 310.90 | 269.50 | 41.70 | 37.95 |
| Feb-21 | 426.45 | 282.75 | 427.70 | 282.75 | 56.40 | 42.30 |
| Mar-21 | 408.90 | 345.00 | 408.90 | 345.20 | 54.90 | 48.90 |

Book value per share ₹240.53

### Shareholding Pattern as on 31st March 2021

| Sr. No. | Description | % of Total Shares |
|---|---|---|
| 1 | President of India | 56.92 |
| 2 | Non-residents (FIIs/OCBs/NRIs/GDRs) | 11.33 |
| 3 | Mutual Funds & UTI | 12.56 |
| 4 | Private Corporate Bodies | 0.82 |
| 5 | Banks/ FIs/ Insurance Cos., etc. | 11.74 |
| 6 | Others (including Resident Individuals) | 6.63 |
| **Total** | | **100.00** |

### Top Ten Shareholders as on 31st March 2021

| Sr. No. | Name | % of Shares in Total Equity |
|---|---|---|
| 1 | President of India | 56.92 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA P & GS FUND | 9.14 |
| 3 | HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND | 2.84 |
| 4 | SBI-ETF SENSEX | 2.06 |
| 5 | NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA VISION FUND | 1.46 |
| 6 | PRUDENTIAL ICICI TRUST LTD - SENSEX PRUDENTIAL ICICI EXCHANGE TRADED FUND – SECURITIES | 1.36 |
| 7 | THE BANK OF NEW YORK MELLON | 1.23 |
| 8 | NPS TRUST-A/C HDFC PENSION MANAGEMENT COMPANY LTD SCHEME TAX SAVER-TIER 2 | 0.94 |
| 9 | KOTAK TAX SAVER SCHEME | 0.90 |
| 10 | UTI-MASTERSHARE UNIT SCHEME | 0.60 |

**Dematerialization of Shares and Liquidity:** Bank's equity shares are compulsorily traded in the electronic form. As on 31st March 2021, 8,85,04,85,330 shares representing 99.17% of total equity capital were held in electronic form.

| Description | No. Share Holders | No. Shares | Shares % |
|---|---|---|---|
| NSDL | 12,19,827 | 3,50,40,88,322 | 39.26 |
| CDSL | 13,86,595 | 5,34,63,97,008 | 59.91 |
| Physical | 1,81,057 | 7,41,26,204 | 0.83 |
| **Total** | **27,87,479** | **8,92,46,11,534** | **100.00** |

### Distribution Schedule as on 31st March, 2021 (Face Value of ₹1 Each)

| Range No. of Shares | Total Holders | % to Total Holders | Total Holdings in ₹ | % to Total Capital |
|---|---|---|---|---|
| 1-5000 | 2777624 | 99.65 | 506623749 | 5.68 |
| 5001-10000 | 5260 | 0.19 | 37356220 | 0.42 |
| 10001-20000 | 2008 | 0.07 | 28061999 | 0.32 |
| 20001-30000 | 634 | 0.02 | 15623327 | 0.18 |
| 30001-40000 | 240 | 0.01 | 8466972 | 0.09 |
| 40001-50000 | 179 | 0.01 | 8246961 | 0.09 |
| 50001-100000 | 426 | 0.01 | 30659403 | 0.34 |
| 100001-ABOVE | 1108 | 0.04 | 8289572903 | 92.88 |
| **TOTAL** | **2787479** | **100.00** | **8924611534** | **100.00** |

# ANNEXURE I

## Brief Resumes of The Non-Executive Directors on the Board as On 31st March 2021

### Shri B Venugopal

Shri B. Venugopal, born in 1959, is a Director re-appointed by the Shareholders u/s 19 (c) of the SBI Act for the period from 26th June 2020 till 25th June 2023. He is a former Managing Director of the Life Insurance Corporation of India (LIC), with a work experience of 36 years in LIC and 2 years in the erstwhile State Bank of Travancore.

A graduate of the University of Kerala in Commerce and Cost Accounting, Venugopal has undergone extensive training in Business strategies, Project Management, Finance, Marketing, Information Technology, etc., from the National Insurance Academy - Pune, IIMs - Ahmedabad and Kolkata, the ISB -Hyderabad, Asian Institute of Management - Manila and FALIA – Japan.

During his career in LIC, he has gathered vast experience in all areas of the institution's working, including Marketing, Administration and Information Technology, having worked, inter alia, as Executive Director (Information Technology), Chief(IT/ BPR), Regional Manager (E&OS), Chennai, and Senior Divisional Manager in charge of Madurai and Coimbatore Divisions.

Before taking charge as Managing Director, he was the Zonal Manager-in-charge of the biggest of LIC's 8 Zones – the Western Zone, comprising the States of Goa, Gujarat and Maharashtra and accounting for almost 25% of LIC's Premium Income.

Since LIC develops and maintains all its software in-house, he gained extensive knowledge in Information Technology, having worked, initially, as a Programmer and Systems Analyst and, subsequently, as the head of IT for 7 years. It has been his privilege to have led the teams that developed and implemented most of the path-breaking initiatives taken by LIC in the field of IT, including the introduction of LIC's Core Business Solution (1995-97), setting up of the first ever Metro Area Networking and IVR Systems of LIC(1998), the Corporate Active Data Warehouse (2005), Online Premium Collection (2006), Enterprise Document Management Systems (2007), and Online Underwriting Engine & Online sale of Policies(2012), to name a few. During his tenure as the Head of IT, LIC won the NASSCOM award for the best user of IT amongst insurance companies in India, on more than one occasion.

Since 2009, Venugopal has represented LIC on the Boards of Directors of various Institutions in India and abroad. He has also served on the Governing Boards of the National Insurance Academy and the Insurance Institute of India as also as a Trustee of the LIC of India Provident Fund and the LIC of India Golden Jubilee Foundation. Currently he serves as an Independent Director on the Boards of the State Bank of India and National Commodities and Derivatives Exchange Ltd (NCDEX).

### Dr. Ganesh Natarajan

Dr Ganesh Natarajan is a Director elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26th June 2020 till 25th June 2023. Dr Natarajan is Founder and Chairman of 5F World, a platform for Global consulting and Investing in Digital Skills and Digital Transformation. He is also Chairman of Pune City Connect and Social Venture Partners India. He has received the Distinguished Alumnus Award of NITIE and IIT Bombay. Two case studies on his work have been written and taught at ISB IIM Bengaluru and Harvard Business School.

### CA Shri Ketan S. Vikamsey

Shri Ketan Vikamsey is a Director elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26th June 2020 till 25th June 2023. Shri Vikamsey is a senior partner at Khimji Kunverji & Co LLP, Chartered Accountants, a firm established in 1936, which is a member firm of HLB International. He is Chairman of the HLB India Federation. He is Member of Banking, Finance & Insurance Committee of Indian Merchants' Chamber, Banking & Finance Committee, Capital Markets Committee of Bombay Chamber of Commerce & Industry and member, RRC Committee of the Chamber of Tax Consultants.

He is a Speaker/ Chairman, at various seminars, meetings, lectures held by various Regional Councils of ICAI, Branches & Study Circles of ICAI, RBI, Comptroller & Auditor General of India (C&AG) and several other organisations.

He comes with immense experience in the areas of audit of large banks, manufacturing concerns, Investment Banks, Insurance Companies and Mutual Funds.

### Shri Mrugank M. Paranjape

Shri Paranjape is a Director elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26th June 2020 till 25th June 2023. He is a Bachelor in Technology from the Indian Institute of Technology Mumbai with a Post Graduate Diploma in Management from the Indian Institute of Management Ahmedabad. He has more than 30 years of experience in Banking, Capital Markets, Asset Management and Stock Broking covering varied functional and geographic areas. He is currently the Managing Director & Chief Executive Officer of NCDEX e Markets Limited. Earlier he was the Managing Director & Chief Executive Officer of Multi Commodity Exchange of India Limited. Prior to that he held senior management positions at Deutsche Bank in Singapore and India. He has previously worked with ICICI Prudential AMC, India Infoline, ING Barings and Citibank amongst others.

### Dr. Pushpendra Rai

Dr. Pushpendra Rai is a Director nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 28th January 2016, has about 38 years of professional experience in national and international institutions.

As a member of the Indian Administrative Service for more than 21 years, he was responsible for formulating policy; preparing the program and budget; determining implementation strategies; monitoring implementation; and evaluating staff performance for a diverse set of institutions like rural and industrial development agencies, power generation and distribution departments, petroleum companies and intellectual property offices. He has also worked as the National Project Director - UNDP/WIPO; Member, Governing Council, National Institute

of Design; Member Secretary, Foreign Investment Promotion Council; Executive Director, National Renewal Fund; National Negotiator at WTO/WIPO; and Secretary General, Quality Council of India.

Subsequently, Dr. Rai worked at the World Intellectual Property Organization, Geneva (UN), for 16 years, handling assignments like extending technical cooperation, promoting the economic aspects of IP and asset creation; leading the Development Agenda process; and heading the Regional Office for Asia Pacific at Singapore.

Dr. Rai has a Ph.D. from IIT, Delhi; postgraduate degrees from Harvard University and the University of Lucknow and has lectured extensively in various parts of the world.

### Shri Sanjeev Maheshwari

Shri Sanjeev Maheshwari is a Director nominated by the Central Government u/s 19 (d) of the SBI Act, with effect from 20th December 2019 for a period of 3 years.

Shri Maheshwari, a Chartered Accountant and Insolvency Resolution Professional, has over 33 Years' experience of practice in the field of Audit, Taxation and Management Consultancy. He was a member of the Central Council of Institute of Chartered Accountants of India for 9 years, and Chairman of Accounting Standards Board of ICAI, for 3 years during which he was instrumental in formulation of Ind AS. He has served on most of the technical committees as Chairman or member at ICAI. He has also served as the member of Quality Review Board constituted by Ministry of Corporate Affairs and been a member on several committees of South Asian Federation of Accountants.

### Shri Debasish Panda

Shri Debasish Panda is a Director, nominated by the Central Government, u/s 19 (e) of SBI Act w.e.f. 24th January 2020 till further order. Shri Panda is Secretary, Dept of Financial Services, Ministry of Finance, Government of India.

Shri Debasish Panda is an officer of Indian Administrative Service of 1987 batch of UP cadre and belongs to the State of Odisha. He joined as Additional Secretary in the Department of Financial Services on 23.3.2018 and promoted as Special Secretary on 13.12.2019. He is a Post Graduate in Physics, Developmental Management and obtained M. Phil degree in Environmental Sciences. He has also undergone foreign training in Public Administration from USA & Philippines.

Joined the Government service in 1987, he held several key posts in Government of Uttar Pradesh such as District Magistrates in Deoria, Tehri, Uttarakashi & Ghaziabad Districts and Principal Secretary (Home & General Admn.). He also served the Government of India in the capacity of Joint Secretary (Health & FW) and as Dy. Director (Admn) in AIIMS. Before joining as Additional Secretary in the Department of Financial Services, he was holding the dual charge of Resident Commissioner of UP in Delhi as well as Chief Executive Officer, Greater, Noida Development Authority

### Shri Chandan Sinha

Shri Chandan Sinha is a Director, nominated by the Central Government on the recommendation of the Reserve Bank, u/s 19(f) of SBI Act w.e.f. 28th September 2016 till further order.

# ANNEXURE II

Details of Directorship in the listed entities including Bank & Chairmanships/Membership in Audit/Stakeholders Committee(s) held by the Directors of the Bank in Listed entities including Bank as on 31.03.2021 in due compliance with Regulation 26(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

| S. No. | Name of Director | Occupation & Address | Date of Appointment in the current term / Cessation | Number of Directorship & Chairmanships/ Membership in Audit/Stakeholders Committee(s) held in listed entities including Bank |
|---|---|---|---|---|
| 1. | Shri Dinesh Kumar Khara | Chairman<br>No.5, Dunedin,<br>J.M.Mehta Road,<br>Mumbai – 400 006 | 07.10.2020 /<br>06.10.2023 | Chairman: 03<br>Committee Member: 05 |
| 2. | Shri Challa Sreenivasulu Setty | Managing Director<br>M-1, Kinellan Towers, 100A,<br>Napean Sea Road, Mumbai – 400 006 | 20.01.2020 /<br>19.01.2023 | Director: 01<br>Committee Member: 02 |
| 3. | Shri Ashwani Bhatia | Managing Director<br>M-2, Kinellan Towers, 100A,<br>Napean Sea Road, Mumbai – 400 006 | 24.08.2020 /<br>31.05.2022 | Director: 01<br>Committee Member: 01 |
| 4. | Shri Swaminathan J. | Managing Director<br>M-3, Kinellan Towers, 100A,<br>Napean Sea Road, Mumbai – 400 006 | 28.01.2021 /<br>27.01.2024 | Director: 01<br>Committee Member: 01 |
| 5. | Shri Ashwini Kumar Tewari | Managing Director<br>M-4, Kinellan Towers, 100A,<br>Napean Sea Road, Mumbai – 400 006 | 28.01.2021 /<br>27.01.2024 | Director: 01<br>Committee Member: Nil |
| 6. | Shri B. Venugopal | Insurance, Finance & IT Specialist (Ex. MD, LIC of India) Flat No.2B, 2nd Floor Wind Cliffe, Peddar Road Mumbai – 400 026 | 26.06.2020 /<br>25.06.2023 | Director: 01<br>Committee Member: 02 |
| 7. | Dr. Ganesh Natarajan | IT Professional<br>Bungalow No.-10, Talera Park CHS,<br>Kalyani Nagar, Pune-411014 | 26.06.2020 /<br>25.06.2023 | Director: 03<br>Committee Member:05<br>Chairman of Committee:01 |
| 8. | Shri Ketan S. Vikamsey | Chartered Accountant<br>174-A, Kalpataru Habitat,<br>Dr S.S. Rao Road, Parel,<br>Mumbai- 400012 | 26.06.2020 /<br>25.06.2023 | Director: 01<br>Committee Member: 02<br>Chairman of Committee:01 |
| 9. | Shri Mrugank M. Paranjape | Banking & Finance<br>46, Manisha CHS, Subhash Road<br>Behind Ankita Tailors,<br>Vile Parle East, Mumbai-400057 | 26.06.2020 /<br>25.06.2023 | Director: 01<br>Committee Member: 02 |
| 10. | Dr. Pushpendra Rai | Development Specialist,<br>(former National & International civil servant), 50, Paschimi Marg,<br>Vasant Vihar, New Delhi-110 057 | 06.02.2020 /<br>05.02.2022 | Director: 01<br>Committee Member: 01<br>Chairman of Committee:01 |
| 11. | Shri Sanjeev Maheshwari | Chartered Accountant 622, Giri Shikhar & Centre CHS Ltd. Goenka Hall, J.B. Nagar Andheri (East), Mumbai – 400 059 | 20.12.2019 /<br>19.12.2022 | Director: 02<br>Committee Member: 03<br>Chairman of Committee:01 |
| 12. | Shri Debasish Panda<br>GOI Nominee Director | Secretary, (Financial Services) Ministry of Finance, Government of India (Banking Division), Jeevan Deep Bldg., Parliament Street, New Delhi - 110 001 | 24.01.2020 /<br>till further order | Director: 01<br>Committee Member :01 |
| 13. | Shri Chandan Sinha<br>Reserve Bank of India Nominee Director | Flat No. 2206, Tower-5,<br>Crescent Bay, Bhoiwada, Parel,<br>Mumbai - 400 012 | 28.09.2016 /<br>till further order | Director: 01<br>Committee Member :01 |

# ANNEXURE-II A

Total Number of Memberships/Chairmanships held by the Directors on the Boards / Board-level Committees of the Bank/Other Companies as on 31.03.2021

## 1. SHRI DINESH KUMAR KHARA

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name of the Committee Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Chairman | Executive Committee of the Central Board – Chairman<br>Board Committee to Monitor Recovery – Chairman |
| 2 | SBI Life Insurance Company Ltd. | Chairman | Audit Committee – Member<br>Stakeholders Relationship Committee – Member<br>Investment Committee – Member<br>Risk Management Committee – Member<br>Policyholder Protection Committee – Member<br>Nomination & Remuneration Committee – Member<br>Corporate Social Responsibility Committee – Member<br>Board with Profit Committee – Member<br>Information Technology & Information Security Committee – Member |
| 3 | SBI General Insurance Company Ltd. | Chairman | Audit Committee – Member<br>Policyholder Protection Committee – Chairman<br>Risk Management Committee – Chairman<br>Investment Committee – Chairman<br>Strategic Investments Committee –Chairman<br>Nomination & Remuneration Committee – Member<br>Corporate Social Responsibility Committee – Member<br>Technology Committee – Member |
| 4 | SBI Funds Management Pvt. Ltd. | Chairman | Share Allotment & HR Committee – Member |
| 5 | SBI Capital Markets Ltd. | Chairman | -- |
| 6 | SBI Cards & Payment Services Ltd. | Chairman | Nomination & Remuneration Committee – Member |
| 7 | SBICAP Ventures Ltd. | Director | Nomination & Remuneration Committee – Chairman |
| 8 | SBICAP Securities Ltd. | Director | -- |
| 9 | SBI Global Factors Ltd. | Chairman | Audit Committee– Member Nomination & Remuneration Committee – Member |
| 10 | SBI Pension Funds Pvt. Ltd. | Chairman | -- |
| 11 | SBI Foundation | Chairman | -- |
| 12 | SBI DFHI Ltd. | Chairman | Audit Committee – Member<br>Risk Management Committee – Member<br>Nomination & Remuneration Committee – Member<br>Human Resources Committee – Member<br>Corporate Social Responsibility Committee – Member |
| 13 | SBICAP (Singapore) Ltd. | Director | -- |
| 14 | Export-Import Bank of India | Director | -- |
| 15 | Institute of Banking Personnel Selection | Member, Governing Board | -- |
| 16 | Indian Bank's Association (IBA) | Dy. Chairman, Managing Committee | -- |
| 17 | Indian Institute of Banking & Finance | Member, Governing Council | -- |

## 2. SHRI CHALLA SREENIVASULU SETTY

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Managing Director | Executive Committee of the Central Board – Member<br>Audit Committee of the Board – Member<br>Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member<br>Risk Management Committee of the Board – Member<br>Board Committee to Monitor Recovery – Member<br>Special Committee of the Board for Monitoring of Large Value Frauds - Member<br>Corporate Social Responsibility Committee – Chairman |
| 2 | SBI Foundation | Director | -- |
| 3 | SASF Trust | Chairman | -- |
| 4 | SBI General Insurance Co. Ltd. | -- | Bancassurance Committee - Member |
| 5 | SBI Pension Fund | Executive Trustee | -- |
| 6 | National Co-operative Development Corporation | -- | General Council of NCDC – Member |

## 3. SHRI ASHWANI BHATIA

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Executive Committee of the Central Board – Member<br>Audit Committee of the Board – Member<br>Board Committee to Monitor Recovery – Member<br>Corporate Social Responsibility Committee – Member |
| 2 | SBICAP Ventures Ltd. | Director | -- |

## 4. SHRI SWAMINATHAN J.

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Managing Director | Executive Committee of the Central Board – Member<br>Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member<br>Risk Management Committee of the Board – Member<br>IT Strategy Committee of the Board – Member<br>Board Committee to Monitor Recovery – Member<br>Special Committee of the Board for Monitoring of Large Value Frauds – Member<br>Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Chairman |

## 5. SHRI ASHWINI KUMAR TEWARI

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Managing Director | Executive Committee of the Central Board – Member<br>IT Strategy Committee of the Board – Member<br>Board Committee to Monitor Recovery – Member |
| 2 | SBI Capital Markets Ltd | Director | Committee of Directors – Chairman<br>Risk Management Committee – Member<br>CSR Committee – Member<br>Nomination & Remuneration Committee – Member<br>Audit Committee – Member<br>Information Technology Strategy Committee – Member |
| 3 | SBICAP Securities Ltd. | Director | -- |
| 4 | SBICAP Ventures Ltd. | Director | -- |

## 6. SHRI B. VENUGOPAL

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Executive Committee of the Central Board – Member<br>Audit Committee of the Board – Member<br>Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member<br>Risk Management Committee of the Board – Member<br>IT Strategy Committee of the Board – Member<br>Nomination & Remuneration Committee – Chairman<br>Corporate Social Responsibility Committee – Member<br>Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member |
| 2 | National Commodities & Derivatives Exchange Ltd. (NCDEX) | Director | Capital Raising Committee – Member |
| 3 | NCDEX eMarkets Ltd. (NeML) | Director | Nomination & Remuneration Committee – Member |

## 7. DR. GANESH NATARAJAN

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member<br>Risk Management Committee of the Board – Member<br>IT Strategy Committee of the Board – Chairman<br>Special Committee of the Board for Monitoring of Large Value Frauds – Member<br>Nomination & Remuneration Committee – Member<br>Board Committee to Monitor Recovery – Member<br>Corporate Social Responsibility Committee – Member |
| 2 | Principal Asset Management Private Limited | Director | -- |
| 3 | Zeva Capsol Private Limited | Director | -- |
| 4 | LHI Digital Private Limited | Director | -- |

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 5 | Global Talent Track Private Limited | Director | -- |
| 6 | Lighthouse Communities Foundation | Director | -- |
| 7 | 5F World Private Limited | Director | -- |
| 8 | Skills Alpha Learning Private Limited | Director | -- |
| 9 | Kalzoom Advisors Private Limited | Director | -- |
| 10 | Inflexion Analytix Private Limited | Director | -- |
| 11 | Foundation To Educate Girls Globally | Director | -- |
| 12 | Hinduja Global Solutions Limited | Director | Audit Committee – Member<br>Stakeholders Relationship and Share Allotment Committee – Member |
| 13 | Continuum of Capital India Private Limited | Director | -- |
| 14 | Honeywell Automation India Ltd. | Director | Audit Committee – Chairman<br>Stakeholders Relationship Committee – Member<br>Nomination and Remuneration Committee – Member |
| 15 | Asian Venture Philanthropy Network Ltd. | Director | -- |
| 16 | Cornerstone Venture Partners Investment Advisers LLP | Individual Partner | -- |
| 17 | 5F World | Partner | -- |

## 8. SHRI KETAN S. VIKAMSEY

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Executive Committee of the Central Board – Member<br>Audit Committee of the Board – Chairman<br>Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member<br>Risk Management Committee of the Board – Member<br>Special Committee of the Board for Monitoring of Large Value Frauds – Chairman<br>Nomination & Remuneration Committee – Member<br>Board Committee to Monitor Recovery – Member<br>Corporate Social Responsibility Committee – Member<br>Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member |
| 2 | Khimji Kunverji & Co. LLP | Individual Partner | -- |

## 9. SHRI MRUGANK M. PARANJAPE

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Executive Committee of the Central Board – Member<br>Audit Committee of the Board – Member<br>Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member<br>Risk Management Committee of the Board – Chairman<br>IT Strategy Committee of the Board – Member<br>Nomination & Remuneration Committee – Member<br>Corporate Social Responsibility Committee – Member<br>Committee to Review the Identification of Wilful Defaulters/ Non-Co Operative Borrowers – Member |
| 2 | NCDEX eMarkets Ltd. (NEML) Limited | Managing Director & CEO | Technology Advisory Committee – Member<br>Corporate Social Responsibility Committee – Member |
| 3 | Rashtriya eMarket Services | Director | -- |
| 4 | Sewa International (Trust) | Member-Board of Trustees | -- |

## 10. DR. PUSHPENDRA RAI

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Stakeholders Relationship Committee cum Customer Service Committee the Board – Chairman,<br>Risk Management Committee of the Board – Member<br>IT Strategy Committee of the Board – Member<br>Special Committee of the Board for Monitoring of Large Value Frauds – Member,<br>Nomination & Remuneration Committee – Member<br>Board Committee to Monitor Recovery – Member<br>Corporate Social Responsibility Committee – Member<br>Committee to Review the Identification of Wilful Defaulters/ Non- Cooperative Borrowers – Member |

## 11. SHRI SANJEEV MAHESHWARI

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Executive Committee of the Central Board – Member<br>Audit Committee of the Board – Member<br>Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member<br>Risk Management Committee of the Board – Member<br>IT Strategy Committee of the Board – Member<br>Special Committee of the Board for Monitoring of Large Value Frauds – Member<br>Board Committee to Monitor Recovery – Member<br>Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member |
| 2 | Kamadgiri Fashion Ltd. | Director | Audit Committee – Chairman Nomination & Remuneration Committee – Member |
| 3 | Trust AMC Trustee Pvt. Ltd. | Director | Audit Committee of the Board– Member |
| 4 | Mudra Share and Stock Brokers Ltd. | Director | - |

## 12. SHRI DEBASISH PANDA

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Audit Committee of the Board – Member<br>Board Committee to Monitor Recovery – Member |
| 2 | IRDAI | Director | -- |

## 13. SHRI CHANDAN SINHA

| S. No. | Name of the Company/Name of the Concern/Society | Chairman/ Director/ Member | Name(s) of the Committee(s) Chairman/Member |
|---|---|---|---|
| 1 | State Bank of India | Director | Executive Committee of the Central Board – Member<br>Audit Committee of the Board – Member |

*(Note : Executive Committee of the Central Board consists of all or any of the other Directors who are normally residents, or may, for the time being, be present at any place within India where the ECCB meeting is held as per Regulation 46 of SBI General Regulations.)*

# ANNEXURE – III

**Details of Shareholding of Directors on the Bank's Central Board as on 31.03.2021**

| Name of Director | No. of Shares |
|---|---|
| Shri Dinesh Kumar Khara | 3,100 |
| Shri Challa Sreenivasulu Setty | 500 |
| Shri Ashwani Bhatia | 1,180 |
| Shri Swaminathan J. | 500 |
| Shri Ashwini Kumar Tewari | 310 |
| Shri B Venugopal | 5,000 |
| Dr. Ganesh Natarajan | 17,813 |
| Shri Ketan S. Vikamsey | 5,000 |
| Shri Mrugank M. Paranjape | 10,000 |
| Dr. Pushpendra Rai | 0 |
| Shri Sanjeev Maheshwari | 0 |
| Shri Debasish Panda | 0 |
| Shri Chandan Sinha | 500 |

# ANNEXURE IV

**Details Of Sitting Fees Paid To Directors For Attending Meetings Of The Central Board And Board- Level Committees During 2020-21**

| S. No. | Name of Director | Meetings of Central Board (₹) | Meetings of Other Board Level Committees (₹) | Total (₹) |
|---|---|---|---|---|
| 1 | Shri Sanjiv Malhotra | 3,50,000.00 | 6,30,000.00 | 9,80,000.00 |
| 2 | Shri Bhaskar Pramanik | 3,50,000.00 | 7,20,000.00 | 10,70,000.00 |
| 3 | Shri Basant Seth | 3,50,000.00 | 3,60,000.00 | 7,10,000.00 |
| 4 | Shri B Venugopal | 7,70,000.00 | 17,30,000.00 | 25,00,000.00 |
| 5 | Dr. Ganesh Natarajan | 9,10,000.00 | 15,90,000.00 | 25,00,000.00 |
| 6 | Shri Ketan S. Vikamsey | 7,00,000.00 | 11,70,000.00 | 18,70,000.00 |
| 7 | Shri Mrugank M. Paranjape | 7,00,000.00 | 18,00,000.00 | 25,00,000.00 |
| 8 | Dr. Pushpendra Rai | 9,10,000.00 | 15,90,000.00 | 25,00,000.00 |
| 9 | Dr. Purnima Gupta | 8,40,000.00 | 13,50,000.00 | 21,90,000.00 |
| 10 | Shri Sanjeev Maheshwari | 7,70,000.00 | 17,30,000.00 | 25,00,000.00 |
| 11 | Shri Chandan Sinha | 9,10,000.00 | 15,90,000.00 | 25,00,000.00 |

# ANNEXURE V

**Affirmation of Compliance with the Bank's Code of Conduct (2020-21)**

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2020-21

**DINESH KUMAR KHARA**
CHAIRMAN

**Prevention of Sexual Harassment (POSH) of Women at Workplace – Prevention, Prohibition and Redressal – Position for the year 2020-2021**

| | |
|---|---|
| No. of complaints pending at the beginning of the year | 10 |
| No. of complaints received during the year | 45 |
| Total No. of cases | 55 |
| No. of complaints disposed of during the year | 49 |
| No. of cases pending at the end of the year | 6 |

**Details Of Skills/Expertise/Competencies Possessed by the Directors who were part of the Board on 31st March 2021 are as follows:**

| Sl. No. | Name | Qualifications | Skills/Expertise/Competencies |
|---|---|---|---|
| 1 | Shri Dinesh Kumar Khara<br>Chairman | M.Com, MBA | He was Managing Director (Global Banking & Subsidiaries) in the Bank prior to being appointed as Chairman. He has work experience in the field of commercial banking including retail credit, small and medium enterprises / corporate credit, deposit mobilization, international banking operations, branch management, etc. |
| 2 | Shri Challa Sreenivasulu Setty<br>MD (Retail & Digital Banking) | B.Sc (Agri) | He has rich experience in Corporate Credit, Retail Banking and Banking in developed markets. Prior to taking over charge as MD, Shri Setty was heading the Stressed Asset Resolution Group of the Bank, in his capacity as Deputy Managing Director, where he was responsible for resolving the stressed assets portfolio of the Bank, across the country, in different sectors such as Power, Infra, Auto, Telecom etc.He has also headed the Syndications team at Bank's New York Branch. |
| 3 | Shri Ashwani Bhatia<br>MD (Corporate Banking & Global Markets) | B. Sc. (Physics & Mathematics), MBA | He has experience of over three and a half decades in the State Bank Group. Prior to his assignment as MD, Mr. Bhatia was MD & CEO, SBI Funds Management Pvt Limited. Before joining SBI Funds Management Private Limited, he was working as a Chief General Manager, Corporate Centre, where he revamped credit structure and processes of the Bank. Some of his other positions in the Bank include Chief General Manager- SME, General Manager (Heading retail operations of Haryana, HP, Jammu & Kashmir, Punjab and Chandigarh), and various others in Network Banking, Credit, Investment Banking and Asset Management. He has spent more than a decade in the Bank's treasury operations, holding position of DGM (Forex), DGM (Interest Rates), AGM & Chief Dealer (Equities). Mr. Bhatia has also had a stint with SBI Capital Markets as President & COO. He has also served as dealer at Tokyo in the Japan Operations of the Bank |
| 4 | Shri Swaminathan J.<br>MD (Risk, Compliance & SARG) | B.Com. CAIIB Certified Anti Money Laundering Specialist (CAMS) and Certified Documentary Credit Specialist (CDCS) | In a career spanning over 32 years with SBI, he has held various assignments across Finance, Corporate & International Banking, Trade Finance, Retail & Digital Banking and Branch Management. He has served SBI in various capacities including DMD (Finance) and Chief Digital Officer. He also served in Bank's New York Branch as Head of Trade. |
| 5 | Shri Ashwini Kumar Tewari<br>MD (International Banking, Technology & Subsidiaries) | B.Tech (Electrical), CAIIB, Certified Financial Planner (CFP), Certificate course in Management (XLRI) | He has three decades of banking experience in various capacities, across retail, SME, transaction banking, international banking in India and abroad. Prior to appointment as Managing Director, he was MD & CEO of SBI Cards and Payment Services Limited. He also served as Country Head of US operations and Regional Head East Asia of SBI. |
| 6 | Shri B. Venugopal<br>Non-Executive Director | Graduate in Commerce & Cost Accountancy | He has more than 38 years of experience in Insurance, Finance & Accounts, Risk Management, IT, Information Technology (Software Development), Business Strategies, Project Management, Marketing, etc. He is a former Managing Director of the Life Insurance Corporation of India (LIC), with a work experience of 36 years in LIC and 2 years in the erstwhile State Bank of Travancore. |

| Sl. No. | Name | Qualifications | Skills/Expertise/Competencies |
|---|---|---|---|
| 7 | Dr. Ganesh Natarajan<br>Non-Executive Director | PG in Industrial Engineering & Management, PhD in Knowledge Management (IIT, Bombay), Advanced Management Programme (Harvard Business School, USA) | He has rich experience in the field of Information Technology with specialization in Business Process Re-engineering & Technology Transformation. He is Founder and Chairman of 5F World, a platform for Global consulting and Investing in Digital Skills and Digital Transformation. Recipient of Distinguished Alumnus Award of NITIE and IIT, Bombay. Two case studies on his work have been written and taught at ISB, IIM, Bengaluru and Harvard Business School. |
| 8 | Shri Ketan S. Vikamsey<br>Non-Executive Director | Chartered Accountant from ICAI | He is a Senior Partner of a reputed firm of Chartered Accountants. He is member of Banking, Finance & Insurance Committee of Indian Merchants' Chamber, Banking & Finance Committee, Capital Markets Committee of Bombay Chamber of Commerce & Industry and Member, RRC Committee of the Chamber of Tax Consultants. He comes with immense experience in the areas of audit of large banks, manufacturing concerns, Investment Banks, Insurance Companies and Mutual Funds. He has specialization in the area of Assurance, Auditing, Taxation, Consultancy, Services, Valuation, Due Diligence, Inspections, Investigations, etc. |
| 9 | Shri Mrugank M. Paranjape<br>Non-Executive Director | B.Tech, IIT, Bombay, PGDM (IIM, Ahmedabad) | He has more than 30 years of experience in Banking, Capital Markets, Asset Management, Stock Broking, Transaction & Retail Banking, Risk Management, Technology, Derivatives, Policy Making, etc. He is currently MD & CEO of NCDEX eMarkets Limited. Prior to that he was MD & CEO of Multi Commodity Exchange of India Limited. He had also held senior management positions at Deutsche Bank in Singapore and India and worked in ICICI Prudential AMC, India Infoline, ING Barings and Citibank amongst others. |
| 10 | Dr. Pushpendra Rai<br>Non-Executive Director | Ph.D. from IIT, Delhi, Postgraduate degrees from Harvard University and University of Lucknow | He has served as a member of the Indian Administrative Service for more than 21 years. He has more than 38 years of professional experience in national and international institutions and has worked as the National Project Director - UNDP/ World Intellectual Property Organisation (WIPO); Member, Governing Council, National Institute of Design, Member Secretary, Foreign Investment Promotion Council, Executive Director, National Renewal Fund, National Negotiator at WTO/WIPO and Secretary General, Quality Council of India. Subsequently, Dr. Rai worked at the World Intellectual Property Organization, Geneva (UN), for 16 years. He has rich experience in the field of Intellectual Property and Economic Development, Human Resources Development, Project Development & Management, Financial Management & Analysis, Administration, Planning and Development Strategies, etc. |
| 11 | Shri Sanjeev Maheshwari<br>Non-Executive Director | Chartered Accountant from ICAI | He has vast experience in the field of Audit, Taxation and Management Consultancy, with specialization in Insolvency Resolution Plan. He was a member of the Central Council of Institute of Chartered Accountants of India for 9 years, and Chairman of Accounting Standards Board of ICAI, for 3 years during which he was instrumental in formulation of Ind AS. He has served on most of the technical committees as Chairman or member at ICAI. |
| 12 | Shri Debasish Panda<br>GOI Nominee Director | Post Graduate in Physics, Developmental Management and obtained M. Phil degree in Environmental Sciences | He is an Indian Administrative Service Officer of 1987 batch and is currently working as Secretary, Dept. of Financial Services, Ministry of Finance, Government of India. |

| Sl. No. | Name | Qualifications | Skills/Expertise/Competencies |
|---|---|---|---|
| 13 | Shri Chandan Sinha<br>RBI Nominee Director | Post Graduate in Physics, MBA (Finance). | He is a former Executive Director, Reserve Bank of India. He is also Ex-Additional Director, CAFRAL, RBI. He has rich experience in Banking & Finance. He has expertise in Regulation of Financial Market, Management of Forex Reserves, Payment & Settlement System and Information Technology. |

The table below summarizes the key attributes and skills matrix, identified by the Board of Directors, in line with SBI Act, 1955 and RBI Master Circular dated 02.08.2019 as required in the context of business, which is to be considered while selecting the Director:

1. **Industry Knowledge/Experience:** Industry Experience, Knowledge of sector, Knowledge of broad policy direction, understanding of government legislation / legislative process.
2. **Technical Skills/Experience:** Accounting, Finance, Law, marketing experience, Information technology, Public Relations, Capital Allocation, Costing, Budgetary Controls, Strategy development and implementation.
3. **Governance Competencies:** Prior Director experience, Financial literacy, Compliance focus, strategic thinking / planning from a governance perspective.
4. **RBI and SBI qualification for Director:** Specialization in the fields of (i) Information Technology (ii) Payment & Settlement Systems (iii) Human Resources (iv) Risk Management and (v) Business Management. Have special knowledge or experience in respect of one or more of the following areas, namely:— (i) agriculture and rural economy, (ii) banking, (iii) co-operation, (iv) economics, (v) finance, (vi) law, (vii) small-scale industry, (viii) any other area the special knowledge of, and experience in, which in the opinion of the Reserve Bank shall be useful to the State Bank of India. Represent the interests of depositors, represent the interests of farmers, workers and artisans.

| DIRECTORS | ATTRIBUTES | | | |
|---|---|---|---|---|
| | Industry Knowledge/ Experience | Technical Skills/ Experience | Governance Competencies | RBI & SBI Qualification for Director |
| Shri Dinesh Kumar Khara | ✓ | ✓ | ✓ | ✓ |
| Shri Challa Sreenivasulu Setty | ✓ | ✓ | ✓ | ✓ |
| Shri Ashwani Bhatia | ✓ | ✓ | ✓ | ✓ |
| Shri Swaminathan J. | ✓ | ✓ | ✓ | ✓ |
| Shri Ashwini Kumar Tewari | ✓ | ✓ | ✓ | ✓ |
| Shri B. Venugopal | ✓ | ✓ | ✓ | ✓ |
| Dr. Ganesh Natarajan | ✓ | ✓ | ✓ | ✓ |
| Shri Ketan S. Vikamsey | ✓ | ✓ | ✓ | ✓ |
| Shri Mrugank M. Paranjape | ✓ | ✓ | ✓ | ✓ |
| Dr. Pushpendra Rai | ✓ | ✓ | ✓ | ✓ |
| Shri Sanjeev Maheshwari | ✓ | ✓ | ✓ | ✓ |
| Shri Debasish Panda | ✓ | ✓ | ✓ | ✓ |
| Shri Chandan Sinha | ✓ | ✓ | ✓ | ✓ |

# Annual disclosure for material subsidiaries

(Amount in crore)

| | 31.03.2020 | | 31.03.2020 | | |
|---|---|---|---|---|---|
| | Total Income | Exceeds 10% | Networth | Exceeds 10% | Overall |
| SBI(Consolidated) | 362229 | | 212023 | | |
| 10% of Total Income | 36223 | | 21202 | | |
| SBILIFE | 44326 | YES | 8743 | NO | YES |
| SBIGENERAL | 7929 | NO | 2214 | NO | NO |
| SBICARDS | 9752 | NO | 5413 | NO | NO |
| SBIFMPL | 1220 | NO | 1985 | NO | NO |
| SBICAPS GROUP | 1004 | NO | 3253 | NO | NO |
| SBIGLOBAL | 191 | NO | 332 | NO | NO |
| SBI SG | 119 | NO | 222 | NO | NO |
| SBIDFHI | 723 | NO | 1119 | NO | NO |
| SBIPENSION | 16 | NO | 41 | NO | NO |
| SBIPAYMENT | 1342 | NO | 459 | NO | NO |
| SBIMFTRUSTEE | | | | | |

(Amount in crore)

| | Life Insurance | As on 31 March 2021 |
|---|---|---|
| 1 | Total Assets | 226,830 |
| 2 | Net Profit for current FY | 1,456 |
| 3 | Assets under Management | 220,871 |
| 4 | Amount of new business premium | 20,624 |
| 5 | Growth of new business premium | 24% |
| 6 | New business margin | 20.40% |
| 7 | Market share | 21.9% (Private Market Share on NBP Basis) |
| 8 | Solvency ratio | 2.15 |

# Education and Qualifications of Management Team

The educational qualifications of Directors on the Central Board of the Bank are given in Corporate Governance Report in the Annual Report. The educational qualifications of the Deputy Managing Directors of the Bank are given below.

| Sl No | TITLE | NAME OF OFFICER | QUALIFICATIONS |
|---|---|---|---|
| 1 | SHRI | CHOUDHARY ALOK KUMAR | B.Sc. (HONS), MA |
| 2 | SHRI | KANDPAL PRAKASH CHANDRA | B.Sc., M.A. (Eco), MBA (FIN.) |
| 3 | SHRI | KESHAV KUMAR THEKEPAT | M.Sc. (MATHS) |
| 4 | SHRI | MAHAPATRA ANUP KUMAR | B.Sc. (AGRI) |
| 5 | SHRI | MEHTA ARUN | M.A. (ECO) |
| 6 | SHRI | NAGESWAR CHALASANI VENKAT | B.Sc., P.G.D.J. |
| 7 | SHRI | NATRAJAN SUNDAR | M.Sc. (CHEMISTRY) |
| 8 | SHRI | NAUTIYAL SANJEEV | B.A., MBA |
| 9 | SHRI | PANDEY RAVINDRA | M.Sc. |
| 10 | SHRI | PRABODH PARIKH | M.Com., MBA |
| 11 | SHRI | PRASAD SOMA SANKARA | M.Com. |
| 12 | SHRI | RADHAKRISHNAN V.S. | M.Com., M.B.A. |
| 13 | SHRI | RANA ASHUTOSH KUMAR SINGH | B.Sc., PGEMP (POST. GRAD. EXEC. MGMT. PROG.) |
| 14 | SHRI | RAO SUREDDI SRINIVASA | M.Sc. |
| 15 | SHRI | SALEE S. | M.Sc. (APPLIED ELECTRONICS) |
| 16 | SMT. | SALONI NARAYAN | B.A. (HONS) |
| 17 | SHRI | SASTRY S. VENKATARAMANA | B.Sc. |
| 18 | SHRI | TEWARI SANDEEP | M.Sc. |
| 19 | SHRI | TONSE VINAY M. | M.Com. (BANKING & COSTING) |

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019]

To
**The Members,**
**State Bank of India**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by State Bank of India (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2021 according to the provisions of:

i. The State Bank of India Act, 1955 ('the Act') and the State Bank of India General Regulations, 1955 ('the Regulations') made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client#;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

j. The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;

k. The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992;

l. The Securities and Exchange Board of India (Underwriters) Regulations, 1993;

m. The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;

n. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;

o. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;

p. The Securities and Exchange Board of India (Custodian) Regulations, 1996; and

q. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

*# The Regulations or Guidelines, as the case may be were not applicable for the period under review.*

The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:

vi. The Banking Regulation Act, 1949, as amended.

vii. Master Directions, Notifications and Guidelines issued by RBI from time to time.

We have also examined compliance with the applicable clauses of 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]'.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable except to the following:

a) The Central Board of the Bank comprises of thirteen (13) Directors, constituting of five (05) Executive Directors (including the Chairman and four (04) Managing Directors); five (05) Independent Directors and three (03) Non-Executive & Non-Independent Directors as on March 31, 2021. Pursuant to regulation 17(1) of the Listing Regulations, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors whereas the Central Board of Bank comprises of only five (05) Independent Directors. Thus, the Bank did not have the requisite number of Independent Directors in its Central Board including Independent Woman Director. However, regulation 15 of the Listing Regulations provides that, the provisions of regulation 17 of the Listing Regulations, with respect to the constitution of the Central

Board in terms of section 19 of the State Bank of India Act, 1955 and General Rules & Regulations made thereunder, shall be applicable to the Bank to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.

b) The Audit Committee of the Bank comprises of eight (08) Directors, of which six (06) are Non-Executive Directors including three (03) Independent Directors and two (02) are Executive Directors as on March 31, 2021. The Bank did not have requisite number of Independent Directors in its Audit Committee as required under regulation 18(1) of the Listing Regulations.

**We further report that -**

Subject to foregoing, the Central Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Central Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Central Board Meetings, agenda and detailed notes on agenda were sent in advance for meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Bank has undertaken following events/actions:

i) During the audit period, the Central Board of the Bank had approved raising of capital by way of issuance of Basel III compliant debt instrument under Additional Tier 1 (AT 1) capital up to an amount of ₹9,000 Crore and Tier 2 capital up to an amount of ₹21,015 Crore by way of Private Placement Issue.

ii) During the audit period, the Committee of Directors for Capital Raising allotted Basel III compliant debt instrument under AT 1 amounting to ₹6,500 Crore and Tier - 2 capital amounting to ₹20,931 Crore.

iii) The Executive Committee of Central Board (ECCB) of the Bank at its meeting held on July 08, 2020 had accorded its approval for investment in the Further Public Offering (FPO) of Yes Bank Limited subsequent to which 1,46,66,66,000 equity shares of face value ₹2 each of Yes Bank Limited were allotted to the Bank.

iv) The Executive Committee of Central Board (ECCB) of the Bank at its meeting held on July 08, 2020 accorded approval whereby SBICAP, a wholly owned subsidiary of the Bank will acquire stake in Investec Capital Services India Pvt. Ltd. to form a Joint Venture along with transfer of SBICAP Securities Limited's (SSL) Institutional Equities Broking and Research Business to such Joint Venture entity.

v) During the financial year ended March 31, 2021, the Bank has redeemed AT 1 Bonds aggregating to ₹200 Crores and Tier 2 Bonds aggregating to ₹16,647.83 Crores; the total bond redemptions aggregating to ₹16,847.83 Crores.

vi) The Reserve Bank of India (RBI) had, vide its letter dated March 16, 2021, imposed a monetary penalty of ₹2 Crore on the Bank, for contravention of provisions of Section 10 (1) (b) (ii) of the Banking Regulation Act, 1949 and specific directions of RBI issued to the Bank on payment of remuneration to employees in the form of commission.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No.: P1981MH043700

**S. N. Bhandari**
Partner
FCS No.: 761; C P No.: 366
Mumbai: May 21, 2021
UDIN: F000761C000349461

*This report is to be read with our letter of even date which is annexed as **Annexure 'A'** and forms an integral part of this report.*

# ANNEXURE 'A'

To
**The Members,**
**State Bank of India**

Our Secretarial Audit Report for the Financial Year ended on March 31, 2021 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No.: P1981MH043700

**S. N. Bhandari**
Partner
FCS No.: 761; C P No.: 366
Mumbai: May 21, 2021
UDIN: F000761C000349461

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
**The Members,**
**State Bank of India**
State Bank Bhavan,
Madame Cama Road,
Mumbai - 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of State Bank of India (hereinafter referred to as 'the Bank') having Central Office at State Bank Bhavan, Madame Cama Road, Mumbai - 400021, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Central Board of the Bank as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in the Bank |
|---|---|---|---|
| 1 | Mr. Dinesh Kumar Khara | 06737041 | 07/10/2020 |
| 2 | Mr. Challa Sreenivasulu Setty | 08335249 | 20/01/2020 |
| 3 | Mr. Ashwani Bhatia | 07423221 | 24/08/2020 |
| 4 | Mr. Swaminathan J. | 08516241 | 28/01/2021 |
| 5 | Mr. Ashwini Kumar Tewari | 08797991 | 28/01/2021 |
| 6 | Mr. B. Venugopal | 02638597 | 07/06/2018 |
| 7 | Dr. Ganesh G. Natarajan | 00176393 | 26/06/2020 |
| 8 | Mr. Ketan S. Vikamsey | 00282877 | 26/06/2020 |
| 9 | Mr. Mrugank M. Paranjape | 02162026 | 26/06/2020 |
| 10 | Dr. Pushpendra Rai | 07506230 | 28/01/2016 |
| 11 | Mr. Sanjeev Maheshwari | 02431173 | 20/12/2019 |
| 12 | Mr. Debasish Panda | 06479085 | 24/01/2020 |
| 13 | Mr. Chandan Sinha | 06921244 | 28/09/2016 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**
Company Secretaries

**S. N. Bhandari**
Partner
FCS No.: 761; C P No.: 366
Mumbai: May 21, 2021
ICSI UDIN: F000761C000349483

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
**The Members,**
**State Bank of India**

We, Khandelwal Jain & Co., Chartered Accountants (Firm's Registration No.: 105049W), as Statutory Auditors of STATE BANK OF INDIA ("the Bank"), having its Corporate Centre at State Bank Bhavan, Madame Cama Road, Mumbai, Maharashtra 400021, have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on March 31, 2021, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') amended from time to time as referred to in Regulation 15(2) of the Listing Regulations for the year April 1, 2020 to March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance, issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has, in all material aspects complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

**Khandelwal Jain & Co**
Chartered Accountants
ICAI Firm Registration No: 105049W

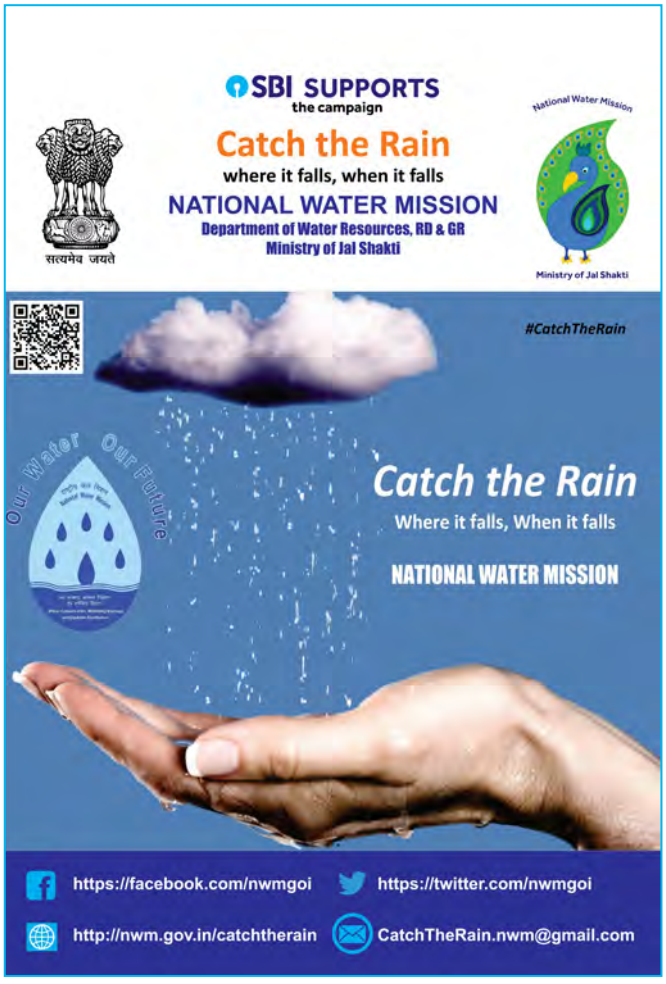
**Alpesh Waghela**
Partner
Membership No.: 142058
UDIN: 21142058AAAABH4499

Place: Mumbai
Date: May 21, 2021

# BUSINESS RESPONSIBILITY REPORT

## About the Business Responsibility Report:

Business Responsibility Report (BRR) of the Bank, is published on an annual basis since FY2012-13. Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 04th November, 2015 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. Additionally, as per SEBI guidelines, those listed entities which have been submitting Sustainability Reports based on internationally accepted frameworks need not prepare a separate BRR but only furnish to their stakeholders the details of the framework under which their BRR has been prepared and a mapping of the principles made in their Sustainability Reports. The Bank's Sustainability Report with the requisite mapping for the financial year ended 31st March 2021 has been hosted on the Bank's website https://www.sbi.co.in under the link Investors Relations. Any shareholder interested in obtaining a copy of the same may write to the Bank (email Id: dgm.csr@sbi.co.in and postal address: Deputy General Manager(CSR & Sustainability), State Bank of India, 9th floor, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021).



# State Bank of India

Balance Sheet as at 31st March, 2021

(000s omitted)

| | Schedule No. | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| **CAPITAL AND LIABILITIES** | | | |
| Capital | 1 | 892,46,12 | 892,46,12 |
| Reserves & Surplus | 2 | 252982,72,85 | 231114,96,63 |
| Deposits | 3 | 3681277,07,96 | 3241620,73,43 |
| Borrowings | 4 | 417297,69,88 | 314655,65,21 |
| Other Liabilities and Provisions | 5 | 181979,66,31 | 163110,10,41 |
| **TOTAL** | | **4534429,63,12** | **3951393,91,80** |
| **ASSETS** | | | |
| Cash and Balances with Reserve Bank of India | 6 | 213201,53,63 | 166735,77,90 |
| Balances with Banks and money at call and short notice | 7 | 129837,17,31 | 84361,22,64 |
| Investments | 8 | 1351705,20,51 | 1046954,51,75 |
| Advances | 9 | 2449497,79,11 | 2325289,56,07 |
| Fixed Assets | 10 | 38419,24,19 | 38439,28,18 |
| Other Assets | 11 | 351768,68,37 | 289613,55,26 |
| **TOTAL** | | **4534429,63,12** | **3951393,91,80** |
| Contingent Liabilities | 12 | 1706949,91,17 | 1214994,60,69 |
| Bills for Collection | - | 56516,11,88 | 55758,16,19 |
| Significant Accounting Policies | 17 | | |
| Notes to Accounts | 18 | | |

Schedules referred to above form an integral part of the Balance Sheet.

**Shri Ashwini Kumar Tewari**
Managing Director
(International Banking, Technology & Subsidiaries)

**Shri Swaminathan J.**
Managing Director
(Risk, Compliance and SARG)

**Shri Ashwani Bhatia**
Managing Director
(Corporate Banking & Global Markets)

**Shri Challa Sreenivasulu Setty**
Managing Director
(Retail & Digital Banking)

**Directors:**

Shri B. Venugopal
Dr. Pushpendra Rai
Dr Ganesh Natarajan
Shri Mrugank M Paranjape
Shri Ketan S. Vikamsey
Shri Sanjeev Maheshwari

**Place:**

Mumbai
New Delhi
Pune
Mumbai
Mumbai
Mumbai

**Shri Dinesh Kumar Khara**
Chairman

**Place: Mumbai**
**Date : 21st May, 2021**

In terms of our report of even date

**For Khandelwal Jain & Co.**
Chartered Accountant

**Alpesh Waghela**
**Partner : M. No.** 142058
**Firm Regn.** No. 105049W
Place : Mumbai

**For N.C. Rajagopal & Co.**
Chartered Accountants

**V. Chandrasekaran**
**Partner : M. No.** 024844
**Firm Regn. No.** 003398S
Place : Chennai

**For Karnavat & Co.**
Chartered Accountants

**Viral Joshi**
**Partner : M. No.** 137686
**Firm Regn. No.** 104863W
Place : Mumbai

**For Umamaheswara Rao & Co.**
Chartered Accountants

**Krishna Sai G. H.**
**Partner : M. No.** 233399
**Firm Regn. No.** 004453S
Place : Hyderabad

**For Guha Nandi & Co.**
Chartered Accountants

**Dr. B. S. Kundu**
**Partner : M. No.** 051221
**Firm Regn. No.** 302039E
Place : Kolkata

Date: May 21, 2021

**For J.C. Bhalla & Co.**
Chartered Accountants

**Rajesh Sethi**
**Partner : M. No.** 085669
**Firm Regn. No.** 001111N
Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**
Chartered Accountants

**A Gopalakrishnan**
**Partner: M. No.** 018159
**Firm Regn. No.** 004610S
Place : Kochi

**For G. P. Agrawal & Co.**
Chartered Accountants

**Pradeep Kumar Samal**
**Partner : M. No.** 061353
**Firm Regn. No.** 302082E
Place : Mumbai

**For Shah Gupta & Co.**
Chartered Accountants

**Vipul K Choksi**
**Partner : M. No.** 37606
**Firm Regn. No.** 109574W
Place : Mumbai

**For Prem Gupta & Co.**
Chartered Accountants

**Prem Behari Gupta**
**Partner : M. No.** 080245
**Firm Regn. No.** 000425N
Place : New Delhi

**For O.P. Totla & Co.**
Chartered Accountants

**S. R. Totla**
**Partner : M. No.** 071774
**Firm Regn. No.** 000734C
Place : Indore

**For S. K. Kapoor & Co.**
Chartered Accountants

**V. B. Singh**
**Partner : M. No.** 073124
**Firm Regn. No.** 000745C
Place : Kanpur

**For SCV & Co. LLP**
Chartered Accountants

**Rajiv Puri**
**Partner : M. No.** 084318
**Firm Regn. No.** 000235N/N500089
Place : New Delhi

**For ASA & Associates LLP**
Chartered Accountants

**Parveen Kumar**
**Partner : M. No.** 088810
**Firm Regn. No.** 009571N/N500006
Place : New Delhi

# Schedules

## Schedule 1 - Capital

(000s omitted)

| | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|
| Authorised Capital :<br>5000,00,00,000 shares of ₹1 each<br>(Previous Year 5000,00,00,000 shares of ₹1 each) | 5000,00,00 | 5000,00,00 |
| Issued Capital :<br>892,54,05,164 Equity Shares of ₹1 each<br>(Previous Year 892,54,05,164 Equity Shares of ₹1 each) | 892,54,05 | 892,54,05 |
| Subscribed and Paid-up Capital :<br>892,46,11,534 Equity Shares of ₹ 1 each<br>(Previous Year 892,46,11,534 Equity Shares of ₹1 each) | 892,46,12 | 892,46,12 |
| [The above includes 10,97,28,170 Equity Shares of ₹1 each (Previous Year 11,03,42,880 Equity Shares of ₹1 each) represented by 1,09,72,817 (Previous Year 1,10,34,288) Global Depository Receipts] | | |
| **TOTAL** | **892,46,12** | **892,46,12** |

## Schedule 2 - Reserves & Surplus

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|
| **I.** | **Statutory Reserves** | | | | |
| | Opening Balance | 69942,08,58 | | 65595,65,26 | |
| | Additions during the year | 6123,14,08 | | 4346,43,32 | |
| | Deductions during the year | - | | - | |
| | | | 76065,22,66 | | 69942,08,58 |
| **II.** | **Capital Reserves** | | | | |
| | Opening Balance | 13756,70,57 | | 9770,86,64 | |
| | Additions during the year | 1465,12,42 | | 3985,83,93 | |
| | Deductions during the year | - | | - | |
| | | | 15221,82,99 | | 13756,70,57 |
| **III.** | **Share Premium** | | | | |
| | Opening Balance | 79115,47,05 | | 79115,47,05 | |
| | Additions during the year | - | | - | |
| | Deductions during the year | - | | - | |
| | | | 79115,47,05 | | 79115,47,05 |
| **IV.** | **Investment Fluctuation Reserve** | | | | |
| | Opening Balance | 1119,88,09 | | - | |
| | Additions during the year | 1928,19,63 | | 1119,88,09 | |
| | Deductions during the year | - | | - | |
| | | | 3048,07,72 | | 1119,88,09 |

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|
| **V.** | **Foreign Currency Translation Reserve** | | | | |
| | Opening Balance | 9274,60,44 | | 6730,96,89 | |
| | Additions during the year | - | | 2844,98,23 | |
| | Deductions during the year | 202,20,77 | | 301,34,68 | |
| | | | 9072,39,67 | | 9274,60,44 |
| **VI.** | **Revenue and Other Reserves*** | | | | |
| | Opening Balance | 44641,85,54 | | 49380,51,95 | |
| | Additions during the year | 5841,36,91 | | 793,96,19 | |
| | Deductions during the year | - | | 5532,62,60 | |
| | | | 50483,22,45 | | 44641,85,54 |
| **VII.** | **Revaluation Reserve** | | | | |
| | Opening Balance | 23762,66,57 | | 24653,94,08 | |
| | Additions during the year | - | | 379,57,78 | |
| | Deductions during the year | 185,31,79 | | 1270,85,29 | |
| | | | 23577,34,78 | | 23762,66,57 |
| **VIII.** | **Balance of Profit and Loss Account** | | (3600,84,47) | | (10498,30,21) |
| **TOTAL** | | | **252982,72,85** | | **231114,96,63** |

* Note: Revenue and Other Reserves include

(i) ₹5,00,00 thousand (Previous Year ₹5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)

(ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹14528,51,76 thousand (Previous Year ₹14032,22,76 thousand)

iii) Investment Reserves Current Year ₹ Nil (Previous Year ₹ 69,58,40 thousand)

## Schedule 3 - Deposits

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|
| **A.** | **I.** | **Demand Deposits** | | |
| | | (i) From Banks | 5815,51,86 | 5129,65,75 |
| | | (ii) From Others | 280881,87,39 | 222205,92,69 |
| | **II.** | **Savings Bank Deposits** | 1384583,88,91 | 1206371,98,79 |
| | **III.** | **Term Deposits** | | |
| | | (i) From Banks | 5585,34,88 | 5973,24,84 |
| | | (ii) From Others | 2004410,44,92 | 1801939,91,36 |
| | **TOTAL** | | **3681277,07,96** | **3241620,73,43** |
| B | I. Deposits of Branches in India | | 3570164,90,88 | 3124615,86,05 |
| | II. Deposits of Branches outside India | | 111112,17,08 | 117004,87,38 |
| | **TOTAL** | | **3681277,07,96** | **3241620,73,43** |

## Schedule 4 - Borrowings

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|
| I. | **Borrowings in India** | | | | |
| (i) | Reserve Bank of India | | 24956,00,00 | | 33533,00,00 |
| (ii) | Other Banks | | 37,00,00 | | 40,00,00 |
| (iii) | Other Institutions and Agencies | | 154138,69,61 | | 6165,75,42 |
| (iv) | Capital Instruments : | | | | |
| | a. Innovative Perpetual Debt Instruments (IPDI) | 29835,70,00 | | 23535,70,00 | |
| | b. Subordinated Debt & Bonds | 36289,90,00 | | 32006,73,80 | |
| | | | 66125,60,00 | | 55542,43,80 |
| **TOTAL** | | | **245257,29,61** | | **95281,19,22** |
| **II.** | **Borrowings outside India** | | | | |
| (i) | Borrowings and Refinance outside India | | 169847,10,27 | | 217104,50,99 |
| (ii) | Capital Instruments : | | | | |
| | Innovative Perpetual Debt Instruments (IPDI) | | 2193,30,00 | | 2269,95,00 |
| **TOTAL** | | | **172040,40,27** | | **219374,45,99** |
| **GRAND TOTAL** | | | **417297,69,88** | | **314655,65,21** |
| Secured Borrowings included in I & II above | | | 183941,81,71 | | 42790,93,47 |

## Schedule 5 - Other Liabilities & Provisions

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Bills payable | 17685,38,79 | 26822,90,16 |
| II. | Inter-office adjustments (Net) | - | - |
| III. | Interest accrued | 15378,91,12 | 15697,16,19 |
| IV. | Deferred Tax Liabilities (Net) | 2,46,48 | 6,16,17 |
| V. | Others (including provisions)* | 148912,89,92 | 120583,87,89 |
| **TOTAL** | | **181979,66,31** | **163110,10,41** |

* Includes prudential provision for Standard Assets ₹ 15293,97,78 thousand (Previous Year ₹ 11544,24,43 thousand)

## Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Cash in hand (including foreign currency notes and gold) | 23403,41,73 | 20104,58,40 |
| II. | Balance with Reserve Bank of India | | |
| | (i) In Current Account | 189798,11,90 | 146631,19,50 |
| | (ii) In Other Accounts | - | - |
| **TOTAL** | | **213201,53,63** | **166735,77,90** |

## Schedule 7 - Balances with Banks and Money at Call & Short Notice

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| **I.** | **In India** | | |
| | (i) Balances with banks | | |
| | (a) In Current Accounts | 40,80 | 22,59,77 |
| | (b) In Other Deposit Accounts | - | - |
| | (ii) Money at call and short notice | | |
| | (a) With banks | 47369,93,31 | 44747,71,31 |
| | (b) With other institutions | - | - |
| | **TOTAL** | **47370,34,11** | **44770,31,08** |
| **II.** | **Outside India** | | |
| | (i) In Current Accounts | 63326,17,58 | 28303,47,50 |
| | (ii) In Other Deposit Accounts | 8311,59,05 | 1379,28,32 |
| | (iii) Money at call and short notice | 10829,06,57 | 9908,15,74 |
| | **TOTAL** | **82466,83,20** | **39590,91,56** |
| **GRAND TOTAL (I and II)** | | **129837,17,31** | **84361,22,64** |

## Schedule 8 - Investments

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|
| **I.** | **Investments in India in** | | | |
| | (i) Government Securities | | 1055288,64,35 | 803270,12,10 |
| | (ii) Other approved securities | | - | - |
| | (iii) Shares | | 7981,38,03 | 8221,43,31 |
| | (iv) Debentures and Bonds | | 151812,31,87 | 102363,82,19 |
| | (v) Subsidiaries and/ or Joint Ventures (including Associates) | | 13475,17,45 | 11744,07,18 |
| | (vi) Others (Units of Mutual Funds, Commercial Papers etc.) | | 75716,62,08 | 74057,22,82 |
| | **TOTAL** | | **1304274,13,78** | **999656,67,60** |
| **II.** | **Investments outside India in** | | | |
| | (i) Government Securities (including local authorities) | | 17946,34,44 | 17062,82,86 |
| | (ii) Subsidiaries and/ or Joint Ventures abroad | | 4768,15,85 | 4298,49,28 |
| | (iii) Other Investments (Shares, Debentures etc.) | | 24716,56,44 | 25936,52,01 |
| | **TOTAL** | | **47431,06,73** | **47297,84,15** |
| **GRAND TOTAL (I and II)** | | | **1351705,20,51** | **1046954,51,75** |
| **III.** | **Investments in India** | | | |
| | (i) Gross Value of Investments | | 1314424,07,05 | 1010599,04,40 |
| | (ii) Less: Aggregate of Provisions / Depreciation | | 10149,93,27 | 10942,36,80 |
| | (iii) Net Investments (vide I above) | **TOTAL** | **1304274,13,78** | **999656,67,60** |
| **IV.** | **Investments outside India** | | | |
| | (i) Gross Value of Investments | | 47461,40,62 | 47448,66,41 |
| | (ii) Less: Aggregate of Provisions / Depreciation | | 30,33,89 | 150,82,26 |
| | (iii) Net Investments (vide II above) | **TOTAL** | **47431,06,73** | **47297,84,15** |
| | **GRAND TOTAL (III and IV)** | | **1351705,20,51** | **1046954,51,75** |

## Schedule 9 - Advances

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|
| A. | I. | Bills purchased and discounted | 95035,10,23 | 84017,46,96 |
| | II. | Cash credits, overdrafts and loans repayable on demand | 676439,31,40 | 708726,92,91 |
| | III. | Term loans | 1678023,37,48 | 1532545,16,20 |
| | **TOTAL** | | **2449497,79,11** | **2325289,56,07** |
| B. | I. | Secured by tangible assets (includes advances against Book Debts) | 1760153,24,52 | 1673925,40,51 |
| | II. | Covered by Bank/ Government Guarantees | 96522,71,33 | 92117,72,36 |
| | III. | Unsecured | 592821,83,26 | 559246,43,20 |
| | **TOTAL** | | **2449497,79,11** | **2325289,56,07** |

| | | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|
| C. | I | Advances in India | | |
| | | (i) Priority Sector | 564570,85,92 | 526675,87,35 |
| | | (ii) Public Sector | 257241,31,86 | 287504,28,69 |
| | | (iii) Banks | 4618,77,18 | 812,52,23 |
| | | (iv) Others | 1267713,73,45 | 1154187,79,39 |
| | **TOTAL** | | **2094144,68,41** | **1969180,47,66** |
| | II. | Advances outside India | | |
| | | (i) Due from banks | 79713,82,13 | 80372,75,07 |
| | | (ii) Due from others | | |
| | | (a) Bills purchased and discounted | 34993,56,29 | 31091,11,08 |
| | | (b) Syndicated loans | 170243,57,62 | 172482,45,21 |
| | | (c) Others | 70402,14,66 | 72162,77,05 |
| | **TOTAL** | | **355353,10,70** | **356109,08,41** |
| **GRAND TOTAL [C (I) and C (II)]** | | | **2449497,79,11** | **2325289,56,07** |

## Schedule 10 - Fixed Assets

(000s omitted)

| | | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|---|
| **I.** | **Premises (Including Revalued Premises)** | | | | | |
| | At cost / revalued as at 31st March of the preceding year | | 30317,86,54 | | 30831,77,23 | |
| | Additions: | | | | | |
| | - during the year | | 80,86,88 | | 299,15,09 | |
| | - for Revaluation | | - | | 3936,14,00 | |
| | Deductions: | | | | | |
| | - during the year | | 25,51,07 | | 14,17,04 | |
| | - for Revaluation | | 10,53,59 | | 4735,02,74 | |
| | Depreciation to date | | | | | |
| | - on cost | | 945,18,85 | | 833,18,06 | |
| | - on Revaluation | | 850,52,10 | | 670,54,22 | |
| | | | | **28566,97,81** | | **28814,14,26** |
| II. | **Other Fixed Assets (Including furniture and fixtures)** | | | | | |
| | At cost / revalued as at 31st March of the preceding year | | 33497,62,10 | | 31074,77,30 | |
| | Additions during the year | | 3359,77,85 | | 3352,06,86 | |
| | Deductions during the year | | 725,85,92 | | 929,22,06 | |
| | Depreciation to date | | 26631,11,10 | | 24288,37,20 | |
| | | | | **9500,42,93** | | **9209,24,90** |
| **III.** | **Assets under Construction (Including Premises)** | | | **351,83,45** | | **415,89,02** |
| **TOTAL (I, II and III )** | | | | **38419,24,19** | | **38439,28,18** |

## Schedule 11 - Other Assets

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Inter-office adjustments (Net) | 20540,95,39 | 1936,15,88 |
| II. | Interest accrued | 30034,46,90 | 26252,46,38 |
| III. | Tax paid in advance / tax deducted at source | 26023,99,26 | 34450,84,01 |
| IV. | Deferred Tax Assets (Net) | 6559,27,43 | 2933,44,38 |
| V. | Stationery and stamps | 80,41,65 | 92,02,77 |
| VI. | Non-banking assets acquired in satisfaction of claims | 56,10 | 56,10 |
| VII. | Others * | 268529,01,64 | 223948,05,74 |
| **TOTAL** | | **351768,68,37** | **289613,55,26** |

*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 184093,45,48 thousand (Previous Year ₹ 163238,91,62 thousand)

## Schedule 12 - Contingent Liabilities

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Claims against the bank not acknowledged as debts | 79083,37,30 | 71642,48,25 |
| II. | Liability for partly paid investments/ Venture Funds | 1508,40,25 | 1682,66,59 |
| III. | Liability on account of outstanding forward exchange contracts | 1027974,90,38 | 635813,45,45 |
| IV. | Guarantees given on behalf of constituents | | |
| | (a) In India | 173090,50,78 | 165584,80,13 |
| | (b) Outside India | 72702,50,07 | 70636,18,96 |
| V. | Acceptances, endorsements and other obligations | 148827,19,35 | 132364,00,65 |
| VI. | Other items for which the bank is contingently liable* | 203763,03,04 | 137271,00,66 |
| **TOTAL** | | **1706949,91,17** | **1214994,60,69** |

*Includes Derivatives ₹ 198094,76,48 thousand (Previous Year ₹ 132209,26,69 thousand)

# State Bank of India

Profit and Loss Account for the year ended 31st March, 2021

(000s omitted)

| | | Schedule No. | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|
| **I.** | **INCOME** | | | |
| | Interest earned | 13 | 265150,63,38 | 257323,59,22 |
| | Other Income | 14 | 43496,37,47 | 45221,47,80 |
| | **TOTAL** | | **308647,00,85** | **302545,07,02** |
| **II.** | **EXPENDITURE** | | | |
| | Interest expended | 15 | 154440,63,33 | 159238,76,57 |
| | Operating expenses | 16 | 82652,22,35 | 75173,69,02 |
| | Provisions and contingencies | | 51143,68,23 | 53644,50,37 |
| | **TOTAL** | | **288236,53,91** | **288056,95,96** |
| **III.** | **PROFIT** | | | |
| | Net Profit for the year | | 20410,46,94 | 14488,11,06 |
| | Add: Profit/ (Loss) brought forward | | (10498,30,21) | (15226,05,54) |
| | **TOTAL** | | **9912,16,73** | **(737,94,48)** |
| **IV.** | **APPROPRIATIONS** | | | |
| | Transfer to Statutory Reserve | | 6123,14,08 | 4346,43,32 |
| | Transfer to Capital Reserve | | 1465,12,42 | 3985,83,93 |
| | Transfer to Investment Fluctuation Reserve | | 1928,19,63 | 1119,88,09 |
| | Transfer to Revenue and other Reserves | | 426,70,60 | 308,20,39 |
| | Dividend for the current year | | 3569,84,46 | - |
| | Balance carried over to Balance Sheet | | (3600,84,46) | (10498,30,21) |
| | **TOTAL** | | **9912,16,73** | **(737,94,48)** |
| **V.** | **EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)** | | | |
| | Basic (in ₹) | | 22.87 | 16.23 |
| | Diluted (in ₹) | | 22.87 | 16.23 |
| | Significant Accounting Policies | 17 | | |
| | Notes to Accounts | 18 | | |

The schedules referred to above form an integral part of the Profit & Loss Account.

**Shri Ashwini Kumar Tewari**
Managing Director
(International Banking, Technology & Subsidiaries)

**Shri Swaminathan J.**
Managing Director
(Risk, Compliance and SARG)

**Shri Ashwani Bhatia**
Managing Director
(Corporate Banking & Global Markets)

**Shri Challa Sreenivasulu Setty**
Managing Director
(Retail & Digital Banking)

**Directors:**

Shri B. Venugopal
Dr. Pushpendra Rai
Dr Ganesh Natarajan
Shri Mrugank M Paranjape
Shri Ketan S. Vikamsey
Shri Sanjeev Maheshwari

**Place:**

Mumbai
New Delhi
Pune
Mumbai
Mumbai
Mumbai

**Shri Dinesh Kumar Khara**
Chairman

**Place: Mumbai**
**Date : 21st May, 2021**

In terms of our report of even date

**For Khandelwal Jain & Co.**
Chartered Accountant

**Alpesh Waghela**
**Partner : M. No.** 142058
**Firm Regn.** No. 105049W
Place : Mumbai

**For N.C. Rajagopal & Co.**
Chartered Accountants

**V. Chandrasekaran**
**Partner : M. No.** 024844
**Firm Regn. No.** 003398S
Place : Chennai

**For Karnavat & Co.**
Chartered Accountants

**Viral Joshi**
**Partner : M. No.** 137686
**Firm Regn. No.** 104863W
Place : Mumbai

**For Umamaheswara Rao & Co.**
Chartered Accountants

**Krishna Sai G. H.**
**Partner : M. No.** 233399
**Firm Regn. No.** 004453S
Place : Hyderabad

**For Guha Nandi & Co.**
Chartered Accountants

**Dr. B. S. Kundu**
**Partner : M. No.** 051221
**Firm Regn. No.** 302039E
Place : Kolkata

Date: May 21, 2021

**For J.C. Bhalla & Co.**
Chartered Accountants

**Rajesh Sethi**
**Partner : M. No.** 085669
**Firm Regn. No.** 001111N
Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**
Chartered Accountants

**A Gopalakrishnan**
**Partner: M. No.** 018159
**Firm Regn. No.** 004610S
Place : Kochi

**For G. P. Agrawal & Co.**
Chartered Accountants

**Pradeep Kumar Samal**
**Partner : M. No.** 061353
**Firm Regn. No.** 302082E
Place : Mumbai

**For Shah Gupta & Co.**
Chartered Accountants

**Vipul K Choksi**
**Partner : M. No.** 37606
**Firm Regn. No.** 109574W
Place : Mumbai

**For Prem Gupta & Co.**
Chartered Accountants

**Prem Behari Gupta**
**Partner : M. No.** 080245
**Firm Regn. No.** 000425N
Place : New Delhi

**For O.P. Totla & Co.**
Chartered Accountants

**S. R. Totla**
**Partner : M. No.** 071774
**Firm Regn. No.** 000734C
Place : Indore

**For S. K. Kapoor & Co.**
Chartered Accountants

**V. B. Singh**
**Partner : M. No.** 073124
**Firm Regn. No.** 000745C
Place : Kanpur

**For SCV & Co. LLP**
Chartered Accountants

**Rajiv Puri**
**Partner : M. No.** 084318
**Firm Regn. No.** 000235N/N500089
Place : New Delhi

**For ASA & Associates LLP**
Chartered Accountants

**Parveen Kumar**
**Partner : M. No.** 088810
**Firm Regn. No.** 009571N/N500006
Place : New Delhi

## Schedule 13 - Interest Earned

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Interest / discount on advances / bills | 171429,13,89 | 179748,83,55 |
| II. | Income on investments | 79808,09,01 | 68204,72,38 |
| III. | Interest on balances with Reserve Bank of India and other inter-bank funds | 4317,53,07 | 2920,40,56 |
| IV. | Others | 9595,87,41 | 6449,62,73 |
| **TOTAL** | | **265150,63,38** | **257323,59,22** |

## Schedule 14 - Other Income

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Commission, exchange and brokerage | 23517,51,44 | 23725,05,94 |
| II. | Profit/ (Loss) on sale of investments (Net) [1] | 6030,93,10 | 8575,65,21 |
| III. | Profit/ (Loss) on revaluation of investments (Net) | - | - |
| IV. | Profit/ (Loss) on sale of land, buildings and other assets (Net) | (28,58,17) | (28,37,38) |
| V. | Profit/ (Loss) on exchange transactions (Net) | 2409,63,79 | 2516,41,29 |
| VI. | Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India | 642,86,22 | 212,03,35 |
| VII | Miscellaneous Income [2] | 10924,01,09 | 10220,69,39 |
| **TOTAL** | | **43496,37,47** | **45221,47,80** |

[1] Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 1,539.73 Crore (Previous year ₹ 6,215.64 Crore).
[2] Miscellaneous Income includes Recoveries made in write-off accounts ₹ 10,297.21 Crore (Previous year ₹ 9,250.23 Crore).

## Schedule 15 - Interest Expended

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Interest on deposits | 142435,24,72 | 147398,96,33 |
| II. | Interest on Reserve Bank of India/ Inter-bank borrowings | 6130,13,01 | 6891,11,73 |
| III. | Others | 5875,25,60 | 4948,68,51 |
| **TOTAL** | | **154440,63,33** | **159238,76,57** |

# Schedule 16 - Operating Expenses

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) | Year ended 31.03.2020 (Previous Year) |
|---|---|---|---|
| | | ₹ | ₹ |
| I. | Payments to and provisions for employees | 50936,00,01 | 45714,96,78 |
| II. | Rent, taxes and lighting | 5253,17,14 | 5339,11,88 |
| III. | Printing and stationery | 505,24,14 | 526,20,36 |
| IV. | Advertisement and publicity | 238,41,25 | 246,16,76 |
| V. | Depreciation on Bank's property | 3317,55,25 | 3303,81,33 |
| VI. | Directors' fees, allowances and expenses | 2,43,12 | 1,86,42 |
| VII. | Auditors' fees and expenses (including branch auditors' fees and expenses ) | 274,18,79 | 244,67,58 |
| VIII. | Law charges | 215,25,31 | 266,66,85 |
| IX. | Postages, Telegrams, Telephones etc. | 301,86,59 | 349,13,89 |
| X. | Repairs and maintenance | 916,42,58 | 924,32,58 |
| XI. | Insurance | 4348,00,06 | 3212,71,45 |
| XII. | Other expenditure | 16343,68,11 | 15044,03,14 |
| **TOTAL** | | **82652,22,35** | **75173,69,02** |

## SCHEDULE 17-

## SIGNIFICANT ACCOUNTING POLICIES

**A. Background**

State Bank of India (SBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

Following are the Significant Accounting Policies i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

**B. Basis of Preparation**

The accounting and reporting policies of the Bank conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955 and the Banking Regulations Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in the banking industry in India.

In case of foreign offices, the statutory provisions and practices of the local laws of the respective foreign country are followed if they are more prudent.

Bank's financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual unless otherwise stated.

The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

**C. Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

**D. Significant Accounting Policies**

**1. Revenue recognition:**

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.

1.2 Interest/ Discount income is recognised in the Profit and Loss Account on realisation basis for following:

(i) Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities),

(ii) Income on Rupee Derivatives designated as "Trading"

1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the Held to Maturity (HTM) category and on sale of Fixed Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

a. on interest bearing securities, it is accounted for at the time of sale/ redemption.

b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.4 Dividend income is recognised when the right to receive the dividend is established.

1.5 Commission on Letters of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on a realisation basis.

1.6 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.

1.7 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortized over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.

1.8 The Bank derecognises its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:

i. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.

ii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

**2. Investments**

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

2.1 **Classification:**

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (a) Government Securities, (b) Other Approved Securities, (c) Shares, (d) Bonds and Debentures, (e) Subsidiaries and Joint Ventures and (f) Others. The investments outside India are further classified under 3 categories (i) Government Securities (ii) Subsidiaries and Joint Ventures (iii) Other Investments

2.2 **Basis of classification:**

i. Investments that the Bank intends to hold till maturity are categorised as "Held to Maturity (HTM)".

ii. Investments that are held principally for resale within 90 days from the date of purchase are categorised as "Held for Trading (HFT)".

iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".

iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

2.3 **Valuation:**

i. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method except for investments under HTM category which are accounted on FIFO basis (First In First Out).

a) Brokerage/ commission received on subscriptions is reduced from the cost. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

b) Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.

ii. **Valuation of investments classified as Held to Maturity:**

a) Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition if any, is amortised over the term to maturity on a constant yield basis. Such amortisation of premium is accounted as income on investments.

b) Investments (in India and abroad) in subsidiaries, joint ventures and associates are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.

c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

iii. **Valuation of investments classified as Available for Sale and Held for Trading :**

Investments classified as Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation if any, of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored.

iv. **Valuation policy in event of inter category transfer of investments:**

a) Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.

b) Transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, is provided, in the Profit and Loss Account.

v. **Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:**

a) The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.

b) SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

c) In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

vi. Treasury Bills and Commercial Papers are valued at carrying cost.

2.4 **Investments (NPI)**

i. In respect of domestic offices, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows :

a) Interest/ instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b) In the case of equity shares, in the event the investment in shares of any company is valued at Re. 1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.

c) The Bank also classifies an Investment as a non-performing investment, in case any credit facility availed by the same borrower/ entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.

d) The investments in debentures/ bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.

ii. In respect of foreign offices, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

2.5 **Accounting for Repo/ Reverse Repo transactions**

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and also with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand represent lending funds by purchasing the securities.

a) Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.

b) In Market Repo and Reverse Repo transaction, securities sold(purchased) and repurchased(resell) are accounted as normal outright sale(purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).

c) Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

**3. Loans/ Advances and Provisions thereon:**

3.1 Based on the guidelines/ directives issued by the RBI, Loans and Advances are classified as performing and non-performing, as follows:

i. The term loan, is classified as a non-performing asset, if interest and/ or instalment of principal remains overdue for a period of more than 90 days;

ii. An Overdraft or Cash Credit, is classified as a non-performing asset, if, the account remains “out of order”, i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;

iii. The bills purchased/ discounted are classified as Non-performing Asset, if the bill remains overdue for a period of more than 90 days;

iv. The agricultural advances are classified as a non-performing if, (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.

ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.

iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

| | | |
|---|---|---|
| Substandard Assets: | i. | A general provision of 15% on the total outstanding; |
| | ii. | Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio); |
| | iii. | Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%. |
| Doubtful Assets: | | |
| - Secured portion: | i. | Upto one year – 25% |
| | ii. | One to three years – 40% |
| | iii. | More than three years – 100% |
| - Unsecured portion | 100% | |
| Loss Assets: | 100%. | |

3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

3.10 The Bank also makes additional provisions on specific non-performing assets.

3.11 Appropriation of recoveries in NPAs are made in order of priority as under :

a. Charges, Costs, Commission etc.

b. Unrealized Interest / Interest

c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

**4. Floating Provisions & Countercyclical Provisioning Buffer:**

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for floating provisions separately for advances, investments, and general purposes. The quantum of floating provisions and Countercyclical Provisioning Buffer to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

**5. Provision for Country Exposure:**

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

**6. Derivatives:**

6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/ liabilities are also marked to market.

6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over-the-Counter (OTC) options.

6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

**7. Fixed Assets, Depreciation and Amortisation:**

7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices are depreciated at straight line method based on useful life of the assets states as under:

| Sl. No. | Description of Fixed Assets | Useful life for Depreciation |
|---|---|---|
| 1 | Computers | 3 years |
| 2 | Computer Software forming an integral part of the Computer hardware | 3 years |
| 3 | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 years |
| 4 | Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine | 5 years |
| 5 | Server | 4 years |
| 6 | Network Equipment | 5 years |
| 7 | Other major fixed assets: | |
| | Premises | 60 Years |
| | Vehicles | 5 Years |
| | Safe Deposit Lockers | 20 Years |
| | Furniture & Fixtures | 10 Years |

7.3 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

7.4 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.

7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.

7.6 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.

7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

**8. Leases:**

The asset classification and provisioning norms

applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

**9. Impairment of Assets:**

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

**10. Effect of changes in the foreign exchange rate:**

10.1 **Foreign Currency Transactions:**

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.

iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.

vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

10.2 **Foreign Operations:**

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

a. **Non-integral Operations:**

i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.

iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

b. **Integral Operations:**

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.

iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

**11. Employee Benefits:**

11.1 **Short Term Employee Benefits:**

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

11.2 **Long Term Employee Benefits:**

i. **Defined Benefit Plans:**

a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to

receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.

b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.

i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

ii. **Defined Contribution Plan:**

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. **Other Long Term Employee Benefits:**

a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.

b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

**12. Segment Reporting**

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

**13. Taxes on income:**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and

liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

**14. Earnings per Share:**

14.1. The Bank reports basic and diluted earnings per share in accordance with AS 20 –"Earnings per Share" issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**15. Provisions, Contingent Liabilities and Contingent Assets:**

15.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

15.2 No provision is recognised for:

i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

ii. any present obligation that arises from past events but is not recognised because:

a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

15.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

15.5 Contingent Assets are not recognised in the financial statements.

**16. Bullion Transactions:**

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

**17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

**18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

**19. Cash and cash equivalents**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

## SCHEDULE – 18:

## NOTES TO ACCOUNTS

### 18.1 Capital

**1. Capital Ratio**

**AS PER BASEL II**

(₹ in crore)

| Sr. No. | Items | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| (i) | Common Equity Tier 1 Capital Ratio (%) | N.A. | |
| (ii) | Tier 1 capital ratio (%) | 11.19% | 10.71% |
| (iii) | Tier 2 capital ratio (%) | 2.63% | 2.42% |
| (iv) | Total Capital Ratio (%) | 13.82% | 13.13% |

**AS PER BASEL III**

| Sr. No. | Items | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| (i) | Common Equity Tier 1 Capital Ratio (%) | 10.02% | 9.77% |
| (ii) | Tier 1 capital ratio (%) | 11.44% | 11.00% |
| (iii) | Tier 2 capital ratio (%) | 2.30% | 2.06% |
| (iv) | Total Capital Ratio (%) | 13.74% | 13.06% |
| (v) | Percentage of the Shareholding of Government of India | 56.92% | 56.92% |
| (vi) | Number of Shares held by Government of India | 507,97,75,288 | 507,97,75,288 |
| (vii) | Amount of Equity Capital raised | - | - |
| (viii) | Amount of Additional Tier 1 (AT 1) capital raised of which<br>a) Perpetual Non-Cumulative Preference Shares (PNCPS):<br>b) Perpetual Debt Instruments (PDI): | <br>-<br>6,500.00 | <br>-<br>6,918.40 |
| (ix) | Amount of Tier 2 capital raised of which<br>a) Debt Capital instruments:<br>b) Preference Share Capital Instruments:<br>{Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)} | <br>20,931.00<br>- | <br>5,000.00<br>- |

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET– I capital ratio. The Bank has exercised the option in the above computation.

**2. Innovative Perpetual Debt Instruments (IPDI)**

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

**A. Foreign**

(₹ in crore)

| Particulars | Date of Issue | Tenor | Amount | Equivalent (₹) as on 31st March, 2021 | Equivalent (₹)as on 31st March, 2020 |
|---|---|---|---|---|---|
| Additional Tier 1 (AT1) Bonds issued under MTN Programme 29th Series | 22.09.2016 | Perpetual Non Call 5 years | USD 300 million | 2,193.30 | 2,269.95 |

These bonds have been listed in Singapore stock exchange (SGX).

**B. Domestic**

(₹ in crore)

| Sr. No. | Nature of Bonds | Principal Amount | Date of Issue | Rate of Interest % p.a. |
|---|---|---|---|---|
| 1. | SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 | 2,100.00 | 06.09.2016 | 9.00 |
| 2. | SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II | 2,500.00 | 27.09.2016 | 8.75 |
| 3. | SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III | 2,500.00 | 25.10.2016 | 8.39 |
| 4. | SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV | 2,000.00 | 02.08.2017 | 8.15 |
| 5. | SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 | 4,021.00 | 04.12.2018 | 9.56 |
| 6. | SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series II | 2,045.00 | 21.12.2018 | 9.37 |
| 7. | SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series III | 1,251.30 | 22.03.2019 | 9.45 |
| 8. | SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series I | 3,104.80 | 30.08.2019 | 8.75 |
| 9. | SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series II | 3,813.60 | 22.11.2019 | 8.50 |
| 10. | SBI Basel III AT1 Bond 2020-21 Series I | 4,000.00 | 09.09.2020 | 7.74 |
| 11. | SBI Non Convertible Unsecured Basel III AT1 Bonds – Series II 2020 | 2,500.00 | 24.11.2020 | 7.73 |
| **TOTAL** | | **29,835.70** | | |

**3. Subordinated Debts**

The bonds are unsecured, long term, non convertible and are redeemable at par. The details of outstanding subordinate debts are as under: -

(₹ in crore)

| Sr. No. | Nature of Bonds | Principal Amount | Date of Issue /Date of Redemption* | Rate of Interest % P.A. | Maturity Period in Months |
|---|---|---|---|---|---|
| 1. | e-SBBJ Lower Tier II | 500.00 | 20.03.2012 | 9.02 | 120 |
| | (Series VI) | | 20.03.2022 | | |
| 2. | SBI Non Convertible | 2,000.00 | 02.01.2014 | 9.69 | 120 |
| | (Private placement) Bonds 2013-14 ( Tier II) | | 02.01.2024 | | |
| 3. | e-SBM Tier II | 500.00 | 17.12.2014 | 8.55 | 120 |
| | Basel III compliant | | 17.12.2024 | | |
| 4. | e -SBP Tier II | 950.00 | 22.01.2015 | 8.29 | 120 |
| | Basel III compliant (Series I) | | 22.01.2025 | | |
| 5. | e- SBBJ Tier II | 200.00 | 20.03.2015 | 8.30 | 120 |
| | Basel III compliant | | 20.03.2025 | | |
| 6. | e -SBH Tier II | 393.00 | 31.03.2015 | 8.32 | 120 |
| | Basel III compliant (Series XIV) | | 31.03.2025 | | |
| 7. | e -SBH Tier II | 500.00 | 30.12.2015 | 8.40 | 120 |
| | Basel III compliant (Series XV) | | 30.12.2025 | | |

| Sr. No. | Nature of Bonds | Principal Amount | Date of Issue /Date of Redemption* | Rate of Interest % P.A. | Maturity Period in Months |
|---|---|---|---|---|---|
| 8. | e-SBM Tier II | 300.00 | 31.12.2015 | 8.40 | 120 |
| | Basel III compliant | | 31.12.2025 | | |
| 9. | e-SBM Tier II | 200.00 | 18.01.2016 | 8.45 | 120 |
| | Basel III compliant | | 18.01.2026 | | |
| 10. | e -SBH Tier II | 200.00 | 08.02.2016 | 8.45 | 120 |
| | Basel III compliant (Series XVI) | | 08.02.2026 | | |
| 11. | e- SBT Upper Tier II | 500.00 | 26.03.2012 | 9.25 | 180 |
| | (Series III) | | 26.03.2027 | | |
| 12. | SBI Non Convertible, Unsecured | 4,115.90 | 02.11.2018 | 8.90 | 120 |
| | Basel III - Tier II Bonds 2018 | | 02.11.2028 | | |
| 13. | SBI Non Convertible, Unsecured | 5,000.00 | 28.06.2019 | 7.99 | 120 |
| | Basel III - Tier II Bonds 2019-20 | | 28.06.2029 | | |
| 14. | SBI US Basel III T2 Bond 20-21 Series 1 | 8,931.00 | 21.08.2020 | 6.80 | 180 |
| | | | 21.08.2035 | | |
| 15. | SBI Basel III Tier 2 Bond 20-21 Series 2 | 7,000.00 | 21.09.2020 | 6.24 | 120 |
| | | | 21.09.2030 | | |
| 16. | SBI Basel III Tier 2 Bond 20-21 Series 3 | 5,000.00 | 26.10.2020 | 5.83 | 120 |
| | | | 26.10.2030 | | |
| **TOTAL** | | **36,289.90** | | | |

## 18.2. Investments

1. **The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:**

(₹ in crore)

| Particulars | | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| 1. | Value of Investments | | | |
| | i) | Gross value of Investments | | |
| | | (a) In India | 13,14,424.07 | 10,10,599.04 |
| | | (b) Outside India | 47,461.41 | 47,448.66 |
| | ii) | Provision for Depreciation | | |
| | | (a) In India | 9,167.91 | 9,430.13 |
| | | (b) Outside India | 30.34 | 150.82 |
| | iii) | Liability on Interest Capitalised on Restructured Accounts (LICRA) | 982.02 | 1,512.24 |
| | iv) | Net value of Investments | | |
| | | (a) In India | 13,04,274.14 | 9,99,656.67 |
| | | (b) Outside India | 47,431.07 | 47,297.84 |
| 2. | Movement in provisions held towards depreciation on investments | | | |
| | i) | Balance at the beginning of the year | 9,580.95 | 9,252.41 |
| | ii) | Add: Provisions made during the year | 3,759.46 | 5,237.78 |
| | iii) | Less: Provision utilised during the year | 9.29 | 33.48 |
| | iv) | Less/(Add): Foreign Exchange revaluation adjustment | (17.06) | (38.04) |
| | v) | Less: Write off/Write back of excess provision during the year | 4,149.94 | 4,913.80 |
| | vi) | Balance at the end of the year | 9,198.25 | 9,580.95 |

Notes:

a. Securities amounting to ₹ 2,00,812.86 crore (Previous Year ₹ 4,225.76 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/NSCCL/MCX/ NSEIL/BSE towards Securities Settlement.

b. During the year, the Bank infused additional capital in its entities viz. i) State Bank of India (California), a subsidiary ₹ 0.32 crore, ii) Madhyanchal Gramin Bank, an associate ₹ 5.31 crore. There is no change in Bank's stake after capital infusion.

c. Consequent to Follow on Public Offerings in July 2020, Bank has made an investment of ₹ 1,760 crore in Yes Bank Limited. Bank's stake stands reduced to 30% as on March 31,2021 from 48.21% as on March 31,2020.

d. During the year, the Bank has sold its stake in SBI Life Insurance Company Limited (a subsidiary) at a profit of ₹ 1,539.73 crore thus, the Bank stake has been reduced to 55.50% from 57.60%.

e. In accordance with notification issued by Govt. of India, the following amalgamations have taken place between the Regional Rural Banks (RRBs) sponsored by SBI and RRBs sponsored by other banks.

| | Name of transferor RRBs | Sponsor Bank of transferor RRBs | New Name after Amalgamation of RRB | Sponsor Bank of transferee RRB | Effective Date of Amalgamation |
|---|---|---|---|---|---|
| 1. | Baroda Uttar Pradesh Gramin Bank | Bank of Baroda | Baroda U.P. Bank | Bank of Baroda | 1st April ,2020 |
| 2. | Kashi Gomti Samyut Gramin Bank | Union Bank of India | | | |
| 3. | Purvanchal Bank | State Bank of India | | | |

**2. Repo Transactions including Liquidity Adjustment Facility (LAF) (in face value terms)**

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

(₹ in crore)

| Particulars | Minimum outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year | Outstanding as on 31st March 2021 |
|---|---|---|---|---|
| **Securities sold under Repo** | | | | |
| i. Government Securities | 26,187.27 | 2,17,557.59 | 81,383.31 | 1,76,756.95 |
| | (-) | (1,12,595.20) | (9,166.64) | (34,576.69) |
| ii. Corporate Debt Securities | 7,154.09 | 9,332.03 | 8,989.67 | 7,154.09 |
| | (-) | (15,795.87) | (10,778.12) | (8,696.38) |
| **Securities purchased under Reverse Repo** | | | | |
| i. Government Securities | - | 2,40,000.00 | 1,03,424.17 | 46,179.93 |
| | (-) | (1,13,000.00) | (38,332.97) | (38,000.00) |
| ii. Corporate Debt Securities | - | 5,597.89 | 737.93 | - |
| | (-) | (3,292.71) | (592.93) | (3,292.71) |

(Figures in brackets are for Previous Year).

**3. Non-SLR Investment Portfolio**

**a) Issuer composition of Non SLR Investments**

The issuer composition of Non-SLR investments of the Bank is given below:

(₹ in crore)

| Sr. No. | Issuer | Amount | Extent of Private Placement | Extent of "Below Investment Grade" Securities* | Extent of "Unrated" Securities* | Extent of "Unlisted" Securities* |
|---|---|---|---|---|---|---|
| i | PSUs | 67,194.64 | 49,960.71 | - | - | - |
| | | (62,047.29) | (45,135.13) | (-) | (-) | (-) |
| Ii | FIs | 1,28,609.88 | 99,053.50 | 2,753.21 | - | 70.00 |
| | | (86,460.61) | (74,871.30) | (2,754.24) | (-) | (1,150.00) |
| iii | Banks | 17,146.96 | 8,084.82 | 3,294.33 | 23.62 | 23.62 |
| | | (24,856.99) | (12,624.53) | (585.10) | (23.62) | (23.62) |
| iv | Private Corporates | 46,428.01 | 23,395.02 | 817.77 | - | - |
| | | (35,680.14) | (25,758.70) | (901.99) | (-) | (-) |
| v | Subsidiaries / Joint Ventures ** | 18,246.20 | - | - | - | - |
| | | (16,045.43) | (-) | (-) | (-) | (-) |
| vi | Others | 28,970.89 | 2,223.99 | 2,845.99 | 33.03 | 6.65 |
| | | (29,687.12) | (2,196.19) | (3,558.08) | (46.68) | (4.84) |
| vii | Less: Provision held towards depreciation including LICRA | 10,180.02 | - | 0.45 | - | - |
| | | (11,093.19) | (11.65) | (236.96) | (-) | (-) |
| | **Total** | **2,96,416.56** | **1,82,718.04** | **9,710.85** | **56.65** | **100.27** |
| | | **(2,43,684.39)** | **(1,60,574.20)** | **(7,562.45)** | **(70.30)** | **(1,178.46)** |

(Figures in brackets are for Previous Year)

* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

** Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

**b) Non Performing Non-SLR Investments**

(₹ in crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Opening Balance | 8,995.80 | 5,609.66 |
| Additions during the year | 446.39 | 3,686.05 |
| Reductions during the year | 4,212.67 | 299.91 |
| Closing balance | 5,229.52 | 8,995.80 |
| **Total provisions held** | **5,031.49** | **7,970.83** |

**4. Sales and Transfers Of Securities To/From HTM Category**

The value of sales and transfers of securities to/from HTM Category has not exceeded 5% of the book value of investment held in HTM category at the beginning of the year.

**5. Disclosure of Investment in Security Receipts (SRs)**

(₹ in crore)

| Particulars | | SRs Issued within Past 5 Years | SRs issued more than 5 years ago but within past 8 Years | SRs issued more than 8 Years ago | Total |
|---|---|---|---|---|---|
| i | Book value of SRs Backed by NPAs sold by the bank as underlying | 972.03 | 7,355.89 | 23.98 | 8,351.90 |
| | Provision held against (i) | 261.81 | 3,947.02 | 23.98 | 4,232.81 |
| ii | Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying | - | 3.42 | 2.69 | 6.11 |
| | Provision held against (ii) | - | 1.14 | 2.69 | 3.83 |
| **Total (i) + (ii)** | | **972.03** | **7,359.31** | **26.67** | **8,358.01** |

**6. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC)**

(₹ in crore)

| Particulars | Backed by NPAs sold by the bank as underlying | | Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying | | Total | |
|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Book Value of Investments in Security Receipts as on 31st March, 2021 | 8,351.90 | 8,761.31 | 6.11 | 7.14 | 8,358.01 | 8,768.45 |
| Book Value of Investments in Security Receipts made during the year | 0.61 | 0.06 | - | - | 0.61 | 0.06 |

### 18.3 Derivatives

**A. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS)**

(₹ in crore)

| Sr. No. | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| i) | The notional principal of swap agreements# | 2,75,128.10 | 2,98,843.36 |
| ii) | Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | 4,095.38 | 8,063.30 |
| iii) | Collateral required by the Bank upon entering swaps | Nil | Nil |
| iv) | Concentration of credit risk arising from the swaps | Not significant | Not significant |
| v) | The fair value of the swap book | 3,894.26 | 7,908.68 |

#Excludes IRS/FRA amounting to ₹ 39,189.96 crore (Previous Year ₹ 32,134.98 crore) entered with the Bank's own foreign offices.

Nature and terms of Forward Rate Agreement or Interest Rate Swaps as on 31st March, 2021 are given below:

(₹ in crore)

| Instrument | Nature | Nos | Notional Principal | Benchmark | Terms |
|---|---|---|---|---|---|
| IRS | Hedging | 336 | 15,424.30 | LIBOR | Fixed Receivable Vs Floating Payable |
| IRS | Hedging | 1 | 186.43 | LIBOR | Fixed Payable Vs Floating Receivable |
| IRS | Hedging | 50 | 319.92 | OTHERS | Fixed Receivable Vs Pay float |
| IRS | Hedging | 60 | 38,265.93 | LIBOR | Fixed Receivable Vs Floating Payable |
| IRS | Hedging | 19 | 2,152.01 | LIBOR | Floating Receivable Vs Fixed Payable |
| IRS | Trading | 125 | 53,475.95 | LIBOR | Floating Payable Vs Fixed Receivable |
| IRS | Trading | 80 | 23,365.32 | LIBOR | Fixed Payable Vs Floating Receivable |
| IRS | Trading | 24 | 14,914.44 | LIBOR | Floating Payable Vs Floating Receivable |
| IRS | Trading | 1479 | 59,683.50 | MIBOR | Fixed Payable Vs Floating Receivable |
| IRS | Trading | 1612 | 65,147.00 | MIBOR | Floating Payable Vs Fixed Receivable |
| IRS | Trading | 1 | 2,193.30 | LIBOR | Fixed Receivable Vs Floating Payable |
| | **Total** | **3,787** | **2,75,128.10** | | |

**B. Exchange Traded Interest Rate Derivatives**

(₹ in crore)

| Sr. No. | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| 1 | Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) | | |
| | a. Interest Rate Futures | NIL | Nil |
| | b. 10 Year Government of India Securities | 6,400.38 | 63,670.92 |
| 2 | Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2021 (instrument-wise) | | |
| | a. Interest Rate Futures | Nil | Nil |
| | b. 10 Year Government of India Securities | Nil | Nil |
| 3 | Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise) | N.A. | N.A. |
| 4 | Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective". (instrument-wise) | N.A. | N.A. |

**C. Risk Exposure in Derivatives**

**(A) Qualitative Risk Exposure**

i. The Bank currently deals in over the counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The Bank also runs option position in USD/INR, which is managed through various types of loss limits and Greek limits.

ii. Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.

iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2020-21.

v. Interest Rate Swaps are mainly used for hedging of the assets and liabilities.

vi. Majority of the swaps were done with First class counterparty banks.

vii. Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.

viii. Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

**(B) Quantitative Risk Exposure**

(₹ in crore)

| Particulars | | Currency Derivatives | | Interest Rate Derivatives | |
|---|---|---|---|---|---|
| | | Current Year | Previous Year | Current Year | Previous Year |
| (I) | Derivatives (Notional Principal Amount) | | | | |
| | (a) For hedging | 18,858.30@ | 14,407.12@ | 54,869.19# | 35,421.64# |
| | (b) For trading * | 10,47,976.78 | 6,55,991.56 | 2,26,304.06 | 2,77,804.99 |
| (II) | Marked to Market Positions | | | | |
| | (a) Asset (+) | 9,451.37 | 14,629.42 | 4,095.38 | 8,063.30 |
| | (b) Liability (-) | 7,574.61 | 14,009.98 | 2,926.20 | 6,086.78 |
| (III) | Credit Exposure | 43,234.09 | 36,850.85 | 6,868.01 | 11,026.29 |
| (IV) | Likely impact of one percentage change in interest rate (100* PV01) | | | | |
| | (a) on hedging derivatives | -0.25 | 1.07 | -309.95 | 4.60 |
| | (b) on trading derivatives | 538.16 | 86.72 | 0.70 | 146.20 |
| (V) | Maximum and Minimum of 100*PV 01 observed during the year | | | | |
| | (a) on hedging – | | | | |
| | Maximum | 22.09 | 1.07 | 1,526.75 | 460.31 |
| | Minimum | 8.83 | - | 1,112.88 | - |
| | (b) on trading – | | | | |
| | Maximum | 5.47 | 2.91 | 1.67 | 1.85 |
| | Minimum | 0.85 | - | 0.70 | 0.03 |

@Excludes swaps amounting to ₹ 2,156.47 crore (Previous Year ₹ 1,725.03 crore) entered with the Bank's own foreign offices.

#IRS/FRA amounting to ₹ 39,189.96 crore (Previous Year ₹ 32,134.98 crore) entered with the Bank's own Foreign offices are not shown here.

*Excludes Currency Derivatives of ₹ 2167.90 crore (Previous Year ₹ 867.18 crore) and NDF ₹ 296.13 crore (Previous Year NIL) done with the Bank's Foreign offices.

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March, 2021 amounted to ₹ 43,810.46 crore (Previous Year ₹ 34,727.19 crore) and the derivatives done between SBI Foreign Offices as on 31st March, 2021 amounted to ₹ 10,331.69 crore (Previous Year ₹ 10,222.51 crore).

2. The outstanding notional amount of interest rate derivatives which are not marked–to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31st March, 2021 amounted to ₹ 77,741.31 crore (Previous Year ₹ 60,632.85 crore).

**18.4. Asset Quality**

**a) Non-Performing Assets**

(₹ in crore)

| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| I) | Net NPAs to Net Advances (%) | 1.50% | 2.23% |
| II) | Movement of NPAs (Gross) | | |
| | (a) Opening balance | 1,49,091.85 | 1,72,750.36 |
| | (b) Additions (Fresh NPAs) during the year | 28,563.45 | 49,826.28 |
| | Sub-total (i) | 1,77,655.30 | 2,22,576.64 |
| | Less: | | |
| | (c) Up-gradations | 4,250.89 | 3,339.79 |
| | (d) Recoveries (Excluding recoveries made from upgraded accounts) | 12,613.19 | 17,782.63 |
| | (e) Technical/ Prudential Write-offs | - | - |
| | (f) Write-offs | 34,402.20 | 52,362.37 |
| | Sub-total (ii) | 51,266.28 | 73,484.79 |
| | (g) Closing balance (i-ii) | 1,26,389.02 | 1,49,091.85 |
| | | | |
| III) | Movement of Net NPAs | | |
| | (a) Opening balance | 51,871.30 | 65,894.74 |
| | (b) Additions during the year | 1,293.50 | 6,758.88 |
| | (c) Reductions during the year | 16,355.08 | 20,782.32 |
| | (d) Closing balance | 36,809.72 | 51,871.30 |
| | | | |
| IV) | Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| | (a) Opening balance | 97,220.55 | 1,06,855.62 |
| | (b) Provisions made during the year | 27,269.95 | 43,067.40 |
| | (c) Write-off / write-back of excess provisions | 34,911.20 | 52,702.47 |
| | (d) Closing balance | 89,579.30 | 97,220.55 |

Notes:-

Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 305.54 crore (Previous Year ₹ 235.61 crore) and ₹ 283.91 crore (Previous Year ₹ 305.54 crore) respectively.

**b)** As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

No separate disclosure is required to be made in respect of divergence for Financial Year 2019-20 as the same is not beyond the above mentioned thresholds.

## c) Restructured Accounts

(₹ in crore)

| Sr. No. | Type of Restructuring | | Under CDR Mechanism (1) | | | | | Under SME Debt Restructuring Mechanism (2) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Classification | | Standard | Sub Standard | Doubtful | Loss | Total | Standard | Sub Standard | Doubtful | Loss | Total |
| | Particulars | | | | | | | | | | | |
| 1 | Restructured Accounts as on April 1, 2020 (Opening position) | No. of Borrowers | 2 | - | 22 | 8 | 32 | 786 | 112 | 125 | 14 | 1037 |
| | | | (4) | (-) | (44) | (9) | (57) | (28) | (167) | (142) | (17) | (354) |
| | | Amount outstanding | 15.45 | - | 1,926.30 | 491.03 | 2,432.78 | 206.93 | 217.50 | 452.46 | 6.38 | 883.27 |
| | | | (146.04) | (-) | (6,236.10) | (656.53) | (7,038.67) | (46.11) | (307.32) | (415.80) | (6.65) | (775.88) |
| | | Provision thereon | 0.91 | - | - | - | 0.91 | 8.50 | - | 16.26 | 0 | 24.76 |
| | | | (0.96) | (-) | (-) | (-) | (0.96) | (10.26) | (6.43) | (24.88) | (0.27) | (41.84) |
| 2 | Fresh Restructuring during the current FY | No. of Borrowers | - | - | - | - | - | 313 | 29 | 7 | 2 | 351 |
| | | | (-) | (-) | (-) | (-) | (-) | (790) | (6) | (1) | (-) | (797) |
| | | Amount outstanding | - | - | - | - | - | 95.14 | 38.32 | 1.33 | 0.06 | 134.86 |
| | | | (26.57) | (-) | (-) | (-) | (26.57) | (154.84) | (4.44) | (1.38) | (-) | (160.66) |
| | | Provision thereon | - | - | - | - | - | 0.12 | 4.30 | 0.98 | 0.07 | 5.46 |
| | | | (0.02) | (-) | (-) | (-) | (0.02) | (0.24) | (2.72) | (0.40) | (-) | (3.36) |
| 3 | Upgradation to restructured standard category during current FY | No. of Borrowers | - | - | - | - | - | 7 | -7 | - | - | - |
| | | | (-) | (-) | (-) | (-) | (-) | (1) | (-1) | (-) | (-) | (-) |
| | | Amount outstanding | - | - | - | - | - | 2.90 | -2.90 | - | - | - |
| | | | (-) | (-) | (-) | (-) | (-) | (18.11) | (-18.11) | (-) | (-) | (-) |
| | | Provision thereon | - | - | - | - | - | 0.04 | -0.04 | - | - | - |
| | | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| 4 | Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | No. of Borrowers | - | | | | - | -1 | | | | -1 |
| | | | (-2) | | | | (-2) | (-) | | | | (-) |
| | | Amount outstanding | - | | | | - | -16.66 | | | | -16.66 |
| | | | (-155.08) | | | | (-155.08) | (-) | | | | (-) |
| | | Provision thereon | - | | | | - | - | | | | - |
| | | | (-) | | | | (-) | (-) | | | | (-) |
| 5 | Downgradations of restructured accounts during current FY | No. of Borrowers | -1 | - | 1 | - | - | -4 | -11 | 7 | 8 | - |
| | | | (-) | (-) | (-) | (-) | (-) | (-9) | (-7) | (16) | (-) | (-) |
| | | Amount outstanding | -11.67 | - | 11.67 | - | - | -2.57 | -0.37 | 2.69 | 0.25 | - |
| | | | (-) | (-) | (-) | (-) | (-) | (-2.38) | (-67.31) | (69.69) | (-) | (-) |
| | | Provision thereon | - | - | - | - | - | - | -0.81 | 0.59 | 0.22 | - |
| | | | (-) | (-) | (-) | (-) | (-) | (-0.05) | (-8.78) | (8.83) | (-) | (-) |
| 6 | Write-offs of restructured accounts during current FY | No. of Borrowers | - | - | -8 | -2 | -10 | -453 | -6 | -71 | - | -530 |
| | | | (-) | (-) | (-22) | (-1) | (-23) | (-24) | (-53) | (-34) | (-3) | (-114) |
| | | Amount outstanding | -1.32 | - | -976.92 | -56.51 | -1034.75 | -62.53 | -3.10 | -362.56 | - | -428.19 |
| | | | (-2.08) | (-) | (-4309.80) | (-165.50) | (-4477.38) | (-9.75) | (-8.84) | (-34.41) | (-0.27) | (-53.27) |
| | | Provision thereon | - | - | - | - | - | -0.04 | -0.16 | -1.73 | - | -1.94 |
| | | | (-0.07) | (-) | (-) | (-) | (-0.07) | (-1.95) | (-0.37) | (-17.85) | (-0.27) | (-20.44) |
| 7 | Total Restructured Accounts as on 31st March, 2021 (Closing Position) | No. of Borrowers | 1 | - | 15 | 6 | 22 | 648 | 117 | 68 | 24 | 857 |
| | | | (2) | (-) | (22) | (8) | (32) | (786) | (112) | (125) | (14) | (1,037) |
| | | Amount outstanding | 2.46 | - | 961.05 | 434.53 | 1398.04 | 223.21 | 249.44 | 93.92 | 6.69 | 573.27 |
| | | | (15.45) | (-) | (1,926.30) | (491.03) | (2,432.78) | (206.93) | (217.50) | (452.46) | (6.38) | (883.27) |
| | | Provision thereon | 0.91 | - | - | - | 0.91 | 8.61 | 3.28 | 16.10 | 0.29 | 28.28 |
| | | | (0.91) | (-) | (-) | (-) | (0.91) | (8.50) | (-) | (16.26) | - | (24.76) |

| Sr. No. | Type of Restructuring | | Others (3) | | | | | TOTAL ( 1 + 2 + 3 ) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Classification | | Standard | Sub Standard | Doubtful | Loss | Total | Standard | Sub Standard | Doubtful | Loss | Total |
| | Particulars | | | | | | | | | | | |
| 1 | Restructured Accounts as on April 1, 2020 (Opening position) | No. of Borrowers | 5,104 | 184 | 682 | 162 | 6,132 | 5,892 | 296 | 829 | 184 | 7,201 |
| | | | (300) | (227) | (786) | (171) | (1,484) | (332) | (394) | (972) | (197) | (1,895) |
| | | Amount outstanding | 2,199.61 | 536.32 | 2,479.42 | 349.51 | 5,564.86 | 2,421.99 | 753.82 | 4,858.18 | 846.92 | 8,880.91 |
| | | | (3,909.81) | (29.83) | (8,004.74) | (803.16) | (12,747.54) | (4,101.96) | (337.15) | (14,656.64) | (1,466.34) | (20,562.09) |
| | | Provision thereon | 183.85 | 76.80 | 15.41 | 2.60 | 278.66 | 193.26 | 76.80 | 31.67 | 2.60 | 304.33 |
| | | | (319.57) | (0.85) | (15.23) | (4.05) | (339.70) | (330.79) | (7.28) | (40.11) | (4.32) | (382.50) |
| 2 | Fresh Restructuring during the current FY | No. of Borrowers | 157 | 93 | 11 | 2 | 263 | 470 | 122 | 18 | 4 | 614 |
| | | | (4,813) | (61) | (21) | (1) | (4,896) | (5,603) | (67) | (22) | (1) | (5,693) |
| | | Amount outstanding | 299.73 | 68.67 | 322.69 | 36.04 | 727.12 | 394.87 | 106.99 | 324.02 | 36.10 | 861.98 |
| | | | (578.77) | (1.81) | (32.88) | (0.02) | (613.48) | (760.18) | (6.25) | (34.26) | (0.02) | (800.71) |
| | | Provision thereon | 71.86 | 0.27 | 4.11 | 1.16 | 77.40 | 71.98 | 4.57 | 5.09 | 1.23 | 82.86 |
| | | | (-) | (65.61) | (2.09) | (0.24) | (67.94) | (0.26) | (68.33) | (2.49) | (0.24) | (71.32) |
| 3 | Upgradation to restructured standard category during current FY | No. of Borrowers | 4 | -4 | - | - | - | 11 | -11 | - | - | - |
| | | | (17) | (-7) | (-10) | (-) | (-) | (18) | (-8) | (-10) | (-) | (-) |
| | | Amount outstanding | 0.21 | -0.21 | - | - | - | 3.10 | -3.10 | - | - | - |
| | | | (0.62) | (-0.36) | (-0.26) | (-) | (-) | (18.73) | (-18.47) | (-0.26) | (-) | (-) |
| | | Provision thereon | 0.15 | -0.15 | - | - | - | 0.20 | -0.20 | - | - | - |
| | | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| 4 | Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | No. of Borrowers | -6 | | | | -6 | -7 | | | | -7 |
| | | | (-16) | | | | (-16) | (-18) | | | | (-18) |
| | | Amount outstanding | -552.42 | | | | -552.42 | -569.08 | | | | -569.08 |
| | | | (-1,130.83) | | | | (-1,130.83) | (-1,285.91) | | | | (-1,285.91) |
| | | Provision thereon | -1.64 | | | | -1.64 | -1.64 | | | | -1.64 |
| | | | (-28.19) | | | | (-28.19) | (-28.19) | | | | (-28.19) |
| 5 | Downgradations of restructured accounts during current FY | No. of Borrowers | -3 | -42 | -59 | 104 | - | -8 | -53 | -51 | 112 | - |
| | | | (-5) | (-73) | (47) | (31) | (-) | (-14) | (-80) | (63) | (31) | (-) |
| | | Amount outstanding | -109.58 | -9.83 | 89.88 | 29.53 | - | -123.82 | -10.20 | 104.24 | 29.78 | - |
| | | | (-675.75) | (631.60) | (43.65) | (0.50) | (-) | (-678.13) | (564.29) | (113.34) | (0.50) | (-) |
| | | Provision thereon | -0.01 | -0.14 | -0.59 | 0.73 | - | -0.01 | -0.95 | - | 0.95 | - |
| | | | (-11.57) | (10.62) | (0.45) | (0.50) | (-) | (-11.62) | (1.84) | (9.28) | (0.50) | (-) |
| 6 | Write-offs of restructured accounts during current FY | No. of Borrowers | -1238 | -31 | -224 | -46 | -1539 | -1691 | -37 | -303 | -48 | -2079 |
| | | | (-5) | (-24) | (-162) | (-41) | (-232) | (-29) | (-77) | (-218) | (-45) | (-369) |
| | | Amount outstanding | -283.33 | -505.22 | -704.65 | -1.80 | -1495 | -347.18 | -508.32 | -2044.13 | -58.31 | -2957.94 |
| | | | (-483.01) | (-126.56) | (-5,601.59) | (-454.17) | (-6,665.33) | (-494.84) | (-135.40) | (-9,945.80) | (-619.94) | (-11,195.98) |
| | | Provision thereon | -0.70 | -0.07 | -8.56 | -1.20 | -10.54 | -0.75 | -0.24 | -10.29 | -1.20 | -12.48 |
| | | | (-95.96) | (-0.28) | (-2.36) | (-2.19) | (-100.79) | (-97.98) | (-0.65) | (-20.21) | (-2.46) | (-121.30) |
| 7 | Total Restructured Accounts as on 31st March, 2020 (Closing Position) | No. of Borrowers | 4,018 | 200 | 410 | 222 | 4,850 | 4,667 | 317 | 493 | 252 | 5,729 |
| | | | (5,104) | (184) | (682) | (162) | (6,132) | (5,892) | (296) | (829) | (184) | (7,201) |
| | | Amount outstanding | 1,554.21 | 89.74 | 2187.33 | 413.27 | 4,244.56 | 1,779.88 | 339.18 | 3242.31 | 854.49 | 6215.86 |
| | | | (2,199.61) | (536.32) | (2,479.42) | (349.51) | (5,564.86) | (2,421.99) | (753.82) | (4,858.18) | (846.92) | (8,880.91) |
| | | Provision thereon | 253.52 | 76.70 | 10.38 | 3.29 | 343.89 | 263.04 | 79.98 | 26.48 | 3.57 | 373.07 |
| | | | (183.85) | (76.80) | (15.41) | (2.60) | (278.66) | (193.26) | (76.80) | (31.67) | (2.60) | (304.33) |

Note:

1. Increase in outstanding of ₹ 44 crore (Previous Year ₹ 572 crore) included in Fresh Additions.
2. Closure of ₹ 2,286 crore (Previous Year ₹ 5,616 crore) and decrease in Outstanding of ₹ 184 crore (Previous Year ₹ 597 crore) is included in Write off.
3. Total Column does not include standard assets moved out of higher provisioning.

**d) As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1,2019, the details of restructured MSME accounts is as below:-**

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| No. of accounts restructured | 93,573 | 60,057 |
| Aggregate outstanding | 6,035.93 | 2,872.49 |

**e) Details of Technical Write-offs and the recoveries made thereon:**

(₹ in crore)

| Sr No | Particulars | Current Year | Previous Year |
|---|---|---|---|
| i | Opening balance of Technical/Prudential written-off accounts as at 1st April | - | 5,139.76 |
| ii | Add: Technical/Prudential write-offs during the year | - | - |
| iii | Sub-total (A) | - | 5,139.76 |
| iv | Less: Recoveries made/ Actual written off from previously technical/prudential written-off accounts during the year (B) | - | 5,139.76 |
| v | Closing balance as at 31st March (A-B) | - | - |

**f) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction**

(₹ in crore)

| Sr No | Particulars | Current Year | Previous Year |
|---|---|---|---|
| i | No. of Accounts | 30 | 32 |
| ii | Aggregate value (net of provisions) of accounts sold to SC/RC | 127.71 | 101.17 |
| iii | Aggregate consideration* | 712.84 | 1,236.62 |
| iv | Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| v | Aggregate gain /(loss) over net book value | 585.13 | 1,135.45 |

* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value as per RBI Guidelines.

**g) Excess Provision reversed to Profit & Loss Account on account of Sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC)**

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Excess Provision reversed to P&L Account in case of Sale of NPAs | 246.67 | 170.82 |

**h) Details of non-performing financial assets purchased**

(₹ in crore)

| Particulars | | | Current Year | Previous Year |
|---|---|---|---|---|
| 1) | (a) | No. of Accounts purchased during the year | Nil | Nil |
| | (b) | Aggregate outstanding | Nil | Nil |
| 2) | (a) | Of these, number of accounts restructured during the year | Nil | Nil |
| | (b) | Aggregate outstanding | Nil | Nil |

**i) Details of non-performing financial assets sold** (₹ in crore)

| Particulars | | Current Year | Previous Year |
|---|---|---|---|
| 1) | No. of Accounts sold | 12 | 15 |
| 2) | Aggregate outstanding | 770.70 | 551.59 |
| 3) | Aggregate consideration received | 363.88 | 271.15 |

**j) Provision on Standard Assets:** (₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Provision towards Standard Assets | 15,293.98 | 11,544.24 |

**18.5. Business Ratios**

| Particulars | | Current Year | Previous Year |
|---|---|---|---|
| i. | Interest Income as a percentage to Working Funds | 5.93% | 6.45% |
| ii. | Non-interest income as a percentage to Working Funds | 0.97% | 1.13% |
| iii. | Operating Profit as a percentage to Working Funds | 1.60% | 1.71% |
| iv. | Return on Assets* | 0.48% | 0.38% |
| v. | Business (Deposits plus advances) per employee (₹ in crore) | 23.73 | 21.05 |
| vi. | Profit per employee (₹ in thousands) | 828.35 | 578.98 |

* (on net-assets basis)

**18.6. Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March, 2021**

(₹ in crore)

| | Day1 | 2-7 Days | 8-14 Days | 15 to 30 days | Over 31 days and upto 2 months | Over 2 months and upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 Year | Over 1 Year & upto 3 years | Over 3 Years & upto 5 years | Over 5 Years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Deposits | 61,000.40 | 81,740.96 | 37,397.22 | 60,992.50 | 67,323.35 | 52,966.63 | 1,47,492.87 | 8,84,125.18 | 7,95,452.18 | 3,81,382.99 | 11,11,402.81 | 36,81,277.08 |
| | (50,412.96) | (89,018.26) | (48,210.68) | (82,393.15) | (1,26,563.94) | (1,09,843.95) | (3,16,203.23) | (6,02,960.92) | (5,92,806.58) | (3,24,913.60) | (8,98,293.46) | (32,41,620.73) |
| Advances | 44,156.96 | 13,618.48 | 16,535.47 | 37,631.95 | 44,757.21 | 35,877.97 | 1,17,416.16 | 1,98,447.37 | 8,70,870.70 | 3,19,249.93 | 7,50,935.58 | 24,49,497.79 |
| | (57,442.98) | (14,151.74) | (16,608.14) | (31,096.94) | (42,616.30) | (44,774.93) | (75,159.25) | (1,16,239.21) | (10,82,113.87) | (2,09,766.10) | (6,35,320.10) | (23,25,289.56) |
| Investments | - | 723.63 | 16,260.31 | 6,012.07 | 9,495.37 | 28,297.98 | 51,810.86 | 99,275.54 | 3,31,272.42 | 2,25,496.00 | 5,83,061.03 | 13,51,705.21 |
| | (188.13) | (4,423.08) | (3,965.20) | (17,133.59) | (20,404.80) | (33,033.97) | (45,189.57) | (70,272.40) | (182,741.13) | (1,55,126.51) | (5,14,476.14) | (10,46,954.52) |
| Borrowings | 823.85 | 1,53,783.04 | 1,469.67 | 11,857.36 | 13,923.44 | 14,091.50 | 38,619.46 | 33,828.43 | 68,089.88 | 50,667.23 | 30,143.85 | 4,17,297.70 |
| | (915.24) | (13,829.39) | (4,180.76) | (9,892.09) | (20,370.67) | (27,941.89) | (41,265.36) | (55,907.52) | (78,368.05) | (49,093.15) | (12,891.53) | (3,14,655.65) |
| Foreign Currency Assets # | 20,756.79 | 4,673.29 | 6,896.79 | 15,877.37 | 18,425.06 | 21,565.40 | 42,269.41 | 52,925.55 | 1,21,257.36 | 78,665.89 | 61,116.20 | 4,44,429.10 |
| | (44,464.27) | (5,354.64) | (8,137.20) | (20,603.01) | (25,000.46) | (23,193.94) | (36,944.55) | (43,842.32) | (1,12,403.17) | (83,445.52) | (47,435.08) | (4,50,824.16) |
| Foreign Currency Liabilities $ | 27,955.86 | 8,346.94 | 2,687.12 | 16,523.04 | 20,318.23 | 21,034.39 | 45,402.52 | 63,708.64 | 57,863.70 | 39,598.84 | 14,511.65 | 3,17,950.91 |
| | (25,950.88) | (15,075.64) | (8,027.84) | (18,994.07) | (29,216.63) | (35,828.10) | (54,776.09) | (62,965.89) | (64,113.98) | (46,576.87) | (13,758.15) | (3,75,284.14) |

# Foreign Currency Assets represent advances and investments.

$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st March, 2020).

**18.7. Exposures**

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

**a) Real Estate Sector** (₹ in crore)

| | Particulars | Current Year | Previous Year |
|---|---|---|---|
| **I** | **Direct exposure** | | |
| | i) Residential Mortgages | 4,06,179.32 | 3,58,599.62 |
| | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. | 4,06,179.32 | 3,58,599.62 |
| | Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 35 lacs) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 25 lacs) in other centres for purchase/construction of dwelling unit per family. | 2,09,028.90 | 1,50,689.19 |
| | ii) Commercial Real Estate | | |
| | Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits. | 56,343.00 | 31,607.67 |
| | iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures: | - | 9,781.26 |
| | a) Residential | - | - |
| | b) Commercial Real Estate | - | 9,781.26 |
| **II** | **Indirect Exposure** | | |
| | Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | 1,13,704.91 | 1,07,004.65 |
| | **Total Exposure to Real Estate Sector** | **5,76,227.23** | **5,06,993.20** |

**b) Capital Market** (₹ in crore)

| | Particulars | Current Year | Previous Year |
|---|---|---|---|
| 1) | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt. | 7,112.65 | 8,534.42 |
| 2) | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds. | 66.63 | 19.16 |
| 3) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security. | Nil | 93.49 |
| 4) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances. | Nil | 975.44 |
| 5) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers | 725.23 | 14.09 |
| 6) | Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources. | Nil | 13.82 |
| 7) | Bridge loans to companies against expected equity flows/issues. | Nil | Nil |
| 8) | Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds. | Nil | Nil |
| 9) | Financing to stockbrokers for margin trading. | Nil | Nil |
| 10) | Exposures to Venture Capital Funds (both registered and unregistered) | 3,463.62 | 3,352.74 |
| | **Total Exposure to Capital Market** | **11,368.13** | **13,003.16** |

**c) Risk Category wise Country Exposure**

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

(₹ in crore)

| Risk Category | Net Funded Exposure | | Provision held | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Insignificant | 5,586.26 | 16,716.77 | Nil | Nil |
| Very Low | 2,02,094.63 | 1,56,986.73 | 148.51 | 145.81 |
| Low | 16,539.05 | 20,546.89 | Nil | Nil |
| Medium | 9,767.77 | 8,326.76 | Nil | Nil |
| High | 26,470.88 | 21,883.14 | Nil | Nil |
| Very High | 8,586.29 | 10,242.33 | Nil | Nil |
| Restricted | 2,426.80 | 318.01 | Nil | Nil |
| **Total** | **2,71,471.68** | **2,35,020.63** | **148.51** | **145.81** |

**d) Single Borrower and Group Borrower exposure limits exceeded by the Bank**

The Bank had taken single borrower exposure & Group Borrower exposure within the prudential limit prescribed by RBI.

**e) Unsecured Advances**

(₹ in crore)

| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| a) | Total Unsecured Advances of the bank | 5,92,821.83 | 5,59,246.43 |
| i) | Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc. | Nil | Nil |
| ii) | The estimated value of such intangible securities (as in (i) above). | Nil | Nil |

**18.8. Miscellaneous**

**a. Disclosure of Penalties**

- Reserve Bank of India has imposed an aggregate penalty of ₹ 2.00 crore (Previous Year ₹ NIL) on the Bank on payment of remuneration to employees in the form of commission.

**b. Penalty for Bouncing of SGL forms**

No penalty has been levied on the Bank for bouncing of SGL Forms.

**18.9. Disclosure Requirements as per the Accounting Standards**

**a) Accounting Standard – 5 "Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies"**

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended 31st March 2021 as compared to those followed in the previous financial year 2019-20.

**b) Accounting Standard – 15 "Employee Benefits"**

**i. Defined Benefit Plans**

**1. Employee's Pension Plan and Gratuity Plan**

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

| Particulars | Pension Plans | | Gratuity Plan | |
|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year |
| **Change in the present value of the defined benefit obligation** | | | | |
| Opening defined benefit obligation at 1st April, 2020 | 1,09,830.37 | 95,362.15 | 12,852.56 | 12,189.05 |
| Current Service Cost | 970.09 | 953.34 | 440.06 | 447.17 |
| Interest Cost | 7,501.41 | 7,428.71 | 879.12 | 947.09 |
| Past Service Cost (Vested Benefit) | - | - | - | - |
| Actuarial losses (gains) | 15,822.32 | 13,619.61 | 1,185.34 | 1,224.38 |
| Benefits paid | (3,475.67) | (3,914.34) | (1,909.91) | (1,955.13) |
| Direct Payment by Bank | (4,842.15) | (3,619.10) | - | - |
| Closing defined benefit obligation at 31st March, 2021 | 1,25,806.37 | 1,09,830.37 | 13,447.17 | 12,852.56 |
| **Change in Plan Assets** | | | | |
| Opening fair value of Plan Assets as at 1st April, 2020 | 97,458.52 | 90,399.61 | 10,570.95 | 10,326.00 |
| Expected Return on Plan Assets | 6,656.42 | 7,015.01 | 723.05 | 803.36 |
| Contributions by employer | 2,100.68 | 2,407.68 | 1,234.77 | 1,146.88 |
| Expected Contributions by the employees | - | 0.28 | - | - |
| Benefits Paid | (3,475.67) | (3,914.34) | (1,909.91) | (1,955.13) |
| Actuarial Gains / (Loss) on plan Assets | 3,705.91 | 1,550.28 | 331.37 | 249.84 |
| Closing fair value of plan assets as at 31st March, 2021 | 1,06,445.86 | 97,458.52 | 10,950.23 | 10,570.95 |
| **Reconciliation of present value of the obligation and fair value of the plan assets** | | | | |
| Present Value of Funded obligation at 31st March, 2021 | 1,25,806.37 | 1,09,830.37 | 13,447.17 | 12,852.56 |
| Fair Value of Plan assets at 31st March, 2021 | 1,06,445.86 | 97,458.52 | 10,950.23 | 10,570.95 |
| Deficit/(Surplus) | 19,360.51 | 12,371.85 | 2,496.94 | 2,281.61 |
| Unrecognised Past Service Cost (Vested) Closing Balance | - | - | - | - |
| Unrecognised Transitional Liability Closing Balance | - | - | - | - |
| Net Liability/(Asset) | 19,360.51 | 12,371.85 | 2,496.94 | 2,281.61 |
| **Amount Recognised in the Balance Sheet** | | | | |

| Particulars | Pension Plans | | Gratuity Plan | |
|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year |
| Liabilities | 1,25,806.37 | 1,09,830.37 | 13,447.17 | 12,852.56 |
| Assets | 1,06,445.86 | 97,458.52 | 10,950.23 | 10,570.95 |
| Net Liability / (Asset) recognised in Balance Sheet | 19,360.51 | 12,371.85 | 2,496.94 | 2,281.61 |
| Unrecognised Past Service Cost (Vested) Closing Balance | - | - | - | - |
| Unrecognised Transitional Liability Closing Balance | - | - | - | - |
| Net Liability/(Asset) | 19,360.51 | 12,371.85 | 2,496.94 | 2,281.61 |
| **Net Cost recognised in the profit and loss account** | | | | |
| Current Service Cost | 970.09 | 953.34 | 440.06 | 447.17 |
| Interest Cost | 7,501.41 | 7,428.71 | 879.12 | 947.09 |
| Expected return on plan assets | (6,656.42) | (7,015.01) | (723.05) | (803.36) |
| Expected Contributions by the employees | - | (0.28) | - | - |
| Past Service Cost (Amortised) Recognised | - | - | - | - |
| Past Service Cost (Vested Benefit) Recognised | - | - | - | - |
| Net actuarial losses (Gain) recognised during the year | 12,116.41 | 12,069.33 | 853.97 | 974.54 |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 13,931.49 | 13,436.09 | 1,450.10 | 1,565.44 |
| **Reconciliation of expected return and actual return on Plan Assets** | | | | |
| Expected Return on Plan Assets | 6,656.42 | 7,015.01 | 723.05 | 803.36 |
| Actuarial Gain/ (loss) on Plan Assets | 3,705.91 | 1,550.28 | 331.37 | 249.84 |
| Actual Return on Plan Assets | 10,362.33 | 8,565.29 | 1,054.42 | 1,053.20 |
| **Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet** | | | | |
| Opening Net Liability/ (Asset) as at 1st April, 2020 | 12,371.85 | 4,962.54 | 2,281.61 | 1,863.05 |
| Expenses as recognised in profit and loss account | 13,931.49 | 13,436.09 | 1,450.10 | 1,565.44 |
| Paid by Bank Directly | (4,842.15) | (3,619.10) | - | - |
| Debited to Other Provision | - | - | - | - |
| Recognised in Reserve | - | - | - | - |
| Employer's Contribution | (2,100.68) | (2,407.68) | (1,234.77) | (1,146.88) |
| Net liability/(Asset) recognised in Balance Sheet | 19,360.51 | 12,371.85 | 2,496.94 | 2,281.61 |

**Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March, 2021 are as follows:**

| Category of Assets | Pension Fund | Gratuity Fund |
|---|---|---|
| | % of Plan Assets | % of Plan Assets |
| Central Govt. Securities | 21.21% | 18.45% |
| State Govt. Securities | 38.68% | 40.32% |
| Debt Securities, Money Market Securities and Bank Deposits | 30.01% | 30.01% |
| Mutual Funds | 6.43% | 6.90% |
| Insurer Managed Funds | 1.85% | 2.57% |
| Others | 1.82% | 1.75% |
| **Total** | **100.00%** | **100.00%** |

**Principal actuarial assumptions**

| Particulars | Pension Plans | |
|---|---|---|
| | Current year | Previous year |
| Discount Rate | 6.90% | 6.83% |
| Expected Rate of return on Plan Asset | 6.90% | 6.83% |
| Salary Escalation Rate | 5.60% | 5.40% |
| Pension Escalation Rate | 1.20% | 0.80% |
| Attrition Rate | 2.00% | 2.00% |
| Mortality Table | IALM (2006-08) ULTIMATE | IALM (2006-08) ULTIMATE |

**Principal actuarial assumptions**

| Particulars | Gratuity Plans | |
|---|---|---|
| | Current year | Previous year |
| Discount Rate | 6.82% | 6.84% |
| Expected Rate of return on Plan Asset | 6.82% | 6.84% |
| Salary Escalation Rate | 5.60% | 5.40% |
| Attrition Rate | 2.00% | 2.00% |
| Mortality Table | IALM (2006-08) ULTIMATE | IALM (2006-08) ULTIMATE |

**Surplus/ Deficit in the Plan**

**Gratuity Plan**

(₹ in crore)

| Amount recognized in the Balance Sheet | Year ended 31-03-2017 | Year ended 31-03-2018 | Year ended 31-03-2019 | Year ended 31-03-2020 | Year ended 31-03-2021 |
|---|---|---|---|---|---|
| Liability at the end of the year | 7,291.02 | 12,872.60 | 12,189.05 | 12,852.56 | 13,447.17 |
| Fair value of Plan Assets at the end of the year | 7,281.18 | 9,140.76 | 10,326.00 | 10,570.95 | 10,950.23 |
| Difference | 9.84 | 3,731.84 | 1,863.05 | 2,281.61 | 2,496.94 |
| Unrecognised Past Service Cost | - | 2,707.50 | - | - | - |
| Unrecognised Transition Liability | - | - | - | - | - |
| Amount Recognized in the Balance Sheet | 9.84 | 1,024.34 | 1,863.05 | 2,281.61 | 2,496.94 |

**Experience adjustment**

(₹ in crore)

| Amount recognized in the Balance Sheet | Year ended 31-03-2017 | Year ended 31-03-2018 | Year ended 31-03-2019 | Year ended 31-03-2020 | Year ended 31-03-2021 |
|---|---|---|---|---|---|
| On Plan Liability (Gain) /Loss | 10.62 | 399.62 | (212.11) | 382.17 | 1,053.04 |
| On Plan Asset (Loss) /Gain | 182.34 | (25.96) | 102.16 | 249.84 | 331.37 |

**Surplus/Deficit in the plan**

**Pension**

(₹ in crore)

| Amount recognized in the Balance Sheet | Year ended 31-03-2017 | Year ended 31-03-2018 | Year ended 31-03-2019 | Year ended 31-03-2020 | Year ended 31-03-2021 |
|---|---|---|---|---|---|
| Liability at the end of the year | 67,824.90 | 87,786.56 | 95,362.15 | 1,09,830.37 | 1,25,806.37 |
| Fair value of Plan Assets at the end of the year | 64,560.42 | 85,249.60 | 90,399.61 | 97,458.52 | 1,06,445.86 |
| Difference | 3,264.48 | 2,536.96 | 4,962.54 | 12,371.85 | 19,360.51 |
| Unrecognised Past Service Cost | - | - | - | - | - |
| Unrecognised Transition Liability | - | - | - | - | - |
| Amount Recognized in the Balance Sheet | 3,264.48 | 2,536.96 | 4,962.54 | 12,371.85 | 19,360.51 |

| Experience adjustment | Year ended 31-03-2017 | Year ended 31-03-2018 | Year ended 31-03-2019 | Year ended 31-03-2020 | Year ended 31-03-2021 |
|---|---|---|---|---|---|
| On Plan Liability (Gain) /Loss | 3,007.59 | 4,439.54 | 3,642.57 | 4,078.53 | 12,528.38 |
| On Plan Asset (Loss) /Gain | 2,246.60 | (135.07) | 109.65 | 1,550.28 | 3,705.91 |

The expected contribution to the Pension and Gratuity Fund for the next year is ₹ 3,190.72 crore and ₹ 1,610.61 crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

**2. Employees' Provident Fund**

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2020-21.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

| Particulars | Provident Fund | |
|---|---|---|
| | Current Year | Previous Year |
| **Change in the present value of the defined benefit obligation** | | |
| Opening defined benefit obligation at 1st April, 2020 | 31,188.49 | 30,487.93 |
| Current Service Cost | 3,289.62 | 1,017.99 |
| Interest Cost | 2,563.49 | 2,455.49 |
| Employee Contribution (including VPF) | 2,562.41 | 1,104.84 |
| Actuarial losses/(gains) | 63.43 | 208.49 |

| Particulars | Provident Fund | |
|---|---|---|
| | Current Year | Previous Year |
| Benefits paid | (4,378.30) | (4,086.25) |
| Closing defined benefit obligation at 31st March, 2021 | 35,289.14 | 31,188.49 |
| **Change in Plan Assets** | | |
| Opening fair value of Plan Assets as at 1st April, 2020 | 32,104.22 | 32,179.93 |
| Expected Return on Plan Assets | 2,563.49 | 2,455.49 |
| Contributions | 5,852.03 | 2,122.82 |
| Provision for loss on maturity of non-performing investment | (60.59) | (467.66) |
| Benefits Paid | (4,378.30) | (4,086.25) |
| Actuarial Gains / (Loss) on plan Assets | 284.95 | (100.11) |
| Closing fair value of plan assets as at 31st March, 2021 | 36,365.80 | 32,104.22 |
| **Reconciliation of present value of the obligation and fair value of the plan assets** | | |
| Present Value of Funded obligation at 31st March, 2021 | 35,289.14 | 31,188.49 |
| Fair Value of Plan assets at 31st March, 2021 | 36,365.80 | 32,104.22 |
| Deficit/(Surplus) | (1,076.66) | (915.73) |
| Net Asset not recognised in Balance Sheet | 1,076.66 | 915.73 |
| **Net Cost recognised in the profit and loss account** | | |
| Current Service Cost | 3,289.62 | 1,017.99 |
| Interest Cost | 2,563.49 | 2,455.49 |
| Expected return on plan assets | (2,563.49) | (2,455.49) |
| Interest shortfall reversed | - | - |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 3,289.62 | 1,017.99 |
| **Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet** | | |
| Opening Net Liability as at 1st April, 2020 | - | - |
| Expense as above | 3,289.62 | 1,017.99 |
| Employer's Contribution | (3,289.62) | (1,017.99) |
| Net Liability/(Asset) Recognized In the Balance Sheet | - | - |

Investments under Plan Assets of Provident Fund as on 31st March, 2021 are as follows:

| Category of Assets | Provident Fund |
|---|---|
| | % of Plan Assets |
| Central Govt. Securities | 30.65% |
| State Govt. Securities | 32.48% |
| Debt Securities, Money Market Securities and Bank Deposits | 30.76% |
| Mutual Funds | 3.93% |
| Others | 2.18% |
| **Total** | **100.00%** |

**Principal actuarial assumptions**

| Particulars | Provident Fund | |
|---|---|---|
| | Current year | Previous year |
| Discount Rate | 6.82% | 6.84% |
| Guaranteed Return | 8.50% | 8.50% |
| Attrition Rate | 2.00% | 2.00% |
| Salary Escalation | 5.60% | 5.40% |
| Mortality Table | IALM (2006-08) ULTIMATE | IALM (2006-08) ULTIMATE |

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

(a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or

(b) three percent per annum, subject to approval of Executive Committee.

**ii. Defined Contribution Plan:**

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2020-21, the Bank has contributed ₹ 648.17 crore (Previous Year ₹ 541.97 crore).

**iii. Long Term Employee Benefits (Unfunded Obligation):**

**(A) Accumulating Compensated Absences (Privilege Leave)**

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

| Particulars | Accumulating Compensated Absences (Privilege Leave) | |
|---|---|---|
| | Current Year | Previous Year |
| **Change in the present value of the defined benefit obligation** | | |
| Opening defined benefit obligation at 1st April, 2020 | 7,533.04 | 6,870.40 |
| Current Service Cost | 311.06 | 284.97 |
| Interest Cost | 515.26 | 533.83 |
| Actuarial losses/(gains) | 1,221.15 | 769.88 |
| Benefits paid | (1,398.27) | (926.04) |
| Closing defined benefit obligation at 31st March, 2020 | 8,182.24 | 7,533.04 |
| **Net Cost recognised in the profit and loss account** | | |
| Current Service Cost | 311.06 | 284.97 |
| Interest Cost | 515.26 | 533.83 |
| Actuarial (Gain)/ Losses | 1,221.15 | 769.88 |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 2,047.47 | 1,588.68 |
| **Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet** | | |
| Opening Net Liability as at 1st April, 2019 | 7,533.04 | 6,870.40 |
| Expense as above | 2,047.47 | 1,588.68 |
| Employer's Contribution | - | - |
| Benefit paid directly by the Employer | (1,398.27) | (926.04) |
| Net Liability/(Asset) Recognized In the Balance Sheet | 8,182.24 | 7,533.04 |

**Principal actuarial assumptions**

| Particulars | Current year | Previous year |
|---|---|---|
| Discount Rate | 6.82% | 6.84% |
| Salary Escalation | 5.60% | 5.40% |
| Attrition Rate | 2.00% | 2.00% |
| Mortality Table | IALM (2006-08) ULTIMATE | IALM (2006-08) ULTIMATE |

**(B) Other Long Term Employee Benefits**

Amount of ₹ 32.29 crore (Previous Year ₹ 21.71 crore) is provided towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employee Benefits during the year:

(₹ in crore)

| Sr. No. | Long Term Employee Benefits | Current Year | Previous Year |
|---|---|---|---|
| 1 | Leave Travel and Home Travel Concession (Encashment/Availment) | 35.84 | 20.00 |
| 2 | Silver Jubilee Award | 1.82 | 3.91 |
| 3 | Resettlement Expenses on Superannuation | (2.89) | 1.01 |
| 4 | Casual Leave | - | - |
| 5 | Retirement Award | (2.48) | (3.21) |
| **Total** | | **32.29** | **21.71** |

**Principal actuarial assumptions**

| Particulars | Current year | Previous year |
|---|---|---|
| Discount Rate | 6.82% | 6.84% |
| Salary Escalation | 5.60% | 5.40% |
| Attrition Rate | 2.00% | 2.00% |
| Mortality Table | IALM (2006-08) ULTIMATE | IALM (2006-08) ULTIMATE |

**c) Accounting Standard – 17 "Segment Reporting"**

**1. Segment Identification**

**I. Primary (Business Segment)**

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

i. **Treasury –**

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii. **Corporate / Wholesale Banking –**

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii. **Retail Banking –**

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. **Other Banking business –**

Segments not classified under (i) to (iii) above are classified under this primary segment.

II. **Secondary (Geographical Segment)**

i) Domestic Operations - Branches/Offices having operations in India

ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

III. **Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

IV. **Allocation of Expenses, Assets and Liabilities**

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

**2. Segment Information**

**Part A: Primary (Business Segments)**

(₹ in crore)

| Business Segment | Treasury | Corporate / Wholesale Banking | Retail Banking | Other Banking Operations | Total |
|---|---|---|---|---|---|
| Revenue (before exceptional items) # | 91,916.79 | 81,782.12 | 1,31,783.02 | - | 3,05,481.93 |
| | (75,054.51) | (90,248.46) | (1,30,906.66) | (-) | (2,96,209.63) |
| Unallocated Revenue # | | | | | 1,625.34 |
| | | | | | (119.80) |
| Total Revenue # | | | | | 3,07,107.27 |
| | | | | | (2,96,329.43) |
| Result (before exceptional items) # | 15,561.38 | 5,149.19 | 9,448.38 | - | 30,158.95 |
| | (9,446.53) | (-3,996.75) | (18,058.78) | (-) | (23,508.56) |
| Add: Exceptional Items # | 1,539.73 | | | | 1,539.73 |
| | (6,215.64) | | | | (6,215.64) |
| Result (after exceptional items) # | 17,101.11 | 5,149.19 | 9,448.38 | - | 31,698.68 |
| | (15,662.17) | (-3,996.75) | (18,058.78) | (-) | (29,724.20) |
| Unallocated Income(+) / Expenses (-) - net # | | | | | -4,157.56 |
| | | | | | (-4,661.44) |

| Business Segment | Treasury | Corporate / Wholesale Banking | Retail Banking | Other Banking Operations | Total |
|---|---|---|---|---|---|
| Profit before tax # | | | | | 27,541.12 |
| | | | | | (25,062.76) |
| Tax # | | | | | 7,130.65 |
| | | | | | (10,574.65) |
| Extraordinary Profit # | | | | | - |
| | | | | | (-) |
| Net Profit # | | | | | 20,410.47 |
| | | | | | (14,488.11) |
| Other Information: | | | | | |
| Segment Assets * | 14,53,111.55 | 11,97,649.91 | 18,15,024.48 | - | 44,65,785.93 |
| | (11,34,532.91) | (11,77,636.15) | (15,80,600.47) | (-) | (38,92,769.53) |
| Unallocated Assets * | | | | | 68,643.70 |
| | | | | | (58,624.39) |
| Total Assets* | | | | | 45,34,429.63 |
| | | | | | (39,51,393.92) |
| Segment Liabilities * | 13,26,432.08 | 11,68,462.70 | 16,82,902.21 | - | 41,77,796.99 |
| | (10,18,341.71) | (11,62,918.88) | (14,60,117.68) | (-) | (36,41,378.27) |
| Unallocated Liabilities* | | | | | 1,02,757.46 |
| | | | | | (78,008.22) |
| Total Liabilities * | | | | | 42,80,554.45 |
| | | | | | (37,19,386.49) |

(Figures in brackets are for previous year) .

**Part B: Secondary (Geographic Segments)**

(₹ in crore)

| | Domestic | | Foreign | | Total | |
|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 2,97,188.29 | 2,81,486.59 | 9,918.98 | 14,842.84 | 3,07,107.27 | 2,96,329.43 |
| Net Profit# | 17,236.17 | 10,332.81 | 3,174.30 | 4,155.30 | 20,410.47 | 14,488.11 |
| Assets * | 40,56,851.69 | 35,11,389.86 | 4,77,577.94 | 4,40,004.06 | 45,34,429.63 | 39,51,393.92 |
| Liabilities* | 38,02,976.51 | 32,79,382.43 | 4,77,577.94 | 4,40,004.06 | 42,80,554.44 | 37,19,386.49 |

# For the year ended 31st March, 2021.

* As at 31st March, 2021.

**d) Accounting Standard – 18 "Related Party Disclosures"**

1. **Related Parties**

A. **SUBSIDIARIES**

**i. FOREIGN BANKING SUBSIDIARIES**

1. Commercial Indo Bank LLC, Moscow
2. Bank SBI Botswana Limited
3. SBI Canada Bank
4. State Bank of India (California)
5. State Bank of India (UK) Limited
6. SBI (Mauritius) Ltd.
7. PT Bank SBI Indonesia
8. Nepal SBI Bank Ltd.

**ii. DOMESTIC NON-BANKING SUBSIDIARIES**

1. SBI Life Insurance Co. Ltd.
2. SBI General Insurance Co. Ltd.
3. SBI Cards & Payment Services Ltd.
4. SBI Funds Management Pvt. Ltd. (SBIFMPL)
5. SBI Mutual Fund Trustee Co. Pvt. Ltd.
6. SBI Capital Markets Ltd. (SBICAPS)
7. SBICAP Trustee Co. Ltd.
8. SBICAP Ventures Ltd.
9. SBICAP Securities Ltd.
10. SBI Global Factors Ltd.
11. SBI SG – Global Securities Pvt. Ltd.
12. SBI DFHI Ltd.
13. SBI Pension Funds Pvt. Ltd.
14. SBI Payment Services Pvt. Ltd.
15. SBI Infra Management Solutions Pvt. Ltd.
16. SBI Foundation

iii. **FOREIGN NON-BANKING SUBSIDIARIES**

1. SBICAP (Singapore) Ltd.
2. SBI Funds Management (International) Pvt. Ltd.
3. State Bank of India Servicos Limitada, Brazil
4. Nepal SBI Merchant Banking Ltd.
5. SBICAP (UK) Ltd.

**B. JOINTLY CONTROLLED ENTITIES**

1. C-Edge Technologies Ltd.
2. Jio Payments Bank Ltd.
3. SBI Macquarie Infra. Mgt. Pvt. Ltd
4. SBI Maxquarie Infra. Trustee Ltd
5. Macquarie SBI Infra. Mgmt Pvt Lts
6. Macquarie SBI Infra. Trsutee Ltd
7. Oman India Joint Investment Fund- Management. Company Pvt. Ltd.
8. Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.

**C. ASSOCIATES**

**i. Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Saurashtra Gramin Bank
10. Utkal Grameen Bank
11. Uttarakhand Gramin Bank
12. Jharkhand Rajya Gramin Bank
13. Rajasthan Marudhara Gramin Bank
14. Telangana Grameena Bank

**ii. Others**

1. SBI Home Finance Ltd. (under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.
4. Yes Bank Ltd.

**D. Key Management Personnel of the Bank**

1. Shri Dinesh Kumar Khara, Chairman (from 7th October, 2020)
2. Shri Rajnish Kumar, Chairman (upto 6th October, 2020)

3. Shri Dinesh Kumar Khara, Managing Director (upto 6th October, 2020)
4. Shri C.S. Setty, Managing Director (Retail & Digital Banking)
5. Shri Ashwani Bhatia, Managing Director (Corporate Banking & Global Markets) (from 24th August, 2020)
6. Shri Swaminathan Janakiraman, Managing Director (Risk, Compliance and SARG) (from 28th January, 2021)
7. Shri Ashwini Kumar Tewari, Managing Director (International Banking, Technology & Subsidiaries) (from 28th January, 2021)
8. Shri Arijit Basu, Managing Director (upto 31st October, 2020)

**2. Parties with whom transactions were entered into during the year**

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

**3. Transactions and Balances**

(₹ in crore)

| Particulars | Associates/ Joint Ventures | Key Management Personnel & their relatives | Total |
|---|---|---|---|
| **Outstanding as at 31st March,2021** | | | |
| Borrowings | - | - | - |
| | (-) | (-) | (-) |
| Deposit | 1,351.05 | - | 1,351.05 |
| | (746.45) | (-) | (746.45) |
| Other Liabilities | 7.83 | - | 7.83 |
| | (0.06) | (-) | (0.06) |
| Balance with Banks and Money at call and short notice | - | - | - |
| | (300.00) | (-) | (300.00) |
| Advance | 1,434.76 | - | 1,434.76 |
| | (113.50) | (-) | (113.50) |
| Investment | 12,520.51 | - | 12,520.51 |
| | (11,003.36) | (-) | (11,003.36) |
| Other Assets | 150.79 | - | 150.79 |
| | (212.33) | (-) | (212.33) |
| Non-fund commitments (LCs/ BGs) | 2,935.10 | - | 2,935.10 |
| | (-) | (-) | (-) |
| **Maximum outstanding during the year** | | | |
| Borrowings | - | - | - |
| | (-) | (-) | (-) |
| Deposit | 1,541.27 | - | 1,541.27 |
| | (767.06) | (-) | (767.06) |
| Other Liabilities | 7.83 | - | 7.83 |
| | (0.06) | (-) | (0.06) |
| Balance with Banks and Money at call and short notice | - | - | - |
| | (300.00) | (-) | (300.00) |
| Advance | 17,763.35 | - | 17,763.35 |
| | (113.50) | (-) | (113.50) |
| Investment | 12,520.51 | - | 12,520.51 |
| | (11,003.36) | (-) | (11,003.36) |
| Other Assets | 150.79 | - | 150.79 |
| | (212.33) | (-) | (212.33) |
| Non-fund commitments (LCs/ BGs) | 2,935.10 | - | 2,935.10 |
| | (-) | (-) | (-) |
| **During the year ended 31st March,2021** | | | |
| Interest Income | 160.52 | - | 160.52 |
| | (4.89) | (-) | (4.89) |
| Interest expenditure | 18.44 | - | 18.44 |
| | (0.82) | (-) | (0.82) |
| Income earned by way of dividend | 22.61 | - | 22.61 |
| | (17.88) | (-) | (17.88) |
| Other Income | 1.00 | - | 1.00 |
| | (0.74) | (-) | (0.74) |
| Other expenditure | - | - | - |
| | (-) | (-) | (-) |
| Profit/(loss) on sale of land/building and other assets | - | - | - |
| | (-) | (-) | (-) |
| Management contracts | - | 1.50 | 1.50 |
| | (-) | (1.38) | (1.38) |

Figures in brackets are for Previous Year.

There are no materially significant related party transactions during the year.

**e) Accounting Standard – 19 "Leases"**

**Premises taken on operating lease are given below:**

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

(i) Liability for Premises taken on Non-Cancellable operating lease are given below (₹ in crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Not later than 1 year | 61.32 | 116.77 |
| Later than 1 year and not later than 5 years | 109.10 | 399.69 |
| Later than 5 years | 10.57 | 104.46 |
| **Total** | **180.99** | **620.92** |

(ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹3,360.58 crore (₹ 3,338.32 crore).

**f) Accounting Standard -20 "Earnings per Share"**

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

| Particulars | Current Year | Previous Year |
|---|---|---|
| **Basic and diluted** | | |
| Number of Equity Shares outstanding at the beginning of the year | 892,46,11,534 | 892,46,11,534 |
| Number of Equity Shares issued during the year | Nil | Nil |
| Number of Equity Shares outstanding at the end of the year | 892,46,11,534 | 892,46,11,534 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,11,534 | 892,46,11,534 |
| Weighted average number of shares used in computing diluted earnings per share | 892,46,11,534 | 892,46,11,534 |
| Net profit / (loss) (₹ in crore) | 20,410.47 | 14,488.11 |
| Basic earnings per share (₹) | 22.87 | 16.23 |
| Diluted earnings per share (₹) | 22.87 | 16.23 |
| Nominal value per share (₹) | 1 | 1 |

**g) Accounting Standard – 22 "Accounting for Taxes on Income"**

**a. Current Tax :-**

During the year the Bank has debited to Profit & Loss Account ₹10,760.88 crore (Previous Year ₹ 3,063.67 crore) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

**b. Deferred Tax :-**

During the year, ₹ 3,630.23 crore has been credited to Profit and Loss Account (Previous Year debit ₹ 7,510.99 crore) on account of deferred tax.

The Bank has a net DTA of ₹ 6,556.81 crore (Previous Year net DTA of ₹ 2,927.28 crore), which comprises of DTL of ₹ 2.46 crore (Previous Year ₹ 6.16 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹ 6,559.27 crore (Previous Year ₹ 2,933.44 crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

(₹ in crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Deferred Tax Assets (DTA)** | | |
| Provision for long term employee Benefits | 7,918.85 | 6,425.50 |
| Provision for advances | 3,691.83 | 2,757.68 |
| Provision for Other Assets/Other Liability | 3,115.57 | 665.72 |
| On Accumulated losses (including erstwhile ABs) | - | - |
| On Foreign Currency Translation Reserve | 759.10 | 809.99 |
| Depreciation on Fixed Assets | 199.52 | 116.18 |
| On account of Foreign Offices | 275.67 | 253.17 |
| **Total** | **15,960.54** | **11,028.24** |
| **Deferred Tax Liabilities (DTL)** | | |
| Interest accrued but not due on Securities | 5,744.73 | 4,563.17 |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961 | 3,656.53 | 3,531.63 |
| On account of Foreign Offices | 2.46 | 6.16 |
| **Total** | **9,403.72** | **8,100.96** |
| **Net Deferred Tax Assets/(Liabilities)** | **6,556.82** | **2,927.28** |

c) While recognising provision for income tax for the year ended 31st March 2020, the Bank had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Bank had re-measured its Deferred Tax Assets based on the tax rate prescribed in the said section and has reversed the MAT credit no longer available to it. The impact of these changes was a one-time charge of ₹ 3,392.31 crore in the year ended 31st March 2020.

**h) Accounting Standard – 27 "Financial Reporting of interests in Joint Ventures"**

Investments include ₹ 97.66 crore (Previous Year ₹ 97.66 crore) representing Bank's interest in the following jointly controlled entities.

| Sr. No | Name of the Company | Amount ₹ in crore | Country of Residence | Holding % |
|---|---|---|---|---|
| 1 | C - Edge Technologies Ltd. | 4.90<br>(4.90) | India | 49% |
| 2 | SBI Macquarie Infrastructure Management Pvt. Ltd. | 18.57<br>(18.57) | India | 45% |
| 3 | SBI Macquarie Infrastructure Trustee Pvt. Ltd. | 0.03<br>(0.03) | India | 45% |
| 4 | Maquarie SBI Infrastructure Management Pte. Ltd. | 2.25<br>(2.25) | Singapore | 45% |
| 5 | Macquarie SBI Infrastructure Trustee Ltd. # | -<br>(-) | Bermuda | 45% |
| 6 | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | 2.30<br>(2.30) | India | 50% |
| 7 | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd. | 0.01<br>(0.01) | India | 50% |
| 8 | Jio Payments Bank | 69.60<br>(69.60) | India | 30% |

# Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.

(Figures in brackets relate to previous year)

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Liabilities** | | |
| Capital & Reserves | 227.35 | 242.72 |
| Deposits | 5.22 | 6.25 |
| Borrowings | 2.92 | - |
| Other Liabilities & Provisions | 55.51 | 59.47 |
| **Total** | **291.00** | **308.44** |
| **Assets** | | |
| Cash and Balances with RBI | 2.15 | 1.28 |
| Balances with Banks and money at call and short notice | 132.12 | 88.68 |
| Investments | 67.77 | 104.74 |
| Advances | - | - |
| Fixed Assets | 18.77 | 32.19 |
| Other Assets | 70.20 | 81.55 |
| **Total** | **291.00** | **308.44** |
| Capital Commitments | - | - |
| Other Contingent Liabilities | 2.10 | 0.56 |
| **Income** | | |
| Interest earned | 7.98 | 9.75 |
| Other income | 164.29 | 184.37 |
| **Total** | **172.27** | **194.12** |
| **Expenditure** | | |
| Interest expended | 3.42 | 0.28 |
| Operating expenses | 153.99 | 133.69 |
| Provisions & contingencies | 13.16 | 14.70 |
| **Total** | **167.19** | **148.67** |
| **Profit** | **5.08** | **45.45** |

**i) Accounting Standards – 28 "Impairment of Assets"**

In the opinion of the Bank's Management, there is no indication of impairment to the assets during the year to which Accounting Standard 28 – "Impairment of Assets" applies.

**j) Accounting Standard – 29 "Provisions, Contingent Liabilities and Contingent Assets"**

Description of Contingent liabilities:

| Sr. No. | Particulars | Brief Description |
|---|---|---|
| 1 | Claims against the Bank not acknowledged as debts | The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending. |
| 2 | Liability on partly paid-up investments/ Venture Funds | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds. |
| 3 | Liability on account of outstanding forward exchange contracts | The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower. |
| 4 | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations. |
| 5 | Other items for which the Bank is contingently liable | The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

**k) Movement of provisions against Contingent Liabilities**

The movement of provisions against contingent liabilities given in the table below:

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Opening balance | 628.62 | 525.26 |
| Additions during the year | 2,981.22 | 137.17 |
| Amount utilised during the year | 68.45 | 5.30 |
| Unused amount reversed during the year | 111.41 | 28.51 |
| **Closing balance** | **3,429.98** | **628.62** |

### 18.10. Additional Disclosures

1. **Provisions and Contingencies**

The breakup of provisions is given in the table below :

(₹ in crore)

| Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account | Current Year | Previous Year |
|---|---|---|
| Provision for Taxation | | |
| - Current Tax | 10,760.88 | 2,803.14 |
| - Deferred Tax | -3,630.23 | 7,510.99 |
| - Write Back/Additional Provision of Income Tax | - | 260.53 |
| Provision for Depreciation on Investments | 3,014.50 | 538.55 |
| Provision on Non-Performing Assets | 27,269.95 | 42,997.50 |
| Provision on Restructured Assets | (-) 25.60 | (-) 221.54 |
| Provision on Standard Assets | 3,789.78 | (-) 877.40 |
| Other Provisions | 9,964.41 | 632.73 |
| **Total** | **51,143.68** | **53,644.50** |

2. **Floating Provisions**

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Opening Balance | 193.75 | 193.75 |
| Addition during the year | - | - |
| Draw down during the year | - | - |
| Closing Balance | 193.75 | 193.75 |

3. **Draw down from Reserves**

During the year, there has been no draw down from the reserves.

4. **Disclosure of complaints**

**Enhanced disclosures to be made by banks on complaints and grievance redress**

**Summary information on complaints received by the bank from customers and from the OBOs**

| SR. No | Particulars | Current year | Previous year |
|---|---|---|---|
| | **Complaints received by the bank from its customers** | | |
| 1 | Number of complaints pending at beginning of the year | 1,76,057 | 1,39,029 |
| 2 | Number of complaints received during the year | 31,31,509 | 38,08,400 |
| 3 | Number of complaints disposed during the year | 31,61,286 | 37,71,372 |
| | 3.1 Of which, number of complaints rejected by the bank | 1,20,191 | 1,48,436 |
| 4 | Number of complaints pending at the end of the year | 1,46,280 | 1,76,057 |
| | **Maintainable complaints received by the bank from OBOs** | | |
| 5 | Number of maintainable complaints received by the bank from OBOs | 58,956 | 53,083 |
| | 5.1 Of 5, number of complaints resolved in favour of the bank by Bos | 54,680@ | 39,342 |
| | 5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Bos | 12,024@ | 7,065 |
| | 5.3 Of 5, number of complaints resolved after passing of Awards by BOs against the bank | 6 | 15 |
| 6 | Number of Awards unimplemented within the stipulated time (other than those appealed) | 0 | 4 |

@includes 9128 complaints pending as on April 1, 2020

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.

| Top five grounds of complaints received by the bank from customers | | | | | |
|---|---|---|---|---|---|
| **Grounds of complaints, (i.e. complaints relating to)** | **Number of complaints pending at the beginning of the year** | **Number of complaints received during the year** | **% increase/decrease in the number of complaints received over the previous year** | **Number of complaints pending at the end of the year** | **Of 5, number of complaints pending beyond 30 days** |
| **1** | **2** | **3** | **4** | **5** | **6** |
| **Current Year - 2020-21** | | | | | |
| ATM/ Debit Card | 1,14,230 | 18,04,653 | -33.25 | 64,100 | 10,946 |
| INB/ MB | 51,819 | 5,70,711 | -9.50 | 43,015 | 22,620 |
| Bank Charges levied | 667 | 62,482 | 48.99 | 4,016 | 361 |
| Operation of accounts | 585 | 32,285 | 80.05 | 3,459 | 683 |
| Cheque Book related | 73 | 12,163 | 167.55 | 660 | 96 |
| Others | 8,683 | 6,49,215 | 54.64 | 31,030 | 350 |
| **Total** | **1,76,057** | **31,31,509** | **-17.77** | **1,46,280** | **35,056** |
| **Previous Year - 2019-20** | | | | | |
| ATM/ Debit Card | 1,07,785 | 27,03,608 | -15.31 | 1,14,230 | 69,973 |
| INB/ MB | 27,753 | 6,30,611 | 79.83 | 51,819 | 29,942 |
| Bank Charges levied | 2,166 | 31,871 | 1,225.2 | 667 | 71 |
| Operation of accounts | 672 | 17,931 | 2,796.77 | 585 | 128 |
| Cheque Book related | 274 | 4,546 | 1,056.74 | 73 | 7 |
| Others | 379 | 4,19,833 | -37.81 | 8,683 | 55 |
| **Total** | **1,39,029** | **38,08,400** | **-9.77** | **1,76,057** | **1,00,176** |

**5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006**

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

**6. Letter of Comfort**

The Bank has not issued any letter of comfort which are not recorded as contingent liabilities during the year ended 31st March, 2021 and 31st March, 2020.

**7. Provisioning Coverage Ratio (PCR):**

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March, 2021 is 87.75% (Previous Year 83.62 %).

**8. Fees/remuneration received in respect of the bancassurance business**

(₹ in crore)

| Name of Company | Current Year | Previous Year |
|---|---|---|
| SBI Life Insurance Co. Ltd. | 1,239.75 | 1,116.93 |
| SBI General Insurance Co. Ltd. | 327.39 | 314.52 |
| NTUC and Manu life Financial Limited | 0.83 | 0.86 |
| Tokio Marine and ACE | 1.52 | 2.31 |
| Unit Trust and LIC | 0.22 | 0.35 |
| AIA Singapore | 0.06 | 1.12 |
| IFAST | 0.17 | - |
| **TOTAL** | **1,569.95** | **1,436.09** |

## 9. Concentration of Deposits, Advances, Exposures & NPAs (computed as per directions of RBI)

### a) Concentration of Deposits

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Deposits of twenty largest depositors | 1,36,577.00 | 95,385.85 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank | 3.71% | 2.94% |

### b) Concentration of Advances

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Advances to twenty largest borrowers | 3,15,554.46 | 3,10,707.52 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the Bank | 12.43% | 12.82% |

### c) Concentration of Exposures

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Exposure to twenty largest borrowers/customers | 4,35,690.45 | 5,25,714.23 |
| Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers | 10.63% | 13.93% |

### d) Concentration of NPAs

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Exposure to top four NPA accounts | 25,101.40 | 25,880.11 |

## 10. Sector – wise Advances

(₹ in crore)

| Sr. No. | Sector | Current Year | | | Previous year | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector |
| **A** | **Priority Sector** | | | | | | |
| 1 | Agriculture & allied activities | 2,12,818.77 | 32,392.47 | 15.22 | 2,04,185.71 | 32,558.27 | 15.95 |
| 2 | Industry (Micro & Small, Medium and Large) | 92,993.76 | 11,206.95 | 12.05 | 1,01,080.54 | 18,738.88 | 18.54 |
| 3 | Services | 1,22,088.06 | 10,198.53 | 8.35 | 83,870.61 | 5,289.20 | 6.31 |
| 4 | Personal Loans | 1,71,541.16 | 2,352.84 | 1.37 | 1,66,800.34 | 3,131.18 | 1.88 |
| | **Sub-total (A)** | **5,99,441.75** | **56,150.79** | **9.37** | **5,55,937.20** | **59,717.53** | **10.74** |
| **B** | **Non Priority Sector** | | | | | | |
| 1 | Agriculture & allied activities | 1,562.08 | 205.85 | 13.18 | 2235.29 | 229.81 | 10.28 |
| 2 | Industry (Micro & Small, Medium and Large) | 6,78,089.82 | 47,770.41 | 7.04 | 10,54,285.42 | 74,644.63 | 7.08 |
| 3 | Services | 5,60,186.39 | 17,636.56 | 3.15 | 2,21,642.21 | 9,686.06 | 4.37 |
| 4 | Personal Loans | 7,00,113.23 | 4,625.41 | 0.66 | 5,88,744.65 | 4,813.82 | 0.82 |
| | **Sub-total (B)** | **19,39,951.52** | **70,238.23** | **3.62** | **18,66,907.57** | **89,374.32** | **4.79** |
| C | **Total (A+B)** | **25,39,393.27** | **1,26,389.02** | **4.98** | **24,22,844.77** | **1,49,091.85** | **6.15** |

**11. Overseas Assets, NPAs and Revenue** (₹ in crore)

| Sr. No. | Particulars | Current Year | Previous Year |
|---|---|---|---|
| 1 | Total Assets | 4,77,577.94 | 4,40,004.06 |
| 2 | Total NPAs (Gross) | 2,426.10 | 1,650.16 |
| 3 | Total Revenue | 9,918.98 | 14,842.84 |

**12. Off-balance Sheet SPVs sponsored**

| Name of the SPVs Sponsored | Domestic | Overseas |
|---|---|---|
| **Current Year** | Nil | Nil |
| **Previous Year** | Nil | Nil |

**13. Disclosure relating to Securitisation** (₹ in crore)

| Sr. No. | Particulars | Current Year | | Previous Year | |
|---|---|---|---|---|---|
| | | Number | Amount | Number | Amount |
| 1. | No. of the SPVs sponsored by the Bank for securitization transactions | Nil | Nil | Nil | Nil |
| 2. | Total amount of securitized assets as per the books of the SPVs sponsored by the bank | Nil | Nil | Nil | Nil |
| 3. | Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet<br>a) Off-balance sheet exposures<br>i. First Loss<br>ii. Others<br>b) On-balance sheet exposures<br>i. First Loss<br>ii. Others | Nil | Nil | Nil | Nil |
| 4. | Amount of exposures to securitisation transactions other than MMR<br>a) Off-balance sheet exposures<br>i. Exposures to own securitisations<br>1. First Loss<br>2. Others<br>ii. Exposures to third party securitisations<br>1. First Loss<br>2. Others<br>b) On-balance sheet exposures<br>i. Exposures to own securitisations<br>1. First Loss<br>2. Others<br>ii. Exposures to third party securitisations<br>1. First Loss<br>2. Others | Nil | Nil | Nil | Nil |

### 14. Credit Default Swaps

(₹ in crore)

| Sr. No. | Particulars | Current Year | | Previous Year | |
|---|---|---|---|---|---|
| | | As Protection Buyer | As Protection Seller | As Protection Buyer | As Protection Seller |
| 1. | No. of transactions during the year | Nil | Nil | Nil | Nil |
| | a) of which transactions that are/may be physically settled | | | | |
| | b) cash settled | | | | |
| 2. | Amount of protection bought / sold during the year | Nil | Nil | Nil | Nil |
| | a) of which transactions which are/ may be physically settled | | | | |
| | b) cash settled | | | | |
| 3. | No. of transactions where credit event payment was received / made during the year | Nil | Nil | Nil | Nil |
| | a) pertaining to current year's transactions | | | | |
| | b) pertaining to previous year(s)' transactions | | | | |
| 4. | Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date: | Nil | Nil | Nil | Nil |
| | a) premium paid / received | | | | |
| | b) Credit event payments: | | | | |
| | • made (net of the value of assets realised) | | | | |
| | • received (net of value of deliverable obligation) | | | | |
| 5. | Outstanding transactions as on 31st March: | Nil | Nil | Nil | Nil |
| | a) No. of Transactions | | | | |
| | b) Amount of protection | | | | |
| 6. | Highest level of outstanding transactions during the year: | Nil | Nil | Nil | Nil |
| | a) No. of Transactions (as on 1st April) | | | | |
| | b) Amount of protection (as on 1st April ) | | | | |

### 15. Intra-Group Exposures:

(₹ in crore)

| Sr. No | Particulars | Current Year | Previous Year |
|---|---|---|---|
| i | Total amount of intra-group exposures | 41,268.96 | 32,578.25 |
| ii | Total amount of top-20 intra-group exposures | 41,263.80 | 32,577.04 |
| iii | Percentage of intra-group exposures to total exposure of the bank on borrowers / customers | 1.01% | 0.86% |
| iv | Details of breach of limits on intra-group exposures and regulatory action thereon | Nil | Nil |

**16. Unclaimed Liabilities transferred to Depositor Education and Awareness Fund (DEA Fund)**

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Opening balance of amounts transferred to DEA Fund | 3,387.65 | 2,852.66 |
| Add : Amounts transferred to DEA Fund during the year | 267.30 | 557.22 |
| Less : Amounts reimbursed by DEA Fund towards claims | 18.54 | 22.23 |
| Closing balance of amounts transferred to DEA Fund | 3,636.41 | 3,387.65 |

**17. Unhedged Foreign Currency Exposure**

The Bank in accordance with RBI Circular No. DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 on 'Capital and Provisioning Requirements for Exposure to entities has provided for Unhedged Foreign Currency Exposure'.

An amount of ₹ 116.40 crore (Previous Year ₹ 108.84 crore) was held as on 31st March 2021 towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounts to ₹ 121.71 crore (Previous Year ₹ 28.54 crore).

**18.** In accordance with instructions contained in RBI circulars dated March 27, 2020 and May 23, 2020, the Bank has extended the moratorium to all borrowers of all segments. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, provisioning in respect of COVID -19 Regulatory Package is as below :-

(₹ in crore)

| Particulars | Amount |
|---|---|
| Respective amounts, where the moratorium/deferment was extended (O/s as on August 31, 2020) [As a default option, Bank extended this moratorium benefit to all eligible customers] | 8,21,163.83 |
| Respective amount where asset classification benefits is extended (O/s as on August 31, 2020) | 11,357.78 |
| Provisions made during the Q4FY2020 | 1,172.00 |
| Provisions made during the Q1FY2021 | 1,836.00 |
| Provisions adjusted during the respective accounting periods against slippages and the residual provisions | Nil |
| Residual provision as on March 31, 2021<br>(includes ₹ 3,338.00 crore provided in Q3 and Q4 of FY 2020-21) | 6,346.00 |

**19. Liquidity Coverage Ratio (LCR):**

**a) Standalone LCR**

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 :

$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

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 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:**

(₹ in crore)

| LIQUIDITY COVERAGE RATIO | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| State Bank of India | | | | | | | | | | | INR in Crs |
| | | Quarter ended March 31, 2021 | | Quarter ended December 31, 2020 | | Quarter ended Sept 30, 2020 | | Quarter ended June 30, 2020 | | Quarter ended March 31, 2020 | |
| 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) | | 1,165,122 | | 1,164,328 | | 1,125,701 | | 1,079,947 | | 892,622 |
| CASH OUTFLOWS | | | | | | | | | | | |
| 2 | Retail Deposits and deposits from small business customers, of which: | | | | | | | | | | |
| (i) | Stable deposits | 829,333 | 41,467 | 822,785 | 41,139 | 508,658 | 25,433 | 324,280 | 16,214 | 315,743 | 15,787 |
| (ii) | Less Stable Deposits | 1,747,243 | 174,724 | 1,700,856 | 170,086 | 1,997,360 | 199,736 | 2,158,744 | 215,874 | 2,030,618 | 203,062 |
| 3 | Unsecured wholesale funding, of which: | | | | | | | | | | |
| (i) | Operational deposits(all counterparties) | 781 | 195 | 821 | 205 | 828 | 207 | 788 | 197 | 757 | 189 |
| (ii) | Non-operational deposits (all counterparti | 883,699 | 541,738 | 830,749 | 504,707 | 806,917 | 490,491 | 820,911 | 492,004 | 727,791 | 442,254 |
| (iii) | Unsecured debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Secured wholesale funding | 139,993 | 1,372 | 18,524 | 1,290 | 3,687 | 3,252 | 7,036 | 6,987 | 1,652 | 18 |
| 5 | Additional requirements, of which | | | | | | | | | | |
| (i) | Outflows related to derivative exposures and other collateral requirements | 152,989 | 152,989 | 139,059 | 139,059 | 131,847 | 131,847 | 118,168 | 118,168 | 156,235 | 156,235 |
| (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 | 43,125 | 7,326 | 44,632 | 7,105 | 40,845 | 6,639 | 38,630 | 5,837 | 42,467 | 6,050 |
| 6 | Other contractual funding obligations | 39,215 | 39,215 | 35,424 | 35,424 | 32,992 | 32,992 | 44,756 | 44,756 | 34,641 | 34,641 |
| 7 | Other contingent funding obligations | 610,132 | 22,007 | 597,353 | 21,458 | 587,042 | 21,215 | 554,361 | 20,004 | 556,385 | 19,965 |
| **8** | **TOTAL CASH OUTFLOWS** | 4,446,513 | 981,034 | 4,190,202 | 920,473 | 4,110,176 | 911,812 | 4,067,674 | 920,042 | 3,866,288 | 878,200 |
| CASH INFLOWS | | | | | | | | | | | |
| 9 | Secured lending(eg. Reverse repos) | 146,720 | 0 | 52,142 | 0 | 47,130 | 0 | 159,755 | 0 | 48,756 | 0 |
| 10 | Inflows from fully performing exposures | 236,691 | 211,019 | 233,920 | 207,843 | 182,108 | 172,677 | 186,218 | 174,736 | 241,553 | 221,788 |
| 11 | Other cash inflows | 41,962 | 35,399 | 33,674 | 29,632 | 37,666 | 31,934 | 34,734 | 30,101 | 42,453 | 34,750 |
| **12** | **TOTAL CASH INFLOWS** | 425,373 | 246,418 | 319,735 | 237,474 | 266,904 | 204,611 | 380,707 | 204,837 | 332,762 | 256,538 |
| 13 | TOTAL HQLA | | 1,165,122 | | 1,164,328 | | 1,125,701 | | 1,079,947 | | 892,622 |
| 14 | TOTAL NET CASH OUTFLOWS | | 734,616 | | 682,999 | | 707,201 | | 715,205 | | 621,662 |
| **15** | **LIQUIDITY COVERAGE RATIO(%)** | | **158.60%** | | **170.47%** | | **159.18%** | | **151.00%** | | **143.59%** |

Note : In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1st January 2017 and taking 69 days data points for the quarter January-March 2021.

Bank's LCR comes to 158.60% based on daily average of three months (Q4 FY20-21) and and is above the minimum regulatory requirement of 90% (RBI reduced the minimum benchmark temporarily from 100% to 90% to contain effect of covid threat in Banking). Average HQLA held during the quarter was ₹ 11,65,122 crore, of which, Level 1 assets constituted 95.29% of total HQLA. Government securities constituted 96.63% of Total Level 1 Assets. Level 2A Assets constitutes 4.24% of total HQLA and Level 2B assets constitutes 0.47% of total HQLA. During the quarter, the HQLA level has remained flat from previous quarter. The weighted net cash outflow position has gone up by ₹ 51,617 crore on account of increase in deposits from customers classified under retail as well as wholesale segment. 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 326.52% 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.

**b. Consolidated LCR**

The RBI through a supplementary guideline issued on 31st March 2015 had stipulated the implementation of LCR at a consolidated level from 1st January 2016. Accordingly, SBI Group has been computing the Consolidated LCR.

The entities covered in the Group LCR are State Bank of India and eight Overseas Banking Subsidiaries: Bank SBI Botswana Ltd, Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, SBI (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group LCR comes out to 159.06% as on 31st March, 2021 based on average of three months January, February and March, 2021.

(₹ in crore)

| GROUP LCR DISCLOSURE TEMPLATE AS ON QUARTER ENDED 31.03.2021 (Janurary-March, 2021) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| GROUP LIQUIDITY COVERAGE RATIO | | | | | | | | | | | |
| State Bank of India Group | | | | | | | | | | | (INR in Crs) |
| | | Quarter ended March 31, 2021 | | Quarter ended December 31, 2020 | | Quarter ended September 30, 2020 | | Quarter ended June 30, 2020 | | Quarter ended March 31, 2020 | |
| 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 | | | | | | | | | | | |
| 1 | Total High Quality Liquid Assets(HQLA) | | 1,171,796 | | 1,169,918 | | 1,131,835 | | 1,085,295 | | 897,905 |
| Cash Outflows | | | | | | | | | | | |
| 2 | Retail Deposits and deposits from small business customers, of which: | | | | | | | | | | |
| (i) | Stable deposits | 837,619 | 41,881 | 830,700 | 41,535 | 514,395 | 25,720 | 331,542 | 16,577 | 323,204 | 16,160 |
| (ii) | Less Stable Deposits | 1,758,476 | 175,848 | 1,711,877 | 171,188 | 2,005,385 | 200,539 | 2,168,538 | 216,854 | 2,039,846 | 203,985 |
| 3 | Unsecured wholesale funding, of which: | | | | | | | | | | |
| (i) | Operational deposits(all counterparties) | 920 | 230 | 970 | 242 | 965 | 241 | 1,049 | 262 | 882 | 220 |
| (ii) | Non-operational deposits(all counterparties) | 886,157 | 543,301 | 832,914 | 506,169 | 809,090 | 492,092 | 822,780 | 493,240 | 729,630 | 443,520 |
| (iii) | Unsecured debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Secured wholesale funding | 140,383 | 1,428 | 19,026 | 1,423 | 4,360 | 3,555 | 7,828 | 7,401 | 1,721 | 87 |
| 5 | Additional requirements, of which | | | | | | | | | | |
| (i) | Outflows related to derivative exposures and other collateral requirements | 153,055 | 153,055 | 139,060 | 139,060 | 131,849 | 131,849 | 118,217 | 118,217 | 156,243 | 156,243 |
| (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 | 44,886 | 8,251 | 46,850 | 8,571 | 43,131 | 8,122 | 40,442 | 6,931 | 44,002 | 7,007 |
| 6 | Other contractual funding obligations | 40,907 | 40,907 | 36,392 | 36,392 | 33,887 | 33,887 | 45,669 | 45,669 | 36,069 | 36,069 |
| 7 | Other contingent funding obligations | 612,100 | 22,068 | 599,237 | 21,516 | 588,797 | 21,269 | 556,140 | 20,059 | 558,222 | 20,021 |
| **8** | **TOTAL CASH OUTFLOWS** | 4,474,505 | 986,968 | **4,217,026** | **926,096** | **4,131,858** | **917,273** | **4,092,204** | **925,210** | **3,889,820** | **883,313** |
| Cash Inflows | | | | | | | | | | | |
| 9 | Secured lending(eg. Reverse repos) | 146,720 | 0 | 52,142 | 0 | 47,130 | 0 | 159,755 | 0 | 48,756 | 0 |
| 10 | Inflows from fully performing exposures | 242,807 | 214,517 | 239,745 | 210,989 | 187,445 | 175,757 | 191,340 | 177,579 | 246,736 | 224,450 |
| 11 | Other cash inflows | 42,301 | 35,739 | 34,012 | 29,970 | 37,980 | 32,247 | 34,965 | 30,325 | 43,430 | 35,712 |
| 12 | Total Cash Inflows | 431,828 | 250,255 | 325,899 | 240,959 | 272,555 | 208,005 | 386,059 | 207,904 | 338,922 | 260,162 |
| 13 | TOTAL HQLA | | 1,171,796 | | 1,169,918 | | 1,131,835 | | 1,085,295 | | 897,905 |
| 14 | TOTAL NET CASH OUTFLOWS | | 736,713 | | 685,137 | | 709,269 | | 717,306 | | 623,152 |
| 15 | LIQUIDITY COVERAGE RATIO(%) | | **159.06%** | | **170.76%** | | **159.58%** | | **151.30%** | | **144.09%** |

** Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

The Group 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, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

**20. Fraud Reported and provision made during the year:**

Out of the total frauds of ₹ 10,085.92 crore in 5,724 cases (Previous year ₹ 44,622.45 crore in 6,964 cases) reported during the year, an amount of ₹ 9,963.24 crore in 660 cases (Previous year ₹ 44,419.46 crore in 651 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31st March, 2021 in respect of frauds reported during the year.

**21. Inter Office Accounts**

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

**22. Sale of Assets to Reconstruction Companies**

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 10.50 crore (Previous Year ₹ 0.84 crore) has been fully charged in the current year.

**23. Priority Sector Lending Certificate (PSLC)**

The Bank has purchased the following PSLCs during the year:-

(₹ in crore)

| Sr. No. | Category | Current Year | Previous Year |
|---|---|---|---|
| 1. | PSLC Micro Enterprises | 37,405.25 | 47,525.75 |
| 2. | PSLC Agriculture | 14,883.50 | - |
| 3. | PSLC General | 10,050.00 | 30,451.25 |
| 4. | PSLC Small and Marginal Farmers | 63,442.50 | 9,352.00 |
| **Total** | | **1,25,781.25** | **87,329.00** |

The Bank did not sell any PSLC during the year ended 31st March, 2021 and 31st March, 2020.

**24. Counter Cyclical Provisioning Buffer (CCPB)**

RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated 5th May 2021 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on 31st December 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, the Bank has not utilized the CCPB for making specific provision for NPAs.

**25.** As per RBI letter no. DBR No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 4,479 crore (100% of total outstanding) as on 31st March, 2021 (Previous Year ₹ 5,761.46 crore {93.53% of total outstanding})

**26. Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes:-**

- ₹ 1,539.73 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd. (Previous year ₹ 3,484.30 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd. and ₹ 2,731.34 crore on sale of certain portion of investment in bank's subsidiary SBI Cards & Payment Services Limited)

**27. Resolution of Stressed Assets**

In terms of RBI circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020, the detailed requirement as per Resolution Framework for COVID-19 related Stress during the year is :

| Type of borrower | (A) Number of accounts where resolution plan has been implemented under this window | (B) Exposure to accounts mentioned at (A) before implementation of the plan (in crore) | (C) of (B), aggregate amount of debt that was converted into other securities | (D) Additional funding sanctioned, if any, including between invocation of the plan and implementation | (E) Increase in provisions on account of the implementation of the resolution plan |
|---|---|---|---|---|---|
| Personal Loans | 13,056 | 2,761.74 | - | - | - |
| Corporate persons* | 42,561 | 2,554.53 | - | 64.45 | 1,120.57 |
| of which, MSMEs | 42,555 | 1,779.35 | - | - | 33.91 |
| Others | - | - | - | - | - |
| **Total** | **55,617** | **5,316.27** | **-** | **64.45** | **1,120.57** |

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**28.** The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities and increase in movement in financial markets. In this situation, Bank is gearing up itself on all fronts to meet the challenges. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their obligations against the loans timely. The bank is proactively providing against the challenges of likely stress on the bank's assets. A definitive assessment of the impact of COVID-19 is dependent upon circumstances as they evolve in the subsequent period.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, subsequent notifications dated April 17, 2020 and May 23, 2020 has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, includes Rescheduling of Payments –Term Loans and Working capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc.

The bank has proactively made an additional provision towards the possible impact of COVID-19 pandemic, on the basis of the evaluation and assessment done with reference to the information now available and analysis made thereon. The said provision is in addition to the provisions held as per RBI guidelines as regards loan loss provisions. On the basis of above-mentioned assessment, Bank's management is not expecting any significant impact on Bank's liquidity or profitability.

**29.** To ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated March 23, 2021, directed that there shall not be any charge of interest on interest / compound interest / penal interest for the period during the moratorium from March 1, 2020 to August 31, 2020 and such interest shall be refunded to the concerned borrowers to be given credit / adjusted in the next instalment of the loan amount. Accordingly, Bank has reversed interest income by ₹ 830 crore during the year ended March 31, 2021.

**30.** In terms of RBI Circular RBI/2015-16/376 DBR. No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 during quarter ended March 31, 2020, in respect of advance account declared as fraud, the Bank had chosen to provide for the fraud over four quarters as permitted by RBI. However, the Bank has provided the entire balance amount of ₹ 5,230.37 Crore as on March 31, 2020 in the first quarter of year ended March 31, 2021.

**31.** The Bank has revalued immovable properties on June 30, 2019 based on reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on March 31,2021, (net of amount transferred to General Reserve) is ₹ 23,577.35 crore (Previous year ₹ 23,762.67 crore).

**32.** During the year, the Bank has accounted for ₹ 5,353.50 crore arising out of 11th Bi-Partite Wage Settlement effective from November 1, 2017.

**33.** The Central Board has declared a dividend of ₹4 per share @ 400% for the year ended March 31, 2021.

**34.** Previous year figures have been regrouped/ reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

# State Bank of India

Cash Flow Statement for the year ended 31st March, 2021

(000s omitted)

| Particulars | | Year ended 31.03.2021 (FY20-21) ₹ | Year ended 31.03.2020 (FY19-20) ₹ |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | |
| Net Profit/ (Loss) before Taxes | | 27541,11,61 | 25062,76,50 |
| **Adjustments for:** | | | |
| Depreciation on Fixed Assets | | 3317,55,25 | 3303,81,33 |
| (Profit)/Loss on sale of Fixed Assets (Net) | | 28,58,17 | 28,37,38 |
| (Profit)/Loss on revaluation of Investments (Net) | | - | - |
| (Profit)/Loss on sale of investments in Subsidiaries / Joint Ventures / Associates | | (1539,73,30) | (6215,64,59) |
| Provision for diminution in fair value & Non Performing Assets | | 27244,35,02 | 42775,96,26 |
| Provision on Standard Assets | | 3789,78,38 | (877,40,17) |
| Provision for depreciation on investments | | 3014,49,66 | 538,55,05 |
| Other provisions including provision for contingencies | | 9964,40,51 | 632,73,80 |
| Income from investment in Subsidiaries / Joint Ventures / Associates | | (642,86,22) | (212,03,35) |
| Interest paid on Capital Instruments | | 5782,51,98 | 4781,23,16 |
| | | 78500,21,06 | 69818,35,37 |
| **Adjustments for:** | | | |
| Increase/(Decrease) in Deposits | | 439656,34,53 | 330234,72,36 |
| Increase/ (Decrease) in Borrowings other than Capital Instruments | | 92135,53,47 | (96690,16,61) |
| (Increase)/ Decrease in Investments other than investments in Subsidiaries/Joint Ventures/Associates | | (305564,41,58) | (74335,04,91) |
| (Increase)/ Decrease in Advances | | (151452,58,06) | (182188,60,56) |
| Increase/ (Decrease) in Other Liabilities | | 16516,35,43 | 13206,59,82 |
| (Increase)/ Decrease in Other Assets | | (77531,38,47) | (21255,66,60) |
| | | 92260,06,38 | 38790,18,87 |
| Tax refund/ (Taxes paid ) | | (2394,52,46) | (13102,32,71) |
| **NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES** | **A** | **89865,53,92** | **25687,86,16** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Net (Increase)/ Decrease in Investments in Subsidiaries/Joint Ventures/ Associates | | (2200,76,84) | (6136,07,14) |
| Net Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates | | 1539,73,30 | 6215,64,59 |
| Income from investment in Subsidiaries / Joint Ventures / Associates | | 642,86,22 | 212,03,35 |
| Net (Increase)/ Decrease in Fixed Assets | | (3336,08,64) | (3268,37,96) |
| **NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES** | **B** | **(3354,25,96)** | **(2976,77,16)** |

(000s omitted)

| Particulars | | Year ended 31.03.2021 (FY20-21) ₹ | Year ended 31.03.2020 (FY19-20) ₹ |
|---|---|---|---|
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of equity shares | | - | - |
| Net Issue/(redemption) of Capital Instruments (NET) | | 10583,16,20 | 8133,40,00 |
| Interest on Capital Instruments | | (4950,52,99) | (4781,23,16) |
| Dividends paid | | - | - |
| **NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES** | **C** | **5632,63,21** | **3352,16,84** |
| **EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE** | **D** | **(202,20,77)** | **2543,63,55** |
| **NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)** | | **91941,70,40** | **28606,89,39** |
| | | | |
| **CASH AND CASH EQUIVALENTS AS AT 1ST APRIL 2020** | | 251097,00,54 | 222490,11,15 |
| **CASH AND CASH EQUIVALENTS FOR THE YEAR ENDED ON 31ST MARCH 2021** | | 343038,70,94 | 251097,00,54 |
| | | | |
| Note: | | | |
| 1 Components of Cash & Cash Equivalents as at: | | **31.03.2021** | **31.03.2020** |
| Cash & Balance with RBI | | 213201,53,63 | 166735,77,90 |
| Balances with Banks and money at call & short notice | | 129837,17,31 | 84361,22,64 |
| | | 343038,70,94 | 251097,00,54 |
| | | | |
| 2 Cash Flow from operating activities is reported by using indirect method. | | | |

**Shri Ashwini Kumar Tewari**
Managing Director
(International Banking, Technology & Subsidiaries)

**Shri Swaminathan J.**
Managing Director
(Risk, Compliance and SARG)

**Shri Ashwani Bhatia**
Managing Director
(Corporate Banking & Global Markets)

**Shri Challa Sreenivasulu Setty**
Managing Director
(Retail & Digital Banking)

**Directors:**

Shri B. Venugopal
Dr. Pushpendra Rai
Dr Ganesh Natarajan
Shri Mrugank M Paranjape
Shri Ketan S. Vikamsey
Shri Sanjeev Maheshwari

**Place:**

Mumbai
New Delhi
Pune
Mumbai
Mumbai
Mumbai

**Shri Dinesh Kumar Khara**
Chairman

**Place: Mumbai**
**Date : 21st May, 2021**

In terms of our report of even date

**For Khandelwal Jain & Co.**
Chartered Accountant

**Alpesh Waghela**
**Partner : M. No.** 142058
**Firm Regn.** No. 105049W
Place : Mumbai

**For N.C. Rajagopal & Co.**
Chartered Accountants

**V. Chandrasekaran**
**Partner : M. No.** 024844
**Firm Regn. No.** 003398S
Place : Chennai

**For Karnavat & Co.**
Chartered Accountants

**Viral Joshi**
**Partner : M. No.** 137686
**Firm Regn. No.** 104863W
Place : Mumbai

**For Umamaheswara Rao & Co.**
Chartered Accountants

**Krishna Sai G. H.**
**Partner : M. No.** 233399
**Firm Regn. No.** 004453S
Place : Hyderabad

**For Guha Nandi & Co.**
Chartered Accountants

**Dr. B. S. Kundu**
**Partner : M. No.** 051221
**Firm Regn. No.** 302039E
Place : Kolkata

Date: May 21, 2021

**For J.C. Bhalla & Co.**
Chartered Accountants

**Rajesh Sethi**
**Partner : M. No.** 085669
**Firm Regn. No.** 001111N
Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**
Chartered Accountants

**A Gopalakrishnan**
**Partner: M. No.** 018159
**Firm Regn. No.** 004610S
Place : Kochi

**For G. P. Agrawal & Co.**
Chartered Accountants

**Pradeep Kumar Samal**
**Partner : M. No.** 061353
**Firm Regn. No.** 302082E
Place : Mumbai

**For Shah Gupta & Co.**
Chartered Accountants

**Vipul K Choksi**
**Partner : M. No.** 37606
**Firm Regn. No.** 109574W
Place : Mumbai

**For Prem Gupta & Co.**
Chartered Accountants

**Prem Behari Gupta**
**Partner : M. No.** 080245
**Firm Regn. No.** 000425N
Place : New Delhi

**For O.P. Totla & Co.**
Chartered Accountants

**S. R. Totla**
**Partner : M. No.** 071774
**Firm Regn. No.** 000734C
Place : Indore

**For S. K. Kapoor & Co.**
Chartered Accountants

**V. B. Singh**
**Partner : M. No.** 073124
**Firm Regn. No.** 000745C
Place : Kanpur

**For SCV & Co. LLP**
Chartered Accountants

**Rajiv Puri**
**Partner : M. No.** 084318
**Firm Regn. No.** 000235N/N500089
Place : New Delhi

**For ASA & Associates LLP**
Chartered Accountants

**Parveen Kumar**
**Partner : M. No.** 088810
**Firm Regn. No.** 009571N/N500006
Place : New Delhi

# INDEPENDENT AUDITORS' REPORT

To

The President of India

**REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OF STATE BANK OF INDIA**

**Opinion**

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2021, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

   i. The Central offices, 17 Local Head offices, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;

   ii. 10766 Indian branches audited by respective Statutory Branch Auditors;

   iii. 34 Foreign branches audited by respective Local Auditors;

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 13965 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 9.63% of advances, 23.89% of deposits, 11.55% of interest income and 22.72% of interest expenses.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and give a –

   a) true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at March 31, 2021;

   b) true balance of profit in case of the Profit and Loss Account for the year ended on that date; and

   c) true and fair view of the cash flows, in case of the Cash Flow Statement for the year ended on that date.

**Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

3. We draw attention to Note No. 18.10 (28) of Schedule 18 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

**Our opinion is not modified in respect of this matter.**

**Key Audit Matters**

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

| Sr. No. | Key Audit Matters | How the matter was addressed in our audit |
|---|---|---|
| i | Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)<br><br>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. | Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following<br><br>a. The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches allotted to us; |

| Sr. No. | Key Audit Matters | How the matter was addressed in our audit |
|---|---|---|
| | Advances constitute 54.02 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non- performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.<br><br>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non- performing.<br><br>Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software .<br><br>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.<br><br>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.<br><br>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances | b. Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;<br><br>c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;<br><br>d. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof.<br><br>e. We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.<br><br>f. We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.<br><br>g. In carrying out substantive procedures at the branches allotted to us, we have examined all large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.<br><br>h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;<br><br>i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. |
| ii | Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)<br><br>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.<br><br>Investments constitute 29.81 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against. | Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular ;<br><br>a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;<br><br>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;<br><br>c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; |

| Sr. No. | Key Audit Matters | How the matter was addressed in our audit |
|---|---|---|
| | The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/ information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.<br><br>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments | d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;<br><br>e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;<br><br>f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions. |
| iii | Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.9 (j) of Schedule 18 to the financial statements) :<br><br>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.<br><br>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved. | Our audit approach involved:<br><br>a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;<br><br>b. Understanding the current status of the litigations/tax assessments;<br><br>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;<br><br>d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;<br><br>e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and<br><br>f. Verification of disclosures related to significant litigations and taxation matters. |
| iv | Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic:<br><br>Due to the continuing COVID-19 pandemic, lockdown declared by some of the State Governments and travel restrictions imposed by State Governments / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank. | Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/ Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.<br><br>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period. |

| Sr. No. | Key Audit Matters | How the matter was addressed in our audit |
|---|---|---|
| | As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, either fully or partially, we have identified such modified audit procedures as a Key Audit Matter.<br><br>Accordingly, our audit procedures were modified to carry out the audit remotely. | Accordingly, we modified our audit procedures for control testing and substantive testing which included the following:<br><br>a. Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible.<br><br>b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.<br><br>c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.<br><br>d. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials. |

**Information Other than the Standalone Financial Statements and Auditors' Report thereon**

5. The Bank's Board of Directors is responsible for the Other Information. The Other Information comprises the Corporate Governance Report which we obtained at the time of issue of this report. The Other Information also includes Directors' Report including annexures in Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon, which is expected to be made available to us after the date of this Auditors' Report.

   Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

   In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

   When we read the Directors' Report, including annexures in Annual Report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above mentioned Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

**Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
   - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

   Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

   We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

   We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

   From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

8. We did not audit the financial statements / information of 10842 branches included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹ 34,44,485 crore at March 31, 2021 and total revenue of ₹ 2,83,673 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

   Subject to the limitations of the audit indicated in paragraphs 6 and 7 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were

necessary for the purposes of our audit and have found them to be satisfactory;

b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. We further report that:

a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.

c) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

Our report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls over Financial Reporting is given in Annexure – A to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31st March, 2021.

**For Khandelwal Jain & Co.**
Chartered Accountant

**Alpesh Waghela**
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**For N.C. Rajagopal & Co.**
Chartered Accountants

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Place : Chennai

**For Karnavat & Co.**
Chartered Accountants

**Viral Joshi**
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Place : Mumbai

**For Umamaheswara Rao & Co.**
Chartered Accountants

**Krishna Sai G. H.**
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**For Guha Nandi & Co.**
Chartered Accountants

**Dr. B. S. Kundu**
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Place : Kolkata

**For J.C. Bhalla & Co.**
Chartered Accountants

**Rajesh Sethi**
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**For K. Venkatachalam Aiyer & Co.**
Chartered Accountants

**A Gopalakrishnan**
**Partner: M. No.** 018159
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**For G. P. Agrawal & Co.**
Chartered Accountants

**Pradeep Kumar Samal**
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**For Shah Gupta & Co.**
Chartered Accountants

**Vipul K Choksi**
**Partner : M. No.** 37606
**Firm Regn. No.** 109574W
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**For Prem Gupta & Co.**
Chartered Accountants

**Prem Behari Gupta**
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**Firm Regn. No.** 000425N
UDIN: 21080245AAAAAH9049
Place : New Delhi

**For O.P. Totla & Co.**
Chartered Accountants

**S. R. Totla**
**Partner : M. No.** 071774
**Firm Regn. No.** 000734C
UDIN: 21071774AAAAAL5810
Place : Indore

**For S. K. Kapoor & Co.**
Chartered Accountants

**V. B. Singh**
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**For SCV & Co. LLP**
Chartered Accountants

**Rajiv Puri**
**Partner : M. No.** 084318
**Firm Regn.No.** 000235N/N500089
UDIN: 21084318AAAABR6227
Place : New Delhi

**For ASA & Associates LLP**
Chartered Accountants

**Parveen Kumar**
**Partner : M. No.** 088810
**Firm Regn. No.** 009571N/N500006
UDIN: 21088810AAAABW4076
Place : New Delhi

Date: May 21, 2021

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 11(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")**

We have audited the internal financial controls over financial reporting of State Bank of India ("the Bank") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

**Management's Responsibility for Internal Financial Controls**

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI".

**Other Matters**

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting of 576 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

**For Khandelwal Jain & Co.**
Chartered Accountant

**Alpesh Waghela**
**Partner : M. No.** 142058
**Firm Regn. No.** 105049W
UDIN: 21142058AAAABE1120
Place : Mumbai

**For N.C. Rajagopal & Co.**
Chartered Accountants

**V. Chandrasekaran**
**Partner : M. No.** 024844
**Firm Regn. No.** 003398S
UDIN: 21024844AAAADT9538
Place : Chennai

**For Karnavat & Co.**
Chartered Accountants

**Viral Joshi**
**Partner : M. No.** 137686
**Firm Regn. No.** 104863W
UDIN: 21137686AAAAFM3076
Place : Mumbai

**For Umamaheswara Rao & Co.**
Chartered Accountants

**Krishna Sai G. H.**
**Partner : M. No.** 233399
**Firm Regn. No.** 004453S
UDIN: 21233399AAAACR3981
Place : Hyderabad

**For Guha Nandi & Co.**
Chartered Accountants

**Dr. B. S. Kundu**
**Partner : M. No.** 051221
**Firm Regn. No.** 302039E
UDIN: 21051221AAAAAS1521
Place : Kolkata

**For J.C. Bhalla & Co.**
Chartered Accountants

**Rajesh Sethi**
**Partner : M. No.** 085669
**Firm Regn. No.** 001111N
UDIN: 21085669AAAACE6795
Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**
Chartered Accountants

**A Gopalakrishnan**
**Partner: M. No.** 018159
**Firm Regn. No.** 004610S
UDIN: 21018159AAAAAF3469
Place : Kochi

**For G. P. Agrawal & Co.**
Chartered Accountants

**Pradeep Kumar Samal**
**Partner : M. No.** 061353
**Firm Regn. No.** 302082E
UDIN: 21061353AAAABN8991
Place : Mumbai

**For Shah Gupta & Co.**
Chartered Accountants

**Vipul K Choksi**
**Partner : M. No.** 37606
**Firm Regn. No.** 109574W
UDIN: 21037606AAAABQ5184
Place : Mumbai

**For Prem Gupta & Co.**
Chartered Accountants

**Prem Behari Gupta**
**Partner : M. No.** 080245
**Firm Regn. No.** 000425N
UDIN: 21080245AAAAAH9049
Place : New Delhi

**For O.P. Totla & Co.**
Chartered Accountants

**S. R. Totla**
**Partner : M. No.** 071774
**Firm Regn. No.** 000734C
UDIN: 21071774AAAAAL5810
Place : Indore

**For S. K. Kapoor & Co.**
Chartered Accountants

**V. B. Singh**
**Partner : M. No.** 073124
**Firm Regn. No.** 000745C
UDIN: 21073124AAAACR7419
Place : Kanpur

**For SCV & Co. LLP**
Chartered Accountants

**Rajiv Puri**
**Partner : M. No.** 084318
**Firm Regn.No.** 000235N/N500089
UDIN: 21084318AAAABR6227
Place : New Delhi

**For ASA & Associates LLP**
Chartered Accountants

**Parveen Kumar**
**Partner : M. No.** 088810
**Firm Regn. No.** 009571N/N500006
UDIN: 21088810AAAABW4076
Place : New Delhi

Date: May 21, 2021

# State Bank of India

Consolidated Balance Sheet as at 31st March, 2021

(000s omitted)

| | Schedule No. | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| **CAPITAL AND LIABILITIES** | | | |
| Capital | 1 | 892,46,12 | 892,46,12 |
| Reserves & Surplus | 2 | 274669,09,88 | 250167,66,30 |
| Minority Interest | | 9625,91,66 | 7943,82,20 |
| Deposits | 3 | 3715331,24,17 | 3274160,62,54 |
| Borrowings | 4 | 433796,20,81 | 332900,67,03 |
| Other Liabilities and Provisions | 5 | 411303,62,01 | 331427,10,24 |
| **TOTAL** | | **4845618,54,65** | **4197492,34,43** |
| **ASSETS** | | | |
| | | | |
| Cash and Balances with Reserve Bank of India | 6 | 213498,61,59 | 166968,46,05 |
| Balances with Banks and Money at Call & Short Notice | 7 | 134208,41,98 | 87346,80,31 |
| Investments | 8 | 1595100,26,64 | 1228284,27,77 |
| Advances | 9 | 2500598,98,67 | 2374311,18,12 |
| Fixed Assets | 10 | 40166,78,82 | 40078,16,81 |
| Other Assets | 11 | 362045,46,95 | 300503,45,37 |
| **TOTAL** | | **4845618,54,65** | **4197492,34,43** |
| Contingent Liabilities | 12 | 1714239,51,59 | 1221083,11,09 |
| Bills for Collection | | 56557,64,31 | 55790,69,54 |
| Significant Accounting Policies | 17 | | |
| Notes to Accounts | 18 | | |

Schedules referred to above form an integral part of the Balance Sheet

**Shri Ashwini Kumar Tewari**
Managing Director
(IB, T & S)

**Shri Swaminathan J.**
Managing Director
(R, C & SARG)

**Shri Ashwani Bhatia**
Managing Director
(CB & GM)

**Shri Challa Sreenivasulu Setty**
Managing Director
(R & DB)

In term of our Report of even date.
**For Khandelwal Jain & Co.**
**Chartered Accountants**
Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**
Chairman

**Shri Alpesh Waghela**
Partner
Membership No. : 142058

Mumbai
Dated 21st May 2021

# Schedules

## Schedule 1 - Capital

(000s omitted)

| | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|
| Authorised Capital :<br>5000,00,00,000 equity shares of ₹ 1 /- each<br>(Previous Year 5000,00,00,000 equity shares of ₹ 1/- each) | 5000,00,00 | 5000,00,00 |
| Issued Capital :<br>892,54,05,164 equity shares of ₹ 1/- each<br>(Previous Year 892,54,05,164 equity shares of ₹ 1/- each) | 892,54,05 | 892,54,05 |
| Subscribed and Paid up Capital :<br>892,46,11,534 equity shares of ₹ 1/- each<br>(Previous Year 892,46,11,534 equity shares of ₹ 1/- each) | 892,46,12 | 892,46,12 |
| [The above includes 10,97,28,170 equity shares of ₹ 1/- each (Previous Year 11,03,42,880 equity shares of ₹ 1/- each) represented by 1,09,72,817 (Previous Year 1,10,34,288) Global Depository Receipts] | | |
| **TOTAL** | **892,46,12** | **892,46,12** |

## Schedule 2 - Reserves & Surplus

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|
| **I.** | **Statutory Reserves** | | | | |
| | Opening Balance | 70882,27,64 | | 66344,10,03 | |
| | Additions during the year | 6287,83,79 | | 4538,17,61 | |
| | Deductions during the year | - | | - | |
| | | | 77170,11,43 | | 70882,27,64 |
| **II.** | **Capital Reserves#** | | | | |
| | Opening Balance | 13943,12,45 | | 9957,28,52 | |
| | Additions during the year | 1491,56,38 | | 3985,83,93 | |
| | Deductions during the year | - | | - | |
| | | | 15434,68,83 | | 13943,12,45 |
| **III.** | **Share Premium** | | | | |
| | Opening Balance | 79115,47,05 | | 79115,47,05 | |
| | Additions during the year | - | | - | |
| | Deductions during the year | - | | - | |
| | | | 79115,47,05 | | 79115,47,05 |
| **IV.** | **Investment Fluctuation Reserve** | | | | |
| | Opening Balance | 1119,88,09 | | - | |
| | Additions during the year | 1928,19,63 | | 1119,88,09 | |
| | Deductions during the year | - | | - | |
| | | | 3048,07,72 | | 1119,88,09 |

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|
| **V.** | **Foreign Currency Translation Reserves** | | | | |
| | Opening Balance | 10224,02,47 | | 7455,38,21 | |
| | Additions during the year | 268,60,67 | | 3069,98,94 | |
| | Deductions during the year | 202,20,77 | | 301,34,68 | |
| | | | 10290,42,37 | | 10224,02,47 |
| **VI.** | **Revenue and Other Reserves** | | | | |
| | Opening Balance | 52481,96,28 | | 54405,42,03 | |
| | Additions during the year | 5499,71,21 | | 3767,84,51 | |
| | Deductions during the year | 45,23,90 | | 5691,30,26 | |
| | | | 57936,43,59 | | 52481,96,28 |
| **VII.** | **Revaluation Reserve** | | | | |
| | Opening Balance | 23762,66,57 | | 24653,94,08 | |
| | Additions during the year | - | | 379,57,78 | |
| | Deductions during the year | 185,31,79 | | 1270,85,29 | |
| | | | 23577,34,78 | | 23762,66,57 |
| **VIII.** | **Balance in Profit and Loss Account** | | 8096,54,11 | | (1361,74,25) |
| **TOTAL** | | | **274669,09,88** | | **250167,66,30** |

# includes Capital Reserve on consolidation ₹ 203,02,24 thousand (Previous Year ₹ 176,58,27 thousand)

## net of consolidation adjustments

## Schedule 3 - Deposits

(000s omitted)

| | | | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|
| **A.** | **I.** | **Demand Deposits** | | | |
| | | (i) | From Banks | 5469,19,61 | 4750,67,24 |
| | | (ii) | From Others | 283808,86,05 | 224677,63,39 |
| | **II.** | **Savings Bank Deposits** | | 1397501,44,70 | 1216783,00,49 |
| | **III.** | **Term Deposits** | | | |
| | | (i) | From Banks | 5492,77,67 | 6071,72,75 |
| | | (ii) | From Others | 2023058,96,14 | 1821877,58,67 |
| | **TOTAL** | | | **3715331,24,17** | **3274160,62,54** |
| B | I. | Deposits of Branches in India | | 3567926,84,86 | 3122567,41,87 |
| | II. | Deposits of Branches outside India | | 147404,39,31 | 151593,20,67 |
| | **TOTAL** | | | **3715331,24,17** | **3274160,62,54** |

# Schedule 4 - Borrowings

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ | |
|---|---|---|---|---|---|---|
| I. | **Borrowings in India** | | | | | |
| | (i) | Reserve Bank of India | | 24956,00,00 | | 34981,75,00 |
| | (ii) | Other Banks | | 10678,34,70 | | 10041,13,63 |
| | (iii) | Other Institutions and Agencies | | 159271,91,86 | | 11419,94,71 |
| | **(iv)** | **Capital Instruments :** | | | | |
| | | a. Innovative Perpetual Debt Instruments (IPDI) | 29835,70,00 | | 23535,70,00 | |
| | | b. Subordinated Debt | 37629,90,00 | | 32929,05,15 | |
| | | | | 67465,60,00 | | 56464,75,15 |
| | **TOTAL** | | | **262371,86,56** | | **112907,58,49** |
| **II.** | **Borrowings outside India** | | | | | |
| | (i) | Borrowings and Refinance outside India | | 169041,42,45 | | 217066,00,49 |
| | (ii) | Capital Instruments : | | | | |
| | | a. Innovative Perpetual Debt Instruments(IPDI) | 2193,30,00 | | 2269,95,00 | |
| | | b. Subordinated Debt & Bonds | 189,61,80 | 2382,91,80 | 657,13,05 | 2927,08,05 |
| | **TOTAL** | | | **171424,34,25** | | **219993,08,54** |
| **GRAND TOTAL** | | | | **433796,20,81** | | **332900,67,03** |
| Secured Borrowings included in I & II above | | | | 190279,61,10 | | 50555,91,20 |

# Schedule 5 - Other Liabilities and Provisions

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Bills payable | 17728,51,70 | 26889,76,23 |
| II. | Inter Bank Adjustments (net) | 49,69,05 | 85,41,80 |
| III. | Inter Office adjustments (net) | 1,23,54 | 10,35,41 |
| IV. | Interest accrued | 15309,15,71 | 15477,09,06 |
| V. | Deferred Tax Liabilities (net) | 3,70,81 | 6,60,61 |
| VI. | Liabilities relating to Policyholders in Insurance Business | 219027,87,65 | 159661,49,04 |
| VII. | Provision for Standard Assets | 16005,37,56 | 12444,21,66 |
| VIII. | Others (including provisions) | 143178,05,99 | 116852,16,43 |
| **TOTAL** | | **411303,62,01** | **331427,10,24** |

# Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Cash in hand (including foreign currency notes and gold) | 23691,32,43 | 20334,94,93 |
| II. | Balance with Reserve Bank of India | | |
| | (i) In Current Account | 189807,29,16 | 146633,51,12 |
| | (ii) In Other Accounts | - | - |
| **TOTAL** | | **213498,61,59** | **166968,46,05** |

# Schedule 7 - Balances with Banks and Money at Call & Short Notice

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| **I.** | **In India** | | |
| | (i) Balances with banks | | |
| | (a) In Current Accounts | 1067,90,06 | 638,49,62 |
| | (b) In Other Deposit Accounts | 3160,05,92 | 1429,61,02 |
| | (ii) Money at call and short notice | | |
| | (a) With banks | 47369,93,31 | 44747,71,31 |
| | (b) With other institutions | - | 8,69,42 |
| | **TOTAL** | **51597,89,29** | **46824,51,37** |
| **II.** | **Outside India** | | |
| | (i) In Current Accounts | 64287,31,27 | 30104,93,22 |
| | (ii) In Other Deposit Accounts | 8587,68,13 | 1672,52,29 |
| | (iii) Money at call and short notice | 9735,53,29 | 8744,83,43 |
| | **TOTAL** | **82610,52,69** | **40522,28,94** |
| **GRAND TOTAL (I and II)** | | **134208,41,98** | **87346,80,31** |

# Schedule 8 - Investments

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| **I.** | **Investments in India in :** | | |
| (i) | Government Securities | 1139960,41,91 | 872769,55,20 |
| (ii) | Other Approved Securities | 27743,27,21 | 19106,17,68 |
| (iii) | Shares | 68972,62,29 | 42165,97,57 |
| (iv) | Debentures and Bonds | 195147,76,61 | 145276,27,74 |
| (v) | Subsidiary and Associates # | 13209,01,04 | 12365,01,58 |
| (vi) | Others (Units of Mutual Funds, Commercial Papers etc.) | 99038,40,57 | 85958,98,41 |
| **TOTAL** | | **1544071,49,63** | **1177641,98,18** |
| **II.** | **Investments outside India in :** | | |
| (i) | Government Securities (including local authorities) | 21697,01,67 | 20791,80,59 |
| (ii) | Associates # | 145,62,73 | 147,64,44 |
| (iii) | Other Investments (Shares, Debentures, etc.) | 29186,12,61 | 29702,84,56 |
| **TOTAL** | | **51028,77,01** | **50642,29,59** |
| **GRAND TOTAL (I and II)** | | **1595100,26,64** | **1228284,27,77** |
| **III.** | **Investments in India :** | | |
| (i) | Gross Value of Investments | 1554398,52,92 | 1190907,75,38 |
| (ii) | Less: Aggregate of Provisions / Depreciation | 10327,03,29 | 13265,77,20 |
| | Net Investments (vide I above) | **1544071,49,63** | **1177641,98,18** |
| **IV.** | **Investments outside India :** | | |
| (i) | Gross Value of Investments | 51070,30,95 | 50809,67,49 |
| (ii) | Less: Aggregate of Provisions / Depreciation | 41,53,94 | 167,37,90 |
| | Net Investments (vide II above) | **51028,77,01** | **50642,29,59** |
| **GRAND TOTAL (III and IV)** | | **1595100,26,64** | **1228284,27,77** |
| **# Investment in Associates (In India and Outside India)** | | | |
| Equity Investment in Associates | | 9669,58,12 | 8872,23,62 |
| Add : Goodwill on acquisition of Associates | | - | - |
| Less : Capital reserve on acquisition of Associates | | 981,48,87 | 1947,52,79 |
| Less : Provision for diminution | | - | - |
| Cost of Investment in Associates | | **8688,09,25** | **6924,70,83** |
| Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method) | | 4662,54,53 | 5583,95,19 |
| **TOTAL** | | **13350,63,78** | **12508,66,02** |

# Schedule 9 - Advances

(000s omitted)

| | | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|
| A. | I. | Bills purchased and discounted | 96263,84,05 | 85155,97,89 |
| | II. | Cash credits, overdrafts and loans repayable on demand | 697691,68,91 | 729647,05,50 |
| | III. | Term loans | 1706643,45,71 | 1559508,14,73 |
| | **TOTAL** | | **2500598,98,67** | **2374311,18,12** |
| B. | I. | Secured by tangible assets (includes advances against Book Debts) | 1784402,74,29 | 1697284,07,32 |
| | II. | Covered by Bank/ Government Guarantees | 96691,34,81 | 92305,71,86 |
| | III. | Unsecured | 619504,89,57 | 584721,38,94 |
| | **TOTAL** | | **2500598,98,67** | **2374311,18,12** |
| C. | I | Advances in India | | |
| | | (i) Priority Sector | 564570,85,92 | 526675,87,35 |
| | | (ii) Public Sector | 257246,23,86 | 287505,82,43 |
| | | (iii) Banks | 4833,33,50 | 975,10,49 |
| | | (iv) Others | 1285608,47,38 | 1171958,80,62 |
| | **TOTAL** | | **2112258,90,66** | **1987115,60,89** |
| | II. | Advances outside India | | |
| | | (i) Due from banks | 80143,34,26 | 80561,91,32 |
| | | (ii) Due from others | | |
| | | (a) Bills purchased and discounted | 35004,71,22 | 31106,22,11 |
| | | (b) Syndicated loans | 184413,38,38 | 186697,53,45 |
| | | (c) Others | 88778,64,15 | 88829,90,35 |
| | **TOTAL** | | **388340,08,01** | **387195,57,23** |
| **GRAND TOTAL (C-I & C-II)** | | | **2500598,98,67** | **2374311,18,12** |

# Schedule 10 - Fixed Assets

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ | |
|---|---|---|---|---|---|
| | | ₹ | | ₹ | |
| **I.** | **Premises (Including Revalued Premises)** | | | | |
| | At cost / revalued as at 31st March of the preceding year | 31094,35,54 | | 31600,97,61 | |
| | Additions: | | | | |
| | - during the year | 81,64,96 | | 307,09,16 | |
| | - for Revaluation | - | | 3936,14,00 | |
| | Deductions: | | | | |
| | - during the year | 35,43,48 | | 14,82,49 | |
| | - for Revaluation | 10,53,59 | | 4735,02,74 | |
| | Depreciation to date | | | | |
| | - on cost | 1043,45,83 | | 927,92,12 | |
| | - on Revaluation | 850,52,10 | | 670,54,22 | |
| | | | 29236,05,50 | | 29495,89,20 |

| | | | As at 31.03.2021 (Current Year) ₹ | | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|---|---|
| II. | **Other Fixed Assets (including furniture and fixtures)** | | | | |
| | At cost / revalued as at 31st March of the preceding year | 36021,19,34 | | 33185,43,15 | |
| | Additions during the year | 3753,83,35 | | 3768,90,47 | |
| | Deductions during the year | 783,70,42 | | 933,14,28 | |
| | Depreciation to date | 28686,49,53 | | 26053,57,37 | |
| | | | 10304,82,74 | | 9967,61,97 |
| **III.** | **Leased Assets** | | | | |
| | At cost/revalued as on 31st March of the preceding year | 240,38,84 | | 155,09,22 | |
| | Additions during the year | 74,34,19 | | 102,00,56 | |
| | Deductions during the year | 25,87,40 | | 16,70,94 | |
| | Depreciation to date (including provisions) | 131,13,19 | | 95,49,35 | |
| | | 157,72,44 | | 144,89,49 | |
| | Less : Lease Adjustment Account | - | | - | |
| | | | 157,72,44 | | 144,89,49 |
| **III.** | **Assets under Construction (Including Premises)** | | 468,18,14 | | 469,76,15 |
| **TOTAL (I, II, III and IV)** | | | **40166,78,82** | | **40078,16,81** |

## Schedule 11 - Other Assets

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Inter Office adjustments (net) | 20540,95,39 | 1936,15,88 |
| II. | Inter Bank Adjustments (net) | - | - |
| III. | Interest accrued | 32770,84,89 | 29344,58,26 |
| IV. | Tax paid in advance / tax deducted at source | 26435,38,67 | 35004,45,14 |
| V. | Stationery and Stamps | 89,60,16 | 105,33,37 |
| VI. | Non-banking assets acquired in satisfaction of claims | 10,49,60 | 14,54,49 |
| VII. | Deferred tax assets (net) | 7244,80,47 | 3500,19,46 |
| VIII. | Deposits placed with NABARD/SIDBI/NHB | 184093,45,48 | 163238,91,62 |
| IX. | Others # | 90859,92,29 | 67359,27,15 |
| **TOTAL** | | **362045,46,95** | **300503,45,37** |

# Includes Goodwill on consolidation ₹ 1549,99,41 thousand (Previous Year ₹ 1549,98,82 thousand)

# Schedule 12 - Contingent Liabilities

(000s omitted)

| | | As at 31.03.2021 (Current Year) ₹ | As at 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Claims against the bank not acknowledged as debts | 79862,51,29 | 72055,46,41 |
| II. | Liability for partly paid investments/ Venture Funds | 2617,80,58 | 2555,80,84 |
| III. | Liability on account of outstanding forward exchange contracts | 1029404,66,06 | 637499,92,10 |
| IV. | Guarantees given on behalf of constituents | | |
| | (a) In India | 173297,71,34 | 165739,85,02 |
| | (b) Outside India | 72991,10,08 | 70998,07,06 |
| V. | Acceptances, endorsements and other obligations | 149014,00,66 | 132630,74,41 |
| VI. | Other items for which the bank is contingently liable | 207051,71,58 | 139603,25,25 |
| **TOTAL** | | **1714239,51,59** | **1221083,11,09** |
| **Bills for collection** | | **56557,64,31** | **55790,69,54** |

# State Bank of India

## Consolidated Profit and Loss Account for the year ended 31st March, 2021

(000s omitted)

| | | Schedule No. | Year ended 31.03.2021 (Current Year) | Year ended 31.03.2020 (Previous Year) |
|---|---|---|---|---|
| **I.** | **INCOME** | | | |
| | Interest earned | 13 | 278115,47,67 | 269851,65,54 |
| | Other Income | 14 | 107222,41,38 | 98158,99,38 |
| | **TOTAL** | | **385337,89,05** | **368010,64,92** |
| **II.** | **EXPENDITURE** | | | |
| | Interest expended | 15 | 156010,16,71 | 161123,79,86 |
| | Operating expenses | 16 | 150429,59,53 | 131781,56,30 |
| | Provisions and contingencies | | 54618,40,87 | 56928,45,91 |
| | **TOTAL** | | **361058,17,11** | **349833,82,07** |
| **III.** | **PROFIT** | | | |
| | Net Profit/(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest) | | 24279,71,94 | 18176,82,85 |
| | Add: Share in Profit of Associates | | (391,90,45) | 2963,14,04 |
| | Less: Minority Interest | | 1482,35,73 | 1372,16,67 |
| | Net Profit/(Loss) for the Group | | 22405,45,76 | 19767,80,22 |
| | Profit/(Loss) Brought forward | | (1361,74,25) | (8328,39,99) |
| | **TOTAL** | | **21043,71,51** | **11439,40,23** |
| **IV.** | **APPROPRIATIONS** | | | |
| | Transfer to Statutory Reserve | | 6287,83,79 | 4538,17,61 |
| | Transfer to Capital Reserve | | 1465,12,42 | 3985,83,93 |
| | Transfer to Investment Fluctuation Reserve | | 1928,19,63 | 1119,88,09 |
| | Transfer to Reveue and Other Reserves | | (307,48,07) | 3149,19,33 |
| | Final Dividend for the year | | 3569,84,46 | - |
| | Tax on Dividend | | 3,65,16 | 8,05,52 |
| | Balance carried over to Balance Sheet | | 8096,54,12 | (1361,74,25) |
| | **TOTAL** | | **21043,71,51** | **11439,40,23** |
| | Basic Earnings per Share | | ₹ 25.11 | ₹ 22.15 |
| | Diluted Earnings per Share | | ₹ 25.11 | ₹ 22.15 |
| | Significant Accounting Policies | 17 | | |
| | Notes to Accounts | 18 | | |

Schedules referred to above form an integral part of the Profit & Loss Account

| **Shri Ashwini Kumar Tewari** | **Shri Swaminathan J.** | **Shri Ashwani Bhatia** | **Shri Challa Sreenivasulu Setty** |
|---|---|---|---|
| Managing Director | Managing Director | Managing Director | Managing Director |
| (IB, T & S) | (R, C & SARG) | (CB & GM) | (R & DB) |

In term of our Report of even date.
**For Khandelwal Jain & Co.**
**Chartered Accountants**
Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**
Chairman

**Shri Alpesh Waghela**
Partner
Membership No. : 142058

Mumbai
Dated 21st May 2021

## Schedule 13 - Interest Earned

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Interest / discount on advances / bills | 176780,18,56 | 185494,19,47 |
| II. | Income on investments | 87130,62,06 | 74812,87,02 |
| III. | Interest on balances with Reserve Bank of India and other inter-bank funds | 4541,42,58 | 3066,24,77 |
| IV. | Others | 9663,24,47 | 6478,34,28 |
| **TOTAL** | | **278115,47,67** | **269851,65,54** |

## Schedule 14 - Other Income

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Commission, exchange and brokerage | 23566,55,62 | 23571,28,64 |
| II. | Profit / (Loss) on sale of investments (Net) # | 7504,45,40 | 9202,71,19 |
| III. | Profit / (Loss) on revaluation of investments (Net) | (5,15,48) | - |
| IV. | Profit /(Loss) on sale of land, building and other assets including leased assets (net) | (28,33,64) | (28,33,75) |
| V. | Profit / (Loss) on exchange transactions (Net) | 2457,74,75 | 2581,57,85 |
| VI. | Dividends from Associates in India/ abroad | 3,19,50 | 14,66,77 |
| VII | Income from Finance Lease | - | - |
| VIII. | Credit Card membership/ service fees | 3915,36,49 | 4122,14,91 |
| IX. | Insurance Premium Income (net) | 53162,60,19 | 43176,55,90 |
| X. | Recoveries made in Write-off Accounts | 10700,37,34 | 9568,52,52 |
| XI. | Miscellaneous Income | 5945,61,21 | 5949,85,35 |
| **TOTAL** | | **107222,41,38** | **98158,99,38** |

# Profit/(Loss) on sale of investments (Net)includes exceptional item of ₹ 1,367.27 crore (Previous year ₹ 5,781.56 crore)

## Schedule 15 - Interest Expended

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Interest on deposits | 143060,44,62 | 148136,84,44 |
| II. | Interest on Reserve Bank of India/ Inter-bank borrowings | 6237,20,49 | 7191,76,51 |
| III. | Others | 6712,51,60 | 5795,18,91 |
| **TOTAL** | | **156010,16,71** | **161123,79,86** |

# Schedule 16 - Operating Expenses

(000s omitted)

| | | Year ended 31.03.2021 (Current Year) ₹ | Year ended 31.03.2020 (Previous Year) ₹ |
|---|---|---|---|
| I. | Payments to and provisions for employees | 54330,82,58 | 48850,54,27 |
| II. | Rent, taxes and lighting | 5557,13,72 | 5630,95,83 |
| III. | Printing & Stationery | 581,72,43 | 651,58,62 |
| IV. | Advertisement and publicity | 2458,63,07 | 2830,69,52 |
| V. | (a) Depreciation on Fixed Assets (other than Leased Assets) | 3673,42,72 | 3631,44,29 |
| | (b) Depreciation on Leased Assets | 37,63,64 | 30,11,56 |
| VI. | Directors' fees, allowances and expenses | 13,26,40 | 11,15,54 |
| VII. | Auditors' fees and expenses (including branch auditors' fees and expenses) | 285,25,22 | 256,01,79 |
| VIII. | Law charges | 401,91,78 | 488,83,43 |
| IX. | Postages, Telegrams, Telephones, etc. | 492,69,84 | 571,68,38 |
| X. | Repairs and maintenance | 1116,49,53 | 1121,27,27 |
| XI. | Insurance | 4272,88,91 | 3235,50,89 |
| XII. | Other Operating Expenses relating to Credit Card Operations | 1503,01,93 | 1542,56,89 |
| XIII. | Other Operating Expenses relating to Insurance Business | 58397,01,70 | 46728,77,49 |
| XIV. | Other Expenditure | 17307,66,06 | 16200,40,53 |
| **TOTAL** | | **150429,59,53** | **131781,56,30** |

# SCHEDULE 17-

## SIGNIFICANT ACCOUNTING POLICIES

**A. Background:**

State Bank of India (SBI or the Bank) established under the State Bank of India Act, 1955, is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

State Bank of India Group (SBI Group) consists of SBI and 27 Subsidiaries, 8 Joint Ventures and 17 Associates.

Following are the Significant Accounting Policies of SBI Group i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of consolidated financial statements of SBI.

**B. Basis of Preparation:**

The consolidated financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

The accounting and reporting policies of the SBI Group conform to Generally accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India.

In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

The Bank's consolidated financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual, unless otherwise stated.

**C. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

**D. Basis of Consolidation:**

1. Consolidated financial statements of the SBI Group have been prepared on the basis of:

a. Audited financial statements of State Bank of India (Parent).

b. Line by line aggregation of each item of asset/liability/ income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/ loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.

c. Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.

d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.

3. Minority interest in the net assets of the consolidated subsidiaries consists of:

a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and

b. The minority share of movements in revenue reserves/ loss (equity) since the date the parent-subsidiary relationship came into existence.

**E. Significant Accounting Policies**

**1. Revenue recognition:**

**1.1** Income and expenditure are accounted on accrual basis, except otherwise stated.

**1.2** Interest/Discount income is recognised in the Profit and Loss Account on realisation basis for following:

a. Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities),

b. Income on Rupee Derivatives designated as "Trading"

**1.3** In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the "Held to Maturity" category and on sale of Fixed

Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount, if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

a. on Interest bearing securities, it is accounted for at the time of sale/ redemption.

b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

**1.4** Dividend income is recognised when the right to receive the dividend is established.

**1.5** Commission on Letter of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on their realisation.

**1.6** One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.

**1.7** Brokerage, Commission etc. paid/incurred in connection with the issue of Bonds/Deposits are amortized over the tenure of the related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.

**1.8** In accordance with the guidelines issued by the Reserve Bank of India, when the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is derecognised on sale.

ii. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale

iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

**1.9 Non-banking entities:**

**Merchant Banking:**

a. Issue management and advisory fees are recognised based on the stage of completion of assignments and as per the terms of the agreement with the client, net of pass-through.

b. Fees for private placement are recognised on completion of assignment.

c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.

d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/ receipt of information from intermediary.

e. Brokerage income relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.

f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

**Asset Management:**

a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

b. Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Fund (AIF) are recognised on accrual basis as per the terms of the contract.

c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

d. Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

**Credit Card Operations:**

a. First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.

b. Interchange income is recognised on accrual basis.

c. The total unidentified receipts which could not be credited or adjusted in the customers' accounts

for lack of complete & correct information is considered as liability in Balance Sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on Balance Sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on Balance Sheet date. The liability for stale cheques aged for more than three years is written back as income.

d. All other service income/fees are recorded at the time of occurrence of the respective events.

**Factoring:**

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1st of May is deemed as date for accrual of the FCF.

**Life Insurance:**

a. Premium of non-linked business is recognised as income (net of service tax/ goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of Variable Insurance Products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

b. Top-up premiums are considered as single premium.

c. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

d. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.

e. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.

f. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

g. Benefits paid:

- Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
- Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
- Claims by maturity are accounted on the policy maturity date.
- Survival and Annuity benefits claims are accounted when due.
- Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
- Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
- Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.

h. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

**i. Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience. The unit liability in respect of linked business has been considered as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) as on the valuation date. Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

**General Insurance:**

a. Premium including reinsurance accepted (net of goods & service tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer.

c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.

d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).

f. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the management based on available information and past experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/ co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.

g. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are

   - not yet reported or claimed (IBNR) or
   - not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER),

   The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

**Custody & Fund accounting services:**

The revenue (net of goods & service tax) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Pension Fund Operation:**

Management fee is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). The Company presents revenues net of Service Tax/ goods and service tax

**Trustee Operations:**

a. Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes,

applied on the average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

b. Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued on the basis of terms of trusteeship contracts/agreements entered into with clients.

c. Income from online "will" services is recognised when the right to receive the fee is established, as all certainty for revenue recognition is present at the time of establishment of such right.

**Infrastructure and Facility Management:**

Revenue from management and consultancy fees is recognised as and when the said contractual work is awarded to the vendor and the agreed scope of work is completed by the vendor.

**Merchant Acquiring Business:**

a. The revenue is measured on basis of consideration received or receivable for the services provided, excluding discounts, GST and other applicable taxes and are recognised upon performance of services.

b. The revenue from deployment of POS is recognised either over the period during which the service is rendered or on basis of the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements

c. Income received but not accrued on account of maintenance deployment contract are recognised as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognised on work performed but billed in subsequent period based on terms of contract.

d. Revenue of providing services of Merchant Acquiring are recognised on fully loaded cost plus mark up on such costs

e. Revenue is recognised to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured

**2. Investments:**

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

**2.1 Classification:**

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories. Under each category, the investments are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

'Investments outside India' are classified under three categories – (i) Government Securities, (ii) Subsidiaries and/or joint Ventures abroad and (iii) Other Investments.

**2.2 Basis of classification:**

i. Investments that the Bank intends to hold till maturity are categorised as "Held to Maturity (HTM)".

ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".

iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

v. Investments in associates are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

**2.3 Valuation:**

**A. Banking Business:**

i. The transactions in all securities are recorded on a Settlement Date. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.

a. Brokerage/commission received on subscriptions is reduced from the cost. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

b. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

**ii. Valuation of investments classified as Held to Maturity:**

a. Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition, if any, is amortised over the term to maturity on constant yield basis. Such amortisation of premium is accounted as income on investments.

b. A provision is made for diminution, other than temporary, for each investment individually.

c. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

**iii. Valuation of investments classified as Available for Sale and Held for Trading:**

Investments held under Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation, if any, of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and Associates; and (vi) others) is provided for and net appreciation is ignored.

**iv. Valuation policy in event of inter category transfer of investments:**

a. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.

b. Transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, in the Profit and Loss Account.

**v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:**

a. The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.

b. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.

c. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

vi. Treasury Bills and Commercial Papers are valued at carrying cost.

**2.4 Investments (NPI)**

i. In respect of domestic offices/ entities, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:

a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b. In the case of equity shares, in the event the investment in the shares of any company is valued at 1 per company on account of the non-availability of the latest Balance Sheet, those equity shares would be reckoned as NPI.

c. The Bank also classifies an Investment as a non-performing investment, in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.

d. The investments in debentures/bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.

ii. In respect of foreign offices/entities, provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

**2.5 Accounting for Repo/ Reverse Repo transactions**

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and also with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

a. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.

**b.** In Market Repo and Reverse Repo transaction, securities sold(purchased) and repurchased(resell) are accounted as normal outright sale(purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).

c. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

**B. Insurance Business:**

In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.

**(i) Valuation of investment pertaining to non-linked life insurance business and general insurance business:** -

- All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).
- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual fund units and AIFs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

**(ii) Valuation of investment pertaining to linked business**: -

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortization of premium or accretion of discount on yield to maturity basis.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available, closing price of the BSE is considered.
- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.

- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- Unrealized gains or losses arising due to changes in the fair value are recognized in the Profit & Loss Account.

**3. Loans /Advances and Provisions thereon:**

**3.1** Based on the guidelines/directives issued by the RBI, Loans and Advances are classified as performing and non-performing as follows:

i. The term loan is classified a non-performing asset, if interest and/or instalment of principal remains overdue for a period of more than 90 days;

ii. An Overdraft or Cash Credit is classified a non-performing asset, if the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;

iii. The bills purchased/discounted are classified as non-performing assets, if the bill remains overdue for a period of more than 90 days;

iv. The agricultural advances are classified as non-performing assets, if (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

**3.2** NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.

ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.

iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

**3.3** Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities**,** subject to minimum provisions as prescribed below:

| | | |
|---|---|---|
| Substandard Assets: | i. | A general provision of 15% on the total outstanding; |
| | ii. | Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio); |
| | iii. | Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%. |
| Doubtful Assets: | | |
| -Secured portion: | i. | Upto one year – 25% |
| | ii. | One to three years – 40% |
| | iii. | More than three years – 100% |
| -Unsecured portion | 100% | |
| Loss Assets: | 100% | |

**3.4** In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

**3.5** Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

**3.6** For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/ advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

**3.7** In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

**3.8** Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

**3.9** In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

**3.10** Appropriation of recoveries in NPAs are made in order of priority as under :

a. Charges, Costs, Commission etc.

b. Unrealized Interest / Interest

c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

**4. Floating Provisions & Countercyclical Provisioning Buffer:**

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for Floating Provisions separately for advances, investments and general purposes. The quantum of Countercyclical Provisioning Buffer and Floating Provisions to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

**5. Provision for Country Exposure for Banking Entities:**

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

**6. Derivatives:**

**6.1** The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-Balance Sheet/off-Balance Sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-Balance Sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-Balance Sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

**6.2** Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets / liabilities are also marked to market.

**6.3** Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

**6.4** Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.

**6.5** Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

**7. Fixed Assets Depreciation and Amortisation:**

**7.1** Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.

**7.2** Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices/ entities are depreciated at straight line method based on useful life of the assets states as under:

| Sr. No. | Description of Fixed Assets | Useful Life |
|---|---|---|
| 1 | Computers | 3 Years |
| 2 | Computer Software forming an integral part of the Computer hardware | 3 Years |
| 3 | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 Years |
| 4 | Automated Teller Machine/ Cash Deposit Machine/Coin Dispenser / Coin Vending Machine | 5 Years |
| 5 | Servers | 4 Years |
| 6 | Network Equipment | 5 Years |
| 7 | Other major fixed assets | |
| | Premises | 60 Years |
| | Vehicles | 5 Years |
| | Safe Deposit Lockers | 20 Years |
| | Furniture & Fixtures | 10 Years |

**7.3** In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

**7.4** Assets costing less than 1,000 each are charged off in the year of purchase.

**7.5** In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.

**7.6** In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations /norms of the respective countries.

**7.7** The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

**8. Leases:**

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

**9. Impairment of Assets:**

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

**10. Effect of changes in the foreign exchange rate:**

**10.1 Foreign Currency Transactions**

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.

iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.

vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

**10.2 Foreign Operations:**

Foreign Branches/Subsidiaries / Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

**a. Non-integral Operations:**

i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.

iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.

iv. The Assets and Liabilities of foreign offices/ subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/ subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

**b. Integral Operations:**

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.

iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

**11. Employee Benefits:**

**11.1 Short Term Employee Benefits:**

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

**11.2 Long Term Employee Benefits:**

**i. Defined Benefit Plans :**

a. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Provident Fund scheme. SBI contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognizes such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for on the basis of actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

c. SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss and are not deferred.

**ii. Defined Contribution Plans:**

SBI operates a New Pension Scheme (NPS) for all officers/ employees joining SBI on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from SBI. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

**iii. Other Long Term Employee benefits:**

a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.

The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss and is not deferred.

**11.3** Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

**12. Segment Reporting**

The Group recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

**13. Taxes on income**

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices/entities, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

**14. Earnings per Share:**

**14.1** The Bank reports basic and diluted earnings per share in accordance with AS 20 –"Earnings per Share" issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.

**14.2** Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**15. Provisions, Contingent Liabilities and Contingent Assets:**

**15.1** In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Group recognises provisions only when it has a present obligation as a result of a past event and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

**15.2** No provision is recognised for

i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or

ii. any present obligation that arises from past events but is not recognised because

a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

**15.3** Provision for reward points in relation to the debit card holders of SBI is being provided for on actuarial estimates.

**15.4** Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

**15.5** Contingent Assets are not recognised in the financial statements.

**16. Bullion Transactions:**

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid/received classified as interest

expense / income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet

**17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

**18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

**19. Cash and cash equivalents**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

# SCHEDULE 18 NOTES TO ACCOUNTS:

**1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:**

**1.1** The 27 Subsidiaries, 8 Joint Ventures and 17 Associates including 14 Regional Rural Banks from/upto respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

**A) Subsidiaries:**

| S. No. | Name of the Subsidiary | Country of incorporation | Group's Stake (%) | |
|---|---|---|---|---|
| | | | Current Year | Previous Year* |
| 1) | SBI Capital Markets Ltd. | India | 100.00 | 100.00 |
| 2) | SBICAP Securities Ltd. | India | 100.00 | 100.00 |
| 3) | SBICAP Trustee Company Ltd. | India | 100.00 | 100.00 |
| 4) | SBICAP Ventures Ltd. | India | 100.00 | 100.00 |
| 5) | SBICAP (Singapore) Ltd. | Singapore | 100.00 | 100.00 |
| 6) | SBI DFHI Ltd. | India | 72.17 | 72.17 |
| 7) | SBI Global Factors Ltd. | India | 86.18 | 86.18 |
| 8) | SBI Infra Management Solutions Pvt. Ltd. | India | 100.00 | 100.00 |
| 9) | SBI Mutual Fund Trustee Company Pvt Ltd. | India | 100.00 | 100.00 |
| 10) | SBI Payment Services Pvt. Ltd.@ | India | 74.00 | 74.00 |
| 11) | SBI Pension Funds Pvt Ltd. | India | 92.58 | 92.60 |
| 12) | SBI Life Insurance Company Ltd. | India | 55.50 | 57.60 |
| 13) | SBI General Insurance Company Ltd. @ | India | 70.00 | 70.00 |
| 14) | SBI Cards and Payment Services Ltd. | India | 69.39 | 69.51 |
| 15) | SBI–SG Global Securities Services Pvt. Ltd. @ | India | 65.00 | 65.00 |
| 16) | SBI Funds Management Pvt. Ltd. @ | India | 62.88 | 63.00 |
| 17) | SBI Funds Management (International) Private Ltd. @ | Mauritius | 62.88 | 63.00 |
| 18) | Commercial Indo Bank Llc , Moscow @ | Russia | 60.00 | 60.00 |
| 19) | Bank SBI Botswana Limited | Botswana | 100.00 | 100.00 |
| 20) | SBI Canada Bank | Canada | 100.00 | 100.00 |
| 21) | State Bank of India (California) | USA | 100.00 | 100.00 |
| 22) | State Bank of India (UK) Limited | UK | 100.00 | 100.00 |
| 23) | State Bank of India Servicos Limitada | Brazil | 100.00 | 100.00 |
| 24) | SBI (Mauritius) Ltd. | Mauritius | 96.60 | 96.60 |
| 25) | PT Bank SBI Indonesia | Indonesia | 99.00 | 99.00 |
| 26) | Nepal SBI Bank Ltd. | Nepal | 55.00 | 55.00 |
| 27) | Nepal SBI Merchant Banking Limited | Nepal | 55.00 | 55.00 |

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

* In the previous year, SBICAP (UK) Ltd. (a subsidiary) also consolidated, the operations of which were closed on 30.11.2019.

**B) Joint Ventures:**

| S. No. | Name of the Joint Venture | Country of Incorporation | Group's Stake (%) | |
|---|---|---|---|---|
| | | | Current Year | Previous Year |
| 1) | C - Edge Technologies Ltd. | India | 49.00 | 49.00 |
| 2) | SBI Macquarie Infrastructure Management Pvt. Ltd. | India | 45.00 | 45.00 |
| 3) | SBI Macquarie Infrastructure Trustee Pvt. Ltd. | India | 45.00 | 45.00 |
| 4) | Macquarie SBI Infrastructure Management Pte. Ltd. | Singapore | 45.00 | 45.00 |
| 5) | Macquarie SBI Infrastructure Trustee Ltd. | Bermuda | 45.00 | 45.00 |
| 6) | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | India | 50.00 | 50.00 |
| 7) | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd. | India | 50.00 | 50.00 |
| 8) | Jio Payments Bank Ltd. | India | 30.00 | 30.00 |

**C) Associates:**

| S. No. | Name of the Associate | Country of Incorporation | Group's Stake (%) | |
|---|---|---|---|---|
| | | | Current Year | Previous Year* |
| 1) | Andhra Pradesh Grameena Vikas Bank | India | 35.00 | 35.00 |
| 2) | Arunachal Pradesh Rural Bank | India | 35.00 | 35.00 |
| 3) | Chhattisgarh Rajya Gramin Bank | India | 35.00 | 35.00 |
| 4) | Ellaquai Dehati Bank | India | 35.00 | 35.00 |
| 5) | Madhyanchal Gramin Bank | India | 35.00 | 35.00 |
| 6) | Meghalaya Rural Bank | India | 35.00 | 35.00 |
| 7) | Mizoram Rural Bank | India | 35.00 | 35.00 |
| 8) | Nagaland Rural Bank | India | 35.00 | 35.00 |
| 9) | Saurashtra Gramin Bank | India | 35.00 | 35.00 |
| 10) | Utkal Grameen Bank | India | 35.00 | 35.00 |
| 11) | Uttarakhand Gramin Bank | India | 35.00 | 35.00 |
| 12) | Jharkhand Rajya Gramin Bank | India | 35.00 | 35.00 |
| 13) | Rajasthan Marudhara Gramin Bank | India | 35.00 | 35.00 |
| 14) | Telangana Grameena Bank | India | 35.00 | 35.00 |
| 15) | The Clearing Corporation of India Ltd. | India | 20.05 | 20.05 |
| 16) | Yes Bank Ltd. | India | 30.04 | 48.21 |
| 17) | Bank of Bhutan Ltd. | Bhutan | 20.00 | 20.00 |

* In previous year, Purvanchal Bank also consolidated. These have been merged into RRBs not sponsored by SBI.

Please refer to Note no. 1.1.(f) below for details regarding merger of Regional Rural Banks (RRBs) sponsored by SBI.

a) In the month of July 2020, SBI and its subsidiary have infused ₹ 3,176 crore in equity shares of Yes Bank Limited (an associate) through a Follow-on Public Offer. After Follow on Public Offer, the stake of SBI Group in Yes Bank Limited was reduced to 34.71%. As per the requirements of AS 23, the difference between the amount invested and increase in SBI Group's share in net assets of Yes Bank Limited has been adjusted in capital reserve.

Subsequently, the subsidiary of SBI has incrementally sold a certain portion of shares of Yes Bank Limited. The stake of SBI Group in Yes Bank Limited is 30.04% on March 31, 2021. The effect of sale of shares in Yes Bank Limited has been accounted for in the profit for the year ended March 31, 2021.

b) In the month of June 2020, SBI sold its 2.10% stake in SBI Life Insurance Company Limited (a subsidiary). The stake of SBI Group in SBI Life Insurance Company Limited has reduced from 57.60% to 55.50%.

c) Pursuant to exercise of options under the approved Employee Stock Option Plan (ESOP), following group entities have issued equity shares to their eligible employees:

a. SBI Cards and Payments Services Limited has allotted 15,68,662 equity shares amounting to ₹ 1.57 crore during the year ended March 31, 2021. Consequently, the stake of SBI Group in SBI Cards and Payments Services Limited has reduced to 69.39% from 69.51 %.

b. SBI Funds Management Private Limited has allotted 9,24,692 equity shares amounting to ₹ 0.09 crore during the year ended March 31, 2021. Consequently, the stake of SBI Group in SBI Funds Management Pvt. Limited has reduced to 62.88% from 63.00%. Consequently, using indirect method, the stake of SBI Group in SBI Funds Management (International) Private Limited and SBI Pension Funds Private Limited has reduced to 62.88% and 92.58% respectively.

c. SBI Life Insurance Company Limited has allotted 44,613 equity shares amounting to ₹ 0.04 crore during the year ended March 31, 2021. Consequently, the stake of SBI Group in SBI Life Insurance Company Limited has reduced by 0.001%.

d) During the year ended March 31, 2021, SBI has infused additional capital in the following entities:

a. ₹ 0.32 crore in State Bank of India (California), a subsidiary;

b. ₹ 5.31 crore in Madhyanchal Gramin Bank, an associate.

The SBI Group's stake remains the same after the aforesaid capital infusion.

e) During the year ended March 31, 2021, Tier-2 capital of GBP 50 Million in State Bank of India (UK) Limited was converted to equity shares.

f) In accordance with notification issued by Govt. of India, the following amalgamation has taken place between the Regional Rural Bank (RRB) sponsored by SBI and RRBs sponsored by other banks:

| | Name of transferor RRB | Sponsor Bank of transferor RRB | New Name after Amalgamation of RRB | Sponsor Bank of transferee RRB | Effective Date of Amalgamation |
|---|---|---|---|---|---|
| 1. | Baroda Uttar Pradesh Gramin Bank | Bank of Baroda | Baroda U.P. Bank | Bank of Baroda | April 01, 2020 |
| 2. | Kashi Gomti Samyut Gramin Bank | Union Bank of India | | | |
| 3. | Purvanchal Bank | State Bank of India | | | |

In terms of Department of Financial Services (DFS) letter dated July 08, 2019, the transfer of stake of Sponsor Banks has taken place at face value of the shares and as a result, during the year ended March 31 2021, a loss of ₹ 254.41 crore has been recognised in the consolidated financial statements under the head "Other Income".

g) The financials of SBICAP (Singapore) Ltd. and Bank SBI Botswana Limited have been prepared on non-going concern basis, however there is no material impact on the financials from changing the accounting basis to non-going concern basis. The details are as below: -

- On March 25, 2021, SBICAP (Singapore) Limited, a wholly owned step down subsidiary of SBI, has passed a resolution that the company would (i) surrender the Capital Market Service License (CMSL) issued by Monetary Authority of Singapore ('MAS'), and (ii) initiate the process of cessation of business by way of member's voluntary winding up after the procedure of surrender the CMSL is completed.
- Bank SBI Botswana Limited, a wholly owned subsidiary of SBI, intends to surrender its Banking license by June 30, 2021 and cease operations. Accordingly, as at the current year ended March 31, 2021, Bank SBI Botswana Limited has substantially transferred its customer loans & advances and customer deposit liabilities on normal banking terms relating to such transfer to another local bank ultimately owned by Government of India.

The total assets, total income and Net profit/ (loss) after tax of the above subsidiaries for the year ended March 31, 2021 is as below: -

₹ in crore

| Particulars | Bank SBI Botswana Limited | SBICAP (Singapore) Limited |
|---|---|---|
| Total Assets | 60.24 | 81.44 |
| Total Income | 1.54 | 9.59 |
| Net Profit / (Loss) after tax | (4.17) | (1.07) |

h) SBI Home Finance Ltd., an associate in which SBI is having 25.05% stake, is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21.

i) As SBI Foundation is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.

**1.2** The consolidated financial statements for the financial year 2020-21 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & one associate (Bank of Bhutan Ltd.) the results of which are not material.

**2. Disclosures as per Accounting Standards**

**2.1 Accounting Standard 5 – "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies "**

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2021 as compared to those followed in the previous financial year 2019-20.

**2.2 Accounting Standard- 15 "Employee Benefits":**

**2.2.1 Defined Benefit Plans**

**2.2.1.1 Employee's Pension Plans and Gratuity Plans**

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005):

₹ in crore

| Particulars | Pension Plans | | Gratuity Plans | |
|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year |
| **Change in the present value of the defined benefit obligation** | | | | |
| Opening defined benefit obligation at 1st April 2020 | **1,09,830.37** | **95,362.15** | **13,090.13** | **12,378.30** |
| Current Service Cost | 970.09 | 953.34 | 469.35 | 471.10 |
| Interest Cost | 7,501.41 | 7,428.71 | 893.87 | 960.76 |
| Past Service Cost (Vested Benefit) | - | - | - | - |
| Actuarial losses /(gains) | 15,822.32 | 13,619.61 | 1,195.02 | 1,247.21 |
| Benefits paid | (3,475.67) | (3,914.34) | (1,920.72) | (1,967.24) |
| Direct Payment by SBI | (4,842.15) | (3,619.10) | - | - |
| **Closing defined benefit obligation at 31st March 2021** | **1,25,806.37** | **1,09,830.37** | **13,727.65** | **13,090.13** |
| **Change in Plan Assets** | | | | |
| Opening fair value of plan assets at 1st April 2020 | **97,458.52** | **90,399.61** | **10,775.10** | **10,493.46** |
| Expected Return on Plan assets | 6,656.42 | 7,015.01 | 735.81 | 815.36 |
| Contributions by employer | 2,100.68 | 2,407.68 | 1,277.03 | 1,183.65 |
| Expected Contribution by the employees | - | 0.28 | - | - |
| Benefits Paid | (3,475.67) | (3,914.34) | (1,920.72) | (1,967.24) |

| Particulars | Pension Plans | | Gratuity Plans | |
|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year |
| Actuarial Gains / (Losses) on plan assets | 3,705.91 | 1,550.28 | 343.62 | 249.87 |
| **Closing fair value of plan assets at 31st March 2021** | **1,06,445.86** | **97,458.52** | **11,210.84** | **10,775.10** |
| **Reconciliation of present value of the obligation and fair value of the plan assets** | | | | |
| Present Value of funded obligation at 31st March 2021 | 1,25,806.37 | 1,09,830.37 | 13,727.65 | 13,090.13 |
| Fair Value of plan assets at 31st March 2021 | 106,445.86 | 97,458.52 | 11,210.84 | 10,775.10 |
| Deficit/(Surplus) | 19,360.51 | 12,371.85 | 2,516.81 | 2,315.03 |
| Unrecognised Past Service Cost (Vested) Closing Balance | - | - | - | - |
| Unrecognised Transitional Liability Closing Balance | - | - | - | - |
| **Net Liability/(Asset )** | **19,360.51** | **12,371.85** | **2,516.81** | **2,315.03** |
| **Amount Recognised in the Balance Sheet** | | | | |
| Liabilities | 1,25,806.37 | 1,09,830.37 | 13,727.65 | 13,090.13 |
| Assets | 1,06,445.86 | 97,458.52 | 11,210.84 | 10,775.10 |
| Net Liability / (Asset) recognised in Balance Sheet | 19,360.51 | 12,371.85 | 2,516.81 | 2,315.03 |
| Unrecognised Past Service Cost (Vested) Closing Balance | - | - | - | - |
| Unrecognised Transitional Liability Closing Balance | - | - | - | - |
| **Net Liability/ (Asset)** | **19,360.51** | **12,371.85** | **2,516.81** | **2,315.03** |
| **Net Cost recognised in the profit and loss account** | | | | |
| Current Service Cost | 970.09 | 953.34 | 469.35 | 471.10 |
| Interest Cost | 7,501.41 | 7,428.71 | 893.87 | 960.76 |
| Expected return on plan assets | (6,656.42) | (7,015.01) | (735.81) | (815.36) |
| Expected Contributions by the employees | - | (0.28) | - | - |
| Past Service Cost (Amortised) Recognised | - | - | - | - |
| Past Service Cost (Vested Benefits) Recognised | - | - | - | - |
| Net Actuarial Losses / (Gains) recognised during the year | 12,116.41 | 12,069.33 | 851.40 | 997.34 |
| **Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"** | **13,931.49** | **13,436.09** | **1,478.81** | **1,613.84** |
| **Reconciliation of expected return and actual return on Plan Assets** | | | | |
| Expected Return on Plan Assets | 6,656.42 | 7,015.01 | 735.81 | 815.36 |
| Actuarial Gains/ (Losses) on Plan Assets | 3,705.91 | 1,550.28 | 343.62 | 249.87 |
| Actual Return on Plan Assets | **10,362.33** | **8,565.29** | **1,079.43** | **1,065.23** |
| **Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet** | | | | |
| Opening Net Liability/(Asset) as at 1st April 2020 | **12,371.85** | **4,962.54** | **2,315.03** | **1,884.84** |
| Expenses as recognised in profit and loss account | 13,931.49 | 13,436.09 | 1,478.81 | 1,613.84 |
| Paid by SBI Directly | (4,842.15) | (3,619.10) | - | - |
| Debited to Other Provision | - | - | - | - |
| Recognised in Reserve | - | - | - | - |
| Employer's Contribution | (2,100.68) | (2,407.68) | (1,277.03) | (1,183.65) |
| **Net liability/(Asset) recognised in Balance Sheet** | **19,360.51** | **12,371.85** | **2,516.81** | **2,315.03** |

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2021 are as follows:

| Category of Assets | Pension Fund | Gratuity Fund |
|---|---|---|
| | % of Plan Assets | % of Plan Assets |
| Central Govt. Securities | 21.21% | 18.02% |
| State Govt. Securities | 38.68% | 39.38% |
| Debt Securities, Money Market Securities and Bank Deposits | 30.01% | 29.31% |
| ETF and Mutual Funds | 6.43% | 6.74% |
| Insurer Managed Funds | 1.85% | 4.84% |
| Others | 1.82% | 1.71% |
| **Total** | **100.00%** | **100.00%** |

**Principal actuarial assumptions:**

| Particulars | Pension Plans | |
|---|---|---|
| | Current year | Previous year |
| Discount Rate | 6.90% | 6.83% |
| Expected Rate of return on Plan Asset | 6.90% | 6.83% |
| Salary Escalation Rate | 5.60% | 5.40% |
| Pension Escalation Rate | 1.20% | 0.80% |
| Attrition Rate | 2.00% | 2.00% |

| | Gratuity Plans | |
|---|---|---|
| | Current year | Previous year |
| Discount Rate | 6.82% | 6.84% |
| Expected Rate of return on Plan Asset | 6.82% | 6.84% |
| Salary Escalation Rate | 5.60% | 5.40% |
| Attrition Rate | 2.00% | 2.00% |

The expected contribution to the Pension and Gratuity fund for the next year is ₹ 3,190.72 crore and ₹ 1,645.28 crore respectively.

In case of SBI, as the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience/ immediate future. Empirical evidence also suggests that in the very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

### 2.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows "Nil" liability, hence no provision is made in F.Y. 2020-21.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:

₹ in crore

| Particulars | Provident Fund | |
|---|---|---|
| | Current Year | Previous Year |
| **Change in the present value of the defined benefit obligation** | | |
| Opening defined benefit obligation at 1st April 2020 | **31,744.55** | **30,928.72** |
| Current Service Cost | 3,320.40 | 1,045.98 |
| Interest Cost | 2,610.99 | 2,495.99 |
| Employee Contribution (including VPF) | 2,636.54 | 1,166.46 |
| Actuarial losses/(gains) | 51.85 | 220.06 |
| Benefits paid | (4,418.11) | (4,112.66) |
| **Closing defined benefit obligation at 31st March 2021** | **35,946.22** | **31,744.55** |
| **Change in Plan Assets** | | |
| Opening fair value of Plan Assets as at 1st April 2020 | **32,648.72** | **32,630.54** |
| Expected Return on Plan Assets | 2,610.99 | 2,495.99 |
| Contributions | 5,956.94 | 2,212.43 |
| Provision for loss on maturity of non-performing investment | (60.59) | (467.66) |
| Benefits Paid | (4,418.11) | (4,112.66) |
| Actuarial Gains / (Loss) on plan Assets | 298.44 | (109.92) |
| **Closing fair value of plan assets as at 31st March 2021** | **37,036.39** | **32,648.72** |
| **Reconciliation of present value of the obligation and fair value of the plan assets** | | |
| Present Value of Funded obligation at 31st March 2021 | 35,946.22 | 31,744.55 |
| Fair Value of Plan assets at 31st March 2021 | 37036.39 | 32,648.72 |
| Deficit/(Surplus) | (1,090.17) | (904.17) |
| **Net Asset not recognised in Balance Sheet** | **(1,090.17)** | **904.17** |
| **Net Cost recognised in the profit and loss account** | | |
| Current Service Cost | 3,320.40 | 1,045.98 |
| Interest Cost | 2,610.99 | 2,495.99 |
| Expected return on plan assets | (2,610.99) | (2,495.99) |
| Interest shortfall reversed | (11.58) | - |
| **Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"** | **3,308.82** | **1,045.98** |
| **Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet** | | |
| Opening Net Liability as at 1st April 2020 | - | - |
| Expense as above | 3,308.82 | 1045.98 |
| Employer's Contribution | (3,308.82) | (1045.98) |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **-** | **-** |

Investments under Plan Assets of Provident Fund as on March 31, 2021 are as follows:

| | Provident Fund |
|---|---|
| **Category of Assets** | **% of Plan Assets** |
| Central Govt. Securities | 30.53% |
| State Govt. Securities | 32.42% |
| Debt Securities, Money Market Securities and Bank Deposits | 30.86% |
| ETF and Mutual Funds | 3.86% |
| Others | 2.33% |
| **Total** | **100.00%** |

Principal actuarial assumptions

| **Particulars** | **Provident Fund** | |
|---|---|---|
| | **Current year** | **Previous year** |
| Discount Rate | 6.82% | 6.84% |
| Guaranteed Return | 8.50% | 8.50% |
| Attrition Rate | 2.00% | 2.00% |
| Salary Escalation | 5.60% | 5.40% |

i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

(a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or

(b) three percent per annum, subject to approval of Executive Committee.

ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

**2.2.2 Defined Contribution Plans**

**2.2.2.1 Employees Provident Fund**

An amount of ₹ 47.48 crore (Previous Year ₹ 47.66 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 2.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

**2.2.2.2 Defined Contribution Pension Scheme**

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the SBI on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2020-21, SBI has contributed ₹ 648.17 crore (Previous Year ₹ 541.97 crore).

**2.2.2.3** The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

₹ in crore

| **Sl. No.** | **Long Term Employees' Benefits** | **Current Year** | **Previous Year** |
|---|---|---|---|
| 1 | Employee Pension Scheme under PF Act | 32.54 | 28.33 |
| 2 | National Pension System | 6.94 | 5.78 |
| 3 | Others | 10.05 | 8.41 |
| **Total** | | **49.53** | **42.52** |

### 2.2.3 Long Term Employee Benefits (Unfunded Obligation):

#### 2.2.3.1 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

₹ in crore

| Particulars | Accumulating Compensated Absences (Privilege Leave) | |
|---|---|---|
| | Current Year | Previous Year |
| **Change in the present value of the defined benefit obligation** | | |
| Opening defined benefit obligation at 1st April 2020 | **7,542.15** | **6,876.64** |
| Current Service Cost | 312.55 | 288.00 |
| Interest Cost | 515.56 | 534.13 |
| Actuarial losses/(gains) | 1,225.32 | 772.70 |
| Benefits paid | (1,405.73) | (929.32) |
| Closing defined benefit obligation at 31st March 2021 | **8,189.85** | **7,542.15** |
| **Net Cost recognised in the profit and loss account** | | |
| Current Service Cost | 312.55 | 288.00 |
| Interest Cost | 515.56 | 534.13 |
| Actuarial (Gain)/ Losses | 1,225.32 | 772.70 |
| **Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"** | **2,053.43** | **1,594.83** |
| **Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet** | | |
| Opening Net Liability as at 1st April 2020 | **7,542.15** | **6,876.64** |
| Expense as above | 2,053.43 | 1,594.83 |
| Employer's Contribution | - | - |
| Benefit paid directly by the Employer | (1,405.73) | (929.32) |
| Net Liability/(Asset) recognized in the Balance Sheet | **8,189.85** | **7,542.15** |

**Principal actuarial assumptions:**

| Particulars | Current year | Previous year |
|---|---|---|
| Discount Rate | 6.82% | 6.84% |
| Salary Escalation | 5.60% | 5.40% |
| Attrition Rate | 2.00% | 2.00% |

**Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)**

An amount of ₹ 52.64 crore (Previous Year ₹ 28.85 crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

#### 2.2.3.2 Other Long Term Employee Benefits

Amount of ₹ 39.58 crore (Previous Year ₹ 26.17 crore) is provided by the group towards other Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employees' Benefits during the year:

₹ in crore

| Sl. No. | Long Term Employees' Benefits | Current Year | Previous Year |
|---|---|---|---|
| 1 | Leave Travel and Home Travel Concession (Encashment/ Availment) | 36.48 | 20.67 |
| 2 | Sick Leave | (0.02) | (0.26) |
| 3 | Silver Jubilee/Long Term Service Award | 8.49 | 7.96 |
| 4 | Resettlement Expenses on Superannuation | (2.89) | 1.01 |
| 5 | Casual Leave | - | - |
| 6 | Retirement Award | (2.48) | (3.21) |
| **Total** | | **39.58** | **26.17** |

**2.2.4** The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

**2.3 Accounting Standard- 17 "Segment Reporting":**

**2.3.1 Segment identification**

**A) Primary (Business Segment)**

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

b) **Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.

c) **Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs

d) **Insurance Business –** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.

e) **Other Banking business–** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

**B) Secondary (Geographical Segment):**

**a) Domestic Operations -** Branches, Subsidiaries and Joint Ventures having operations in India.

b) **Foreign Operations** - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

**C) Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**D) Allocation of Revenue, Expenses, Assets and Liabilities**

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

### 2.3.2 SEGMENT INFORMATION

**PART A: PRIMARY (BUSINESS) SEGMENTS:**

₹ in crore

| Business Segment | Treasury | Corporate / Wholesale Banking | Retail Banking | Insurance Business | Other Banking Operations | TOTAL |
|---|---|---|---|---|---|---|
| Revenue (before exceptional item) | 91,032.50 | 83,073.07 | 132,094.86 | 64,569.16 | 14,647.06 | 3,85,416.65 |
| | (75,104.23) | (91,801.08) | (1,31,232.17) | (52,947.77) | (14,272.32) | (3,65,357.57) |
| Unallocated Revenue | | | | | | 1,651.31 |
| | | | | | | (168.15) |
| **Less :** Inter Segment Revenue | | | | | | 3,097.34 |
| | | | | | | (3,296.63) |
| Total Revenue | | | | | | 3,83,970.62 |
| | | | | | | (3,62,229.09) |
| Result (before exceptional Items) | 14,393.01 | 5,273.34 | 9,511.41 | 2,337.97 | 3,952.10 | 35,467.83 |
| | (9,202.09) | (-3,830.03) | (18,173.66) | (2,367.02) | (3,165.05) | (29,077.79) |
| Add : Exceptional items | 1,367.27 | | | | | 1,367.27 |
| | (5,781.56) | | | | | (5,781.56) |
| Result (after exceptional items) | 15,760.28 | 5,273.34 | 9,511.41 | 2,337.97 | 3,952.10 | 36,835.10 |
| | (14,983.65) | (-3,830.03) | (18,173.66) | (2,367.02) | (3,165.05) | (34,859.35) |
| Unallocated Income(+)/ Expenses(–) net | | | | | | (-) 4,039.14 |
| | | | | | | (-4,542.76) |
| Profit/(Loss) Before Tax | | | | | | 32,795.96 |
| | | | | | | (30,316.59) |
| Taxes | | | | | | 8,516.25 |
| | | | | | | (12,139.76) |
| Extraordinary Profit | | | | | | 0.00 |
| | | | | | | (0.00) |
| Net Profit/(Loss) before share in profit in Associates and Minority Interest | | | | | | 24,279.71 |
| | | | | | | (18,176.83) |

| Business Segment | Treasury | Corporate / Wholesale Banking | Retail Banking | Insurance Business | Other Banking Operations | TOTAL |
|---|---|---|---|---|---|---|
| Add: Share in Profit in Associates | | | | | | (-) 391.90 |
| | | | | | | (2,963.14) |
| Less: Minority Interest | | | | | | 1,482.36 |
| | | | | | | (1,372.17) |
| Net Profit/(Loss) for the Group | | | | | | 22,405.45 |
| | | | | | | (19,767.80) |
| **Other Information:** | | | | | | |
| Segment Assets | 14,52,023.37 | 12,21,624.66 | 18,19,067.05 | 2,37,323.29 | 46,307.46 | 47,76,345.83 |
| | (11,35,750.90) | (12,00,452.76) | (15,83,362.39) | (1,74,612.94) | (43,899.44) | (41,38,078.43) |
| Unallocated Assets | | | | | | 69,272.72 |
| | | | | | | (59,413.91) |
| Total Assets | | | | | | 48,45,618.55 |
| | | | | | | (41,97,492.34) |
| Segment Liabilities | 13,15,938.88 | 11,85,545.78 | 16,99,537.03 | 2,24,101.85 | 32,314.42 | 44,57,437.96 |
| | (10,08,550.01) | (11,77,433.80) | (14,78,049.72) | (1,63,726.93) | (32,442.25) | (38,60,202.71) |
| Unallocated Liabilities | | | | | | 1,12,619.03 |
| | | | | | | (86,229.51) |
| Total Liabilities | | | | | | 45,70,056.99 |
| | | | | | | (39,46,432.22) |

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2021.

(ii) Figures within brackets are for previous year

**PART B: SECONDARY (GEOGRAPHIC) SEGMENTS**

₹ in crore

| | Domestic | | Foreign | | Total | |
|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 3,72,005.60 | 3,44,982.70 | 11,965.02 | 17,246.39 | **3,83,970.62** | **3,62,229.09** |
| Net Profit# | 18,935.93 | 15,297.21 | 3,469.52 | 4,470.59 | **22,405.45** | **19,767.80** |
| Assets * | 43,16,869.48 | 37,09,504.22 | 5,28,749.07 | 4,87,988.12 | **48,45,618.55** | **41,97,492.34** |
| Liabilities* | 40,48,986.49 | 34,65,172.72 | 5,21,070.50 | 4,81,259.50 | **45,70,056.99** | **39,46,432.22** |

# For the year ended 31st March, 2021.

* As at 31st March, 2021.

**2.4 Accounting Standard-18 "Related Party Disclosures":**

**2.4.1** Related Parties to the Group:

**A) JOINT VENTURES:**

1. C - Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Limited

**B) ASSOCIATES:**

**i) Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Saurashtra Gramin Bank
10. Utkal Grameen Bank
11. Uttarakhand Gramin Bank
12. Jharkhand Rajya Gramin Bank
13. Rajasthan Marudhara Gramin Bank
14. Telangana Grameena Bank

**ii) Others**

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. SBI Home Finance Ltd. (under liquidation)

**C) Key Management Personnel of SBI:**

1. Shri Rajnish Kumar, Chairman (upto 06.10.2020)
2. Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)
3. Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)
4. Shri Arijit Basu, Managing Director (upto 31.10.2020)
5. Shri Challa Sreenivasulu Setty, Managing Director
6. Shri Ashwani Bhatia, Managing Director (from 24.08.2020)
7. Shri Swaminathan Janakiraman (from 28.01.2021)
8. Shri Ashwini Kumar Tewari (from 28.01.2021)

**2.4.2 Related Parties with whom transactions were entered into during the year:**

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

**2.4.3 Transactions and Balances:**

₹ in crore

| Particulars | Associates/ Joint Ventures | Key Management Personnel & their relatives | Total |
|---|---|---|---|
| **Transactions during the year 2020-21** | | | |
| Interest Income | 167.94 | - | 167.94 |
| | (4.94) | (-) | (4.94) |
| Interest Expenditure | 18.58 | - | 18.58 |
| | (0.82) | (-) | (0.82) |
| Income earned by way of Dividend | 23.29 | - | 23.29 |
| | (18.56) | (-) | (18.56) |
| Other Income | 78.51 | - | 78.51 |
| | (0.97) | (-) | (0.97) |
| Other Expenditure | 2.44 | - | 2.44 |
| | (4.17) | (-) | (4.17) |
| Profit/(Loss) on Sale of Land/Building/Other Assets | 4.04 | - | 4.04 |
| | (-) | (-) | (-) |
| Management Contract | 37.94 | 1.50 | 39.44 |
| | (3.77) | (1.38) | (5.15) |
| **Outstanding as on March 31, 2021** | | | |
| Borrowings | - | - | - |
| | (-) | (-) | (-) |
| Deposit | 1,352.84 | - | 1,352.84 |
| | (748.31) | (-) | (748.31) |
| Other Liabilities | 8.27 | - | 8.27 |
| | (28.35) | (-) | (28.35) |
| Balances with Banks and Money at call and short notice | - | - | - |
| | (300.00) | (-) | (300.00) |
| Investments | 12,814.54 | - | 12,814.54 |
| | (11,015.61) | (-) | (11,015.61) |
| Advances | 1,434.76 | - | 1,434.76 |
| | (113.50) | (-) | (113.50) |
| Other Assets | 188.39 | - | 188.39 |
| | (229.52) | (-) | (229.52) |
| Non-fund commitments (LCs/BGs) | 2,935.10 | - | 2,935.10 |
| | (-) | (-) | (-) |
| **Maximum outstanding during the year** | | | |
| Borrowings | - | - | - |
| | (-) | (-) | (-) |
| Deposit | 1,543.06 | - | 1,543.06 |
| | (768.92) | (-) | (768.92) |
| Other Liabilities | 8.27 | - | 8.27 |
| | (28.35) | (-) | (28.35) |
| Balances with Banks and Money at call and short notice | - | - | - |
| | (300.00) | (-) | (300.00) |
| Advances | 17,763.35 | - | 17,763.35 |
| | (113.50) | (-) | (113.50) |
| Investment | 14,551.41 | - | 14,551.41 |
| | (11,015.61) | (-) | (11,015.61) |
| Other Assets | 188.39 | - | 188.39 |
| | (229.52) | (-) | (229.52) |
| Non-fund commitments (LCs/BGs) | 2,935.10 | - | 2,935.10 |
| | (-) | (-) | (-) |

(Figures in brackets pertain to previous year)

There are no materially significant related party transactions during the year.

## 2.5 Accounting Standard-19 "Leases":

### 2.5.1 Finance Leases

**Assets taken on Financial Leases on or after April 01, 2001:**

The details of financial leases are given below:

₹ in crore

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **Total Minimum lease payments outstanding** | | |
| Less than 1 year | 51.02 | 42.59 |
| 1 to 5 years | 105.91 | 105.50 |
| 5 years and above | 31.14 | 28.47 |
| **Total** | **188.07** | **176.56** |
| **Interest Cost payable** | | |
| Less than 1 year | 8.30 | 8.86 |
| 1 to 5 years | 15.96 | 14.72 |
| 5 years and above | 11.52 | 3.69 |
| **Total** | **35.78** | **27.27** |
| **Present value of minimum lease payments payable** | | |
| Less than 1 year | 42.72 | 33.73 |
| 1 to 5 years | 89.95 | 90.78 |
| 5 years and above | 19.62 | 24.78 |
| **Total** | **152.29** | **149.29** |

### 2.5.2 Operating Lease

**Premises taken on operating lease are given below:**

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

Liability for Premises taken on Non-Cancellable operating lease are given below:

₹ in crore

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| Not later than 1 year | 121.98 | 165.73 |
| Later than 1 year and not later than 5 years | 203.77 | 496.10 |
| Later than 5 years | 33.55 | 112.22 |
| **Total** | **359.30** | **774.05** |

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 4,847.29 crore (Previous Year ₹ 3,556.87 crore).

**2.6 Accounting Standard-20 "Earnings per Share":**

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

| Particulars | Current Year | Previous Year |
|---|---|---|
| **Basic and diluted** | | |
| Number of Equity Shares outstanding at the beginning of the year | 892,46,11,534 | 892,46,11,534 |
| Number of Equity Shares issued during the year | Nil | Nil |
| Number of Equity Shares outstanding at the end of the year | 892,46,11,534 | 892,46,11,534 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,11,534 | 892,46,11,534 |
| Weighted average number of shares used in computing diluted earnings per share | 892,46,11,534 | 892,46,11,534 |
| Net Profit/(Loss) for the Group (₹ in crore) | 22,405.45 | 19,767.80 |
| Basic earnings per share (₹) | 25.11 | 22.15 |
| Diluted earnings per share (₹) | 25.11 | 22.15 |
| Nominal value per share (₹) | 1.00 | 1.00 |

**2.7 Accounting Standard-22 "Accounting for Taxes on Income":**

i) During the year, ₹ 3,748.99 crore has been credited to Profit and Loss Account (Previous Year ₹ 7,502.08 crore debited) on account of deferred tax.

ii) The breakup of deferred tax assets and liabilities into major items is given below:

₹ in crore

| Particulars | As at 31-Mar-2021 | As at 31-Mar-2020 |
|---|---|---|
| **Deferred Tax Assets** | | |
| Provision for long term employee Benefits | 7,975.13 | 6,468.85 |
| Provision for advances | 4,125.04 | 3,067.95 |
| Provision for Other Assets/ Other Liability | 3,115.56 | 665.72 |
| On Accumulated Losses | 36.80 | 105.22 |
| On Foreign Currency Translation Reserve | 759.10 | 809.99 |
| Depreciation on Fixed Assets | 230.35 | 146.56 |
| DTAs on account of FOs of SBI | 275.67 | 253.16 |
| Others | 171.79 | 180.50 |
| **Total** | **16,689.44** | **11,697.95** |
| **Deferred Tax Liabilities** | | |
| Depreciation on Fixed Assets | 38.30 | 96.86 |
| Interest accrued but not due on securities | 5,744.73 | 4,563.17 |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961 | 3,656.53 | 3,531.63 |
| DTLs on account of FOs of SBI | 2.46 | 6.16 |
| Others | 6.33 | 6.54 |
| **Total** | **9,448.35** | **8,204.36** |
| **Net Deferred Tax Assets/(Liabilities)** | **7,241.09** | **3,493.59** |

iii) While recognizing provision for income tax for the year ended March 31, 2020 SBI and certain group entities had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, SBI and certain group entities had re-measured their Deferred Tax Assets based on the tax rate prescribed in the said section and have reversed the MAT credit no longer available to them. The impact of these changes was a one-time charge of ₹ 3,166.37 crore (net of minority interest) during the year ended March 31, 2020.

**2.8 Accounting Standard-28 "Impairment of assets":**

In the opinion of the Management, there is no impairment to the assets during the year to which Accounting Standard 28 – "Impairment of Assets" applies.

**2.9 Accounting Standard – 29 "Provisions, Contingent Liabilities and Contingent Assets"**

➢ **Provisions and contingencies recognised in Profit and Loss Account:**

The breakup of provisions is given in the table below :

₹ in crore

| Sr No. | Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account | Current Year | Previous Year |
|---|---|---|---|
| a) | Provision for Taxation | | |
| | - Current Tax | 12,278.08 | 4,372.77 |
| | - Deferred Tax | (3,748.99) | 7,502.08 |
| | - (Write Back)/Additional Provision of Income Tax | (12.84) | 264.91 |
| b) | Provision on Non-Performing Assets | 29,758.90 | 44,072.90 |
| c) | Provision on Restructured Assets | (26.25) | (224.01) |
| d) | Provision on Standard Assets | 3,601.32 | (291.37) |
| e) | Provision for Depreciation on Investments | 2,820.99 | 628.11 |
| f) | Other Provisions | 9,947.20 | 603.07 |
| **Total** | | **54,618.41** | **56,928.46** |

(Figures in brackets indicate credit)

➢ **Floating provisions:**

₹ in crore

| Sr No. | Particulars | Current Year | Previous Year |
|---|---|---|---|
| a) | Opening Balance | 193.75 | 193.75 |
| b) | Addition during the year | - | - |
| c) | Draw down during the year | - | - |
| d) | **Closing balance** | **193.75** | **193.75** |

➢ **Description of contingent liabilities (AS-29):**

| Sr. No | Particulars | Brief Description |
|---|---|---|
| 1 | Claims against the Group not acknowledged as debts | The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending. |
| 2 | Liability on partly paid-up investments/ Venture Funds | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds. |
| 3 | Liability on account of outstanding forward exchange contracts | The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, SBI generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower. |
| 4 | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations. |
| 5 | Other items for which the Group is contingently liable | The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

➢ **Movement of provisions against contingent liabilities:**

The movement of provisions against contingent liabilities given in the table below:

₹ in crore

| Sr. No. | Particulars | Current Year | Previous Year |
|---|---|---|---|
| a) | Opening Balance | 633.72 | 534.75 |
| b) | Additions during the year | 2,981.19 | 137.34 |
| c) | Amount utilised during the year | 68.47 | 7.13 |
| d) | Unused amount reversed during the year | 111.43 | 31.24 |
| e) | Closing balance | **3,435.01** | **633.72** |

3. Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year.

4. As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

   No separate disclosure required to be made for SBI in respect of divergence for Financial Year 2019-20 as the same is not beyond the above-mentioned thresholds.

5. In accordance with instructions contained in RBI circulars dated March 27, 2020 and May 23, 2020, SBI has extended the moratorium to all borrowers of all segments. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, provisioning in respect of COVID -19 Regulatory Package is as below: -

₹ in crore

| Particulars | Amount |
|---|---|
| Respective amounts, where the moratorium/deferment was extended (Outstanding as on August 31, 2020) *(As a default option, SBI extended this moratorium benefit to all eligible customers)* | 8,21,163.83 |
| Respective amount where asset classification benefits is extended (Outstanding as on August 31, 2020) | 11,357.78 |
| Provisions made during the Q4FY2020 | 1,172.00 |
| Provisions made during the Q1FY2021 | 1,836.00 |
| Provisions adjusted during the respective accounting periods against slippages and the residual provisions | Nil |
| Residual provision as on March 31, 2021 (includes ₹ 3,338.00 crore provided in Q3 and Q4 of FY 2020-21) | 6,346.00 |

6. **Counter Cyclical Provisioning Buffer (CCPB)**

   RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021 on 'Utilisation of Floating Provisions/ Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on December 31, 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

   During the year, SBI has not utilized the CCPB for making specific provision for NPAs.

7. As per RBI letter no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), SBI is holding total provision of ₹ 4,479 crore (100% of total outstanding) as on March 31,2021 (Previous Year ₹ 5,761.46 crore {93.53% of total outstanding}).

8. Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes ₹ 1,367.27 crore on sale of certain portion of investment in SBI Life Insurance Company Limited. (Previous year ₹ 3,190.97 crore on sale of certain portion of investment in SBI Life Insurance Company Ltd. and ₹ 2,590.59 crore on sale of certain portion of investment in SBI Cards & Payment Services Limited).

**9. Resolution of Stressed Assets**

In terms of RBI circular DOR. No. BP.BC/3/21.04.048/2020-21 dated August 6, 2020, the detailed requirement as per Resolution Framework for COVID-19 related Stress during the year is :

| Type of borrower | (A) Number of accounts where resolution plan has been implemented under this window | (B) Exposure to accounts mentioned at (A) before implementation of the plan (₹ in crore) | (C) of (B), aggregate amount of debt that was converted into other securities (₹ in crore) | (D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (₹ in crore) | (E) Increase in provisions on account of the implementation of the resolution plan (₹ in crore) |
|---|---|---|---|---|---|
| Personal Loans | 13,056 | 2,761.74 | - | - | - |
| Corporate persons* | 42,561 | 2,554.53 | - | 64.45 | 1,120.57 |
| of which, MSMEs | 42,555 | 1,779.35 | - | - | 33.91 |
| Others | - | - | - | - | - |
| **Total** | **55,617** | **5,316.27** | **-** | **64.45** | **1,120.57** |

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**10.** The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities and increase in movement in financial markets. In this situation, Bank is gearing up itself on all fronts to meet the challenges. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their obligations against the loans timely. The bank is proactively providing against the challenges of likely stress on the bank's assets. A definitive assessment of the impact of COVID-19 is dependent upon circumstances as they evolve in the subsequent period.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, subsequent notifications dated April 17, 2020 and May 23, 2020 has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, includes Rescheduling of Payments –Term Loans and Working capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc.

The bank has proactively made an additional provision towards the possible impact of COVID-19 pandemic, on the basis of the evaluation and assessment done with reference to the information now available and analysis made thereon. The said provision is in addition to the provisions held as per RBI guidelines as regards loan loss provisions. On the basis of above-mentioned assessment, Bank's management is not expecting any significant impact on Bank's liquidity or profitability.

**11.** To ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated March 23, 2021, directed that there shall not be any charge of interest on interest / compound interest / penal interest for the period during the moratorium from March 1, 2020 to August 31, 2020 and such interest shall be refunded to the concerned borrowers to be given credit / adjusted in the next instalment of the loan amount. Accordingly, SBI has reversed interest income by ₹ 830 crore during the year ended March 31, 2021.

**12.** In terms of RBI Circular RBI/2015-16/376 DBR. No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 during quarter ended March 31, 2020, in respect of advance account declared as fraud, SBI had chosen to provide for the fraud over four quarters as permitted by RBI. However, SBI has provided the entire balance amount of ₹ 5,230.37 crore as on March 31, 2020 in the first quarter of year ended March 31, 2021.

**13.** SBI has revalued immovable properties on June 30, 2019 based on reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on March 31,2021, (net of amount transferred to General Reserve) is ₹ 23,577.35 crore (Previous year ₹ 23,762.67 crore).

**14.** During the year, SBI accounted for ₹ 5,353.50 crore arising out of 11th Bi-Partite Wage Settlement effective from November 1, 2017.

**15.** In respect of SBI Life Insurance Company Ltd., IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to Master policy holders vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012 amounting to ₹ 84.32 crore (Previous Year ₹ 84.32 crore). The company had filed an appeal against the said order with Ministry of Finance, Government of India, who remanded the case

back to IRDAI on November 04, 2015. IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The company has filed an appeal against the said directions /orders with Securities Appellate Tribunal (SAT), which was dismissed by SAT vide order dated April 7, 2021. The company is in the process of filling an appeal before the Hon'ble Supreme Court challenging the said SAT order in consultation with the legal counsel.

In the above-mentioned matter, SBI Life Insurance Company Ltd. has shown a requisite amount as contingent liability in the financials of the company.

**16.** The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 14.13% (Previous Year 13.34%) of the total investments as on March 31, 2021.

**17.** The Central Board of SBI has declared a dividend of ₹ 4 per share @ 400% for the year ended March 31, 2021.

**18.** In accordance with RBI circular DBOD NO.BP. BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.

**19.** In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.

**20.** Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

| **Shri Ashwini Kumar Tewari** | **Shri Swaminathan J.** | **Shri Ashwani Bhatia** | **Shri Challa Sreenivasulu Setty** |
|---|---|---|---|
| Managing Director | Managing Director | Managing Director | Managing Director |
| (IB, T & S) | (R, C & SARG) | (CB & GM) | (R & DB) |

In term of our Report of even date.

**For Khandelwal Jain & Co.**

**Chartered Accountants**

Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**

Chairman

**Shri Alpesh Waghela**

Partner

Membership No. : 142058

Mumbai

Dated 21st May 2021

# State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2021

( 000s omitted)

| PARTICULARS | | Year ended 31.03.2021 | Year ended 31.03.2020 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest) | | 30921,70,78 | 31907,55,94 |
| **Adjustments for :** | | | |
| Depreciation on Fixed Assets | | 3711,06,36 | 3661,55,85 |
| (Profit)/Loss on sale of Fixed Assets (Net) | | 28,33,64 | 28,33,75 |
| (Profit)/Loss on revaluation of Investments (Net) | | 5,15,48 | - |
| (Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates | | (1323,43,00) | (5573,62,96) |
| Provision for diminution in fair value & Non Performing Assets | | 29732,65,29 | 43848,89,01 |
| Provision on Standard Assets | | 3601,32,26 | (291,36,52) |
| Provision for depreciation on Investments | | 2820,98,83 | 626,52,21 |
| Other Provisions including provision for contingencies | | 9947,19,49 | 604,65,49 |
| Share in Profit of Associates | | 391,90,45 | (2963,14,04) |
| Dividend from Associates | | (3,19,50) | (14,66,77) |
| Interest charged to P&L on Capital Instruments | | 5900,31,21 | 4908,09,07 |
| | | **85734,01,29** | **76742,81,03** |
| **Adjustments for :** | | | |
| Increase/(Decrease) in Deposits | | 441170,61,63 | 333619,56,43 |
| Increase/(Decrease) in Borrowings other than Capital Instruments | | 90438,85,18 | (89342,80,87) |
| (Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates | | (368800,15,43) | (100670,42,40) |
| (Increase)/Decrease in Advances | | (156020,45,83) | (191306,40,41) |
| Increase/(Decrease) in Other Liabilities | | 67465,50,14 | 31602,72,76 |
| (Increase)/Decrease in Other Assets | | (66249,94,63) | (21857,44,26) |
| | | **93738,42,35** | **38788,02,28** |
| Tax refund / (Taxes paid) | | (3819,49,34) | (14859,49,11) |
| **NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES** | **(A)** | **89918,93,01** | **23928,53,17** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| (Increase)/Decrease in Investments in Subsidiaries/Joint Ventures/ Associates | | (1234,82,60) | (6031,06,06) |
| Profit/ (Loss) on sale of Investments in Subsidiaries/Joint Ventures/ Associates | | 1323,43,00 | 5573,62,96 |
| Dividend from Associates | | 3,19,50 | 14,66,77 |
| (Increase)/Decrease in Fixed Assets | | (3828,02,03) | (3065,01,13) |
| (Increase)/Decrease in Goodwill on Consolidation | | (59) | 184,08,19 |
| **NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES** | **(B)** | **(3736,22,72)** | **(3323,69,27)** |

( 000s omitted)

| PARTICULARS | | Year ended 31.03.2021 | Year ended 31.03.2020 |
|---|---|---|---|
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of Equity shares including share premium (Net of share issue expenses) | | - | - |
| Issue/(redemption) of Capital Instruments (Net) | | 10533,33,60 | 8495,81,80 |
| Interest paid on Capital Instruments | | (5069,10,88) | (4908,09,07) |
| Dividend paid including tax thereon | | - | - |
| Dividend tax paid by Subsidiaries/Joint Ventures | | (3,65,16) | (65,04,00) |
| Increase/(Decrease) in Minority Interest | | 1682,09,46 | 1906,83,07 |
| **NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES** | **(C)** | **7142,67,02** | **5429,51,80** |
| **EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE** | **(D)** | **66,39,90** | **2768,64,27** |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)** | | **93391,77,21** | **28802,99,97** |
| **CASH AND CASH EQUIVALENTS AS AT 1ST APRIL** | | **254315,26,36** | **225512,26,39** |
| **CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR** | | **347707,03,57** | **254315,26,36** |
| **Note:** | | | |
| **1. Components of Cash & Cash Equivalents as at:** | | **31.03.2021** | **31.03.2020** |
| Cash & Balances with Reserve Bank of India | | 213498,61,59 | 166968,46,05 |
| Balances with Banks and Money at Call & Short Notice | | 134208,41,98 | 87346,80,31 |
| **Total** | | **347707,03,57** | **254315,26,36** |
| **2. Cash Flow from operating activities is reported by using indirect method.** | | | |

| | | | |
|---|---|---|---|
| **Shri Ashwini Kumar Tewari** | **Shri Swaminathan J.** | **Shri Ashwani Bhatia** | **Shri Challa Sreenivasulu Setty** |
| Managing Director | Managing Director | Managing Director | Managing Director |
| (IB, T & S) | (R, C & SARG) | (CB & GM) | (R & DB) |

In term of our Report of even date.

**For Khandelwal Jain & Co.**

**Chartered Accountants**

Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**

Chairman

**Shri Alpesh Waghela**

Partner

Membership No. : 142058

Mumbai

Dated 21st May 2021

# INDEPENDENT AUDITORS' REPORT

To,
**The Board of Directors,**
**State Bank of India,**
State Bank Bhavan,
Madam Cama Road,
Mumbai.

**Report on Audit of the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:

   a) Audited Standalone Financial Statements of the Bank which have been Audited by all the fourteen Statutory Central Auditors including us;

   b) Audited Financial Statements of 26 Subsidiaries, 8 Jointly Controlled Entities and 16 Associates (including 14 Regional Rural Banks) audited by other Auditors; and (listed in Annexure A)

   c) Un-audited Financial Statements of 1 Subsidiary and 1 Associate (listed in Annexure A).

   The above entities together with the Bank are referred to as the 'Group'.

   In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of subsidiaries, jointly controlled entities and associates, the unaudited financial statements and the other financial information of subsidiaries as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

   a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2021;

   b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and

   c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

**Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

3. We draw attention to Note No. 10 of Schedule 18 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

   Our opinion is not modified in respect of this matter.

**Key Audit Matters**

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

| Sr. No. | Key Audit Matters | How the matter was addressed in our audit |
|---|---|---|
| **Key Audit matters reported in standalone financial statements of the Bank:** | | |
| I | Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)<br><br>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.<br><br>Advances constitute 51.61 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per Note 3 of Schedule 17.<br><br>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non- performing. Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software.<br><br>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.<br><br>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.<br><br>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances | Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following<br><br>a. The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches allotted to us;<br><br>b. Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;<br><br>c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;<br><br>d. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof.<br><br>e. We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.<br><br>f. We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.<br><br>g. In carrying out substantive procedures at the branches allotted to us, we have examined all large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.<br><br>h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;<br><br>i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. |

| Sr. No. | Key Audit Matters | How the matter was addressed in our audit |
|---|---|---|
| ii | Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)<br><br>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.<br><br>Investments constitute 32.90 percent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.<br><br>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.<br><br>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments | Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular ;<br><br>a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;<br><br>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;<br><br>c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;<br><br>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;<br><br>e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;<br><br>f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions. |
| iii | Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 2.9 of Schedule 18 to the financial statements) :<br><br>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.<br><br>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved. | Our audit approach involved:<br><br>a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;<br><br>b. Understanding the current status of the litigations/tax assessments;<br><br>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;<br><br>d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;<br><br>e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and<br><br>f. Verification of disclosures related to significant litigations and taxation matters. |

| Sr. No. | Key Audit Matters | How the matter was addressed in our audit |
|---|---|---|
| iv | Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic:<br><br>Due to the continuing COVID-19 pandemic, lockdown declared by some of the State Governments and travel restrictions imposed by State Governments / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank.<br><br>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, either fully or partially, we have identified such modified audit procedures as a Key Audit Matter.<br><br>Accordingly, our audit procedures were modified to carry out the audit remotely. | Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/ Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.<br><br>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.<br><br>Accordingly, we modified our audit procedures as follows:<br>a. Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible.<br>b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.<br>c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.<br>d. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials. |
| **Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:** | | |
| v | All insurance companies are highly dependent on technology due to significant number of transactions that are processed daily. A significant part of the company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT Control Environment could result in the financial accounting and reporting records being materially misstated.<br><br>The company uses several systems for its overall financial reporting. We have identified "IT systems and controls" as key audit matters because of significant use of IT system and the scale and complexity of the IT architecture. | Principal audit procedures:<br>• Sample testing of key control over IT systems having impact on financial accounting and reporting.<br>• Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and<br>• Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.<br>• Reviewed the report of independent information system auditors which has confirmed the various system control measures adopted by the company. |

**Information Other than the Consolidated Financial Statements and Auditors' Report thereon**

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon), which will be obtained at the time of issue of this auditors' report, and the Directors' Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after the date of this Auditors' Report.

   Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

   In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

6. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard 21-"Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act,1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 and applicable laws for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Consolidated Financial Statements, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group Entities or to cease operations, or has no realistic alternative but to do so.

   Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity's financial reporting process.

**Auditors' Responsibility for the Audit of Consolidated Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may

cause the Group Entity to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates and Jointly Controlled Entities of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

8. Incorporated in these consolidated financial statements are the:

   a) We did not audit the financial statements/ information of 10842 branches included in the Standalone Financial Statements of the Bank whose financial statements / financial information reflect total assets of ₹ 34,44,485 crore at March 31, 2021 and total revenue of ₹ 2,83,673 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors;

   b) We did not audit the financial statements of 26 Subsidiaries, 8 Jointly Controlled Entities whose financial statements reflect total assets of ₹ 328,891.56 crore as at March 31, 2021, total revenues of ₹ 81,067.73 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of ₹ 664.98 crore for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of 16 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors

   c) We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of ₹ 7,604.08 crore as at March 31, 2021, total revenues of ₹ 236.33 crore, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of ₹ 2.02 crore for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of 1 associate, whose financial statements / financial information have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report relates to the aforesaid subsidiaries, jointly controlled entities and associates, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

9. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, subsidiaries of the Group, have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

**Report on Other Legal and Regulatory Requirements**

10. The Consolidated Balance Sheet and the Consolidated Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

    Subject to the limitations of the audit indicated in paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

    a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

    b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

    c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

11. We further report that:

    a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

    b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

    c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and

    d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

12. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.

    b) On the basis of the written representations received from the directors of the Bank as on March 31, 2021 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

    c) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

    d) As per para 1.14 of the Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks issued by ICAI, the reporting requirement as introduced by RBI regarding Internal Financial Control over Financial Reporting will apply only to standalone financial statements of Public Sector Banks (PSBs) and not to consolidated financial statements of PSBs. Accordingly, reporting is not done on the Group's Internal Financial Control over Financial Reporting with reference to the Consolidated Financial Statements as at March 31, 2021.

**KHANDELWAL JAIN & CO.**
**CHARTERED ACCOUNTANTS**
ICAI Firm Registration No. 105049W

**ALPESH WAGHELA**
**PARTNER**
Membership No. 142058
UDIN: 21142058AAAABG3977

Place – Mumbai
Date – May 21, 2021

**Annexure A: List of entities consolidated as at 31 March 2021**

| Sr. No. | Name of Subsidiary | Sr. No. | Name of Subsidiary |
|---|---|---|---|
| 1 | SBI Capital Markets Ltd. | 15 | SBI–SG Global Securities Services Pvt. Ltd. |
| 2 | SBICAP Securities Ltd. | 16 | SBI Funds Management Pvt. Ltd. |
| 3 | SBICAP Trustee Company Ltd. | 17 | SBI Funds Management (International) Private Ltd. |
| 4 | SBICAP Ventures Ltd. | 18 | Commercial Indo Bank Llc, Moscow |
| 5 | SBICAP (Singapore) Ltd. | 19 | Bank SBI Botswana Limited |
| 6 | SBI DFHI Ltd. | 20 | SBI Canada Bank |
| 7 | SBI Global Factors Ltd. | 21 | State Bank of India (California) |
| 8 | SBI Infra Management Solutions Pvt. Ltd. | 22 | State Bank of India (UK) Limited |
| 9 | SBI Mutual Fund Trustee Company Pvt Ltd. | 23 | State Bank of India Servicos Limitada |
| 10 | SBI Payment Services Pvt. Ltd. | 24 | SBI (Mauritius) Ltd. |
| 11 | SBI Pension Funds Pvt Ltd. | 25 | PT Bank SBI Indonesia |
| 12 | SBI Life Insurance Company Ltd. | 26 | Nepal SBI Bank Ltd. |
| 13 | SBI General Insurance Company Ltd. | 27 | Nepal SBI Merchant Banking Limited |
| 14 | SBI Cards and Payment Services Limited | | |

| Sr. No. | Name of Joint venture | Sr. No. | Name of Joint venture |
|---|---|---|---|
| 1 | C - Edge Technologies Ltd. | 5 | Macquarie SBI Infrastructure Trustee Ltd. |
| 2 | SBI Macquarie Infrastructure Management Pvt. Ltd. | 6 | Oman India Joint Investment Fund – Management Company Pvt. Ltd. |
| 3 | SBI Macquarie Infrastructure Trustee Pvt. Ltd. | 7 | Oman India Joint Investment Fund – Management Company Pvt. Ltd. |
| 4 | Macquarie SBI Infrastructure Management Pte. Ltd. | 8 | Jio Payments Bank Ltd. |

| Sr. No. | Name of Associates | Sr. No. | Name of Associates |
|---|---|---|---|
| 1 | Andhra Pradesh Grameena Vikas Bank | 10 | Uttarakhand Gramin Bank |
| 2 | Arunachal Pradesh Rural Bank | 11 | Jharkhand Rajya Gramin Bank |
| 3 | Chhattisgarh Rajya Gramin Bank | 12 | Saurashtra Gramin Bank |
| 4 | EllaquaiDehati Bank | 13 | Rajasthan Marudhara Gramin Bank |
| 5 | Meghalaya Rural Bank | 14 | Telangana Grameena Bank |
| 6 | Madhyanchal Gramin Bank | 15 | The Clearing Corporation of India Ltd. |
| 7 | Mizoram Rural Bank | 16 | Yes Bank Limited |
| 8 | Nagaland Rural Bank | 17 | Bank of Bhutan Ltd. |
| 9 | Utkal Grameen Bank | | |

# PILLAR 3 DISCLOSURES (CONSOLIDATED)

as on 31.03.2021

## DF-1: SCOPE OF APPLICATION

State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India which comprises the statutory provisions, Regulatory/Reserve Bank of India (RBI) guidelines, Accounting Standards/guidance notes issued by the ICAI.

### (i) Qualitative Disclosures:

**a) List of group entities considered for consolidation for the period ended 31.03.2021**

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

| Sr. No. | Name of the entity | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---|---|---|---|---|---|---|---|---|
| 1 | SBI Capital Markets Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 2 | SBICAP Securities Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 3 | SBICAP Ventures Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 4 | SBICAP Trustee Company Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 5 | SBICAP (Singapore) Ltd. | Singapore | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 6 | SBI DFHI Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 7 | SBI Payment Services Pvt. Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 8 | SBI Global Factors Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 9 | SBI Pension Funds Pvt Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 10 | SBI –SG Global Securities Services Pvt. Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 11 | SBI Mutual Fund Trustee Company Pvt Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 12 | SBI Funds Management Pvt. Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 13 | SBI Funds Management (International) Private Ltd. | Mauritius | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 14 | SBI Cards and Payment Services Ltd. | India | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 15 | State Bank of India (California) | USA | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 16 | SBI Canada Bank | Canada | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 17 | Commercial Indo Bank Llc, Moscow | Russia | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 18 | SBI (Mauritius) Ltd. | Mauritius | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |

| Sr. No. | Name of the entity | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---|---|---|---|---|---|---|---|---|
| 19 | PT Bank SBI Indonesia | Indonesia | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 20 | Nepal SBI Bank Ltd. | Nepal | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 21 | Nepal SBI Merchant Banking Ltd. | Nepal | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 22 | Bank SBI Botswana Ltd. | Botswana | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 23 | State Bank of India Servicos Limitada | Brazil | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 24 | State Bank of India (UK) Limited | UK | Yes | Consolidated as per AS 21 | Yes | Consolidated as per AS 21 | Not applicable | Not applicable |
| 25 | SBI Infra Management Solutions Private Limited | India | Yes | Consolidated as per AS 21 | No | Not applicable | Not applicable | Non-financial Subsidiary: Not under scope of Regulatory Consolidation |
| 26 | SBI Life Insurance Company Ltd. | India | Yes | Consolidated as per AS 21 | No | Not applicable | Not applicable | Insurance Joint Venture: Not under scope of Regulatory Consolidation |
| 27 | SBI General Insurance Company Ltd. | India | Yes | Consolidated as per AS 21 | No | Not applicable | Not applicable | Insurance Joint Venture: Not under scope of Regulatory Consolidation |
| 28 | C - Edge Technologies Ltd. | India | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Non-financial Joint Venture: Not under scope of Regulatory Consolidation |
| 29 | SBI Macquarie Infrastructure Management Pvt. Ltd. | India | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Joint Venture: Not under scope of Regulatory Consolidation |
| 30 | SBI Macquarie Infrastructure Trustee Pvt. Ltd. | India | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Non-financial Joint Venture: Not under scope of Regulatory Consolidation |
| 31 | Macquarie SBI Infrastructure Management Pte. Ltd. | Singapore | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Joint Venture: Not under scope of Regulatory Consolidation |
| 32 | Macquarie SBI Infrastructure Trustee Ltd. | Bermuda | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Joint Venture: Not under scope of Regulatory Consolidation |
| 33 | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | India | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Joint Venture: Not under scope of Regulatory Consolidation |
| 34 | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd. | India | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Joint Venture: Not under scope of Regulatory Consolidation |

| Sr. No. | Name of the entity | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---|---|---|---|---|---|---|---|---|
| 35 | Jio Payments Bank Limited | India | Yes | Consolidated as per AS 27 | No | Not applicable | Not applicable | Joint Venture: Not under scope of Regulatory Consolidation |
| 36 | Andhra Pradesh Grameena Vikas Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 37 | Arunachal Pradesh Rural Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 38 | Chhattisgarh Rajya Gramin Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 39 | Ellaquai Dehati Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 40 | Meghalaya Rural Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 41 | Madhyanchal Gramin Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 42 | Mizoram Rural Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 43 | Nagaland Rural Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 44 | Utkal Grameen Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 45 | Uttarakhand Gramin Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 46 | Jharkhand Rajya Gramin Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 47 | Saurashtra Gramin Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |

| Sr. No. | Name of the entity | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---|---|---|---|---|---|---|---|---|
| 48 | Rajasthan Marudhara Gramin Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 49 | Telangana Grameena Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 50 | The Clearing Corporation of India Ltd. | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 51 | Yes Bank Ltd. | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |
| 52 | Bank of Bhutan Ltd. | Bhutan | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate: Not under scope of Regulatory Consolidation |

**b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2021**

(₹ in Crores)

| Sr. No. | Name of the entity | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---|---|---|---|---|---|---|---|
| 1 | SBI Foundation | India | A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities | 82.22 | 99.72% | Deducted from the Regulatory Capital | 82.48 |
| 2 | SBI Home Finance Ltd. | India | Under winding up | N.A. | 25.05% | | N.A. |

## (ii) Quantitative Disclosures:

### c. List of group entities considered for regulatory consolidation as on 31.03.2021

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ in Crores)

| Sr. No. | Name of the entity | Country of incorporation | Principle activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) $# | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)# |
|---|---|---|---|---|---|
| 1 | SBI Capital Markets Ltd | India | Merchant Banking and Advisory Services | 2,172.66 | 2,247.42 |
| 2 | SBICAP Securities Ltd | India | Securities Broking & its allied services and third party distribution of financial products | 567.78 | 942.19 |
| 3 | SBICAP Trustee Company Ltd | India | Corporate Trusteeship Activities | 131.52 | 138.56 |
| 4 | SBICAPS Ventures Ltd | India | Asset Management Company for Venture Capital Fund | 111.20 | 119.49 |
| 5 | SBICAP (Singapore) Ltd | Singapore | Business & management Consultancy Services | 59.41 | 60.24 |
| 6 | SBI DFHI Ltd | India | Primary Dealer in Govt. Securities | 1,232.88 | 9,807.69 |
| 7 | SBI Mutual Fund Trustee Co. Pvt Ltd | India | Trusteeship Services to schemes floated by SBI Mutual Fund | 34.92 | 35.02 |
| 8 | SBI Global Factors Ltd | India | Factoring Activities | 345.50 | 1317.13 |
| 9 | SBI Pension Funds Pvt Ltd | India | Management of assets of NPS Trust allocated to them | 44.14 | 45.70 |
| 10 | SBI Payments Services Pvt Ltd | India | Payment Solution Services | 1,435.16 | 1,596.15 |
| 11 | SBI Funds Management Pvt Ltd | India | Asset Management Services to schemes floated by SBI Mutual Fund | 2,403.23 | 2,573.31 |
| 12 | SBI Funds Mgt. (International) Ltd | Mauritius | Investment Management Services | 1.00 | 2.57 |
| 13 | SBI Cards & Payment Ser. Pvt Ltd | India | Credit Cards Business | 5,799.43 | 26,815.50 |
| 14 | SBI-SG Global Securities Services P. Ltd. | India | Custody and Fund accounting services | 287.24 | 1,183.26 |
| 15 | State Bank of India (California) | USA | Banking Services | 1,085.28 | 6,484.90 |
| 16 | SBI Canada Bank | Canada | Banking Services | 937.40 | 7,604.08 |
| 17 | Commercial Indo Bank Llc, Moscow | Russia | Banking Services | 219.48 | 683.10 |
| 18 | SBI (Mauritius) Ltd | Mauritius | Banking Services | 1,100.69 | 6,926.68 |
| 19 | PT Bank SBI Indonesia | Indonesia | Banking Services | 736.99 | 2,760.29 |
| 20 | Nepal SBI Bank Ltd | Nepal | Banking Services | 969.20 | 8,781.55 |
| 21 | State Bank of India (UK) Limited | UK | Banking Services | 2,461.04 | 17,750.59 |
| 22 | Bank SBI Botswana Ltd. | Botswana | Banking Services | 75.69 | 81.44 |

(₹ in Crores)

| Sr. No. | Name of the entity | Country of incorporation | Principle activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) $# | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)# |
|---|---|---|---|---|---|
| 23 | State Bank of Servicos Limitada, Brazil | Brazil | Representative Office Services | 1.58 | 1.65 |
| 24 | Nepal SBI Merchant Banking Ltd. | Nepal | Merchant Banking and Advisory Services | 15.66 | 16.63 |

$ Comprises of Equity Capital and Reserve & Surplus
# In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

**(d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:**

| Name of the Subsidiaries/ Country of incorporation | Principle activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of Bank's holding in the total equity | Capital Deficiency |
|---|---|---|---|---|
| NIL | | | | |

**(e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted:**

(₹ in Crores

| Name of the Insurance entities/Country of incorporation | Face Value | Book Value | Market Value | RWA | Principle activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of Bank's holding in the total equity | Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method |
|---|---|---|---|---|---|---|---|---|
| GENERAL INSURANCE CORPORATION OF INDIA | 3.94 | 358.35 | 157.25 | - | Insurance | 877.20 | 0.45% | Insignificant impact with either method |
| HDFC STANDARD LIFE INSURANCE COMPANY LIMITED | 0.43 | 29.22 | 29.74 | 75.27 | Insurance | 2020.94 | 0.02% | Insignificant impact with either method |
| ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED | 0.27 | 39.78 | 38.49 | 97.38 | Insurance | 454.59 | 0.06% | Insignificant impact with either method |
| ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED | 1.08 | 50.67 | 48.17 | 121.93 | Insurance | 1435.96 | 0.08% | Insignificant impact with either method |

**(f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:**

**Overseas Banking Subsidiaries**

| | |
|---|---|
| SBI California | As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares or capital repatriation to parent bank. |
| SBI Canada | Prior permission from the regulatory (OSFI) before transferring any type of capital (equity or debt) to parent bank. |
| SBI Canada | Prior permission from the regulatory (OSFI) before transferring any type of capital (equity or debt) to parent bank. |

| Subsidiaries | Restrictions |
|---|---|
| Bank SBI Botswana Ltd. | Only after permission of the Bank of Botswana the transfer of regulatory capital within the banking group/ Group company is allowed. The same to be approved by the Board with Statutory Auditor certificate for the capital maintained by the bank on date. |
| SBI Mauritius Ltd. | There are regulatory restrictions for the reduction of the Bank's capital to be paid back to the shareholders including the parent bank. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the banking act and the companies Act of Mauritius. The amount to be paid is subject to SBIML maintaining adequate capital and the liquidity ratio as per the regulatory requirements.<br>(a) The central bank shall not grant, and no bank shall hold, a banking license unless it maintains and continues to maintain in Mauritius, an amount paid as stated capital or an amount of assigned capital or not less than MUR 400 million rupees of the equivalent.<br>(b) Every bank shall maintain in Mauritius, capital of not less than 10 per cent, or such higher ratio as may be determined by the central bank, of such of that bank's risk assets and of other types of risks. |
| Bank SBI Indonesia | The Bank maintains a minimum regulatory capital to be able to operate as a Book II bank as well as a forex bank. However, transfer of funds as dividend to parent bank is allowed after generation of sufficient profit. |
| Nepal SBI Bank Ltd. | Under the laws of Nepal, Assets and Liabilities of the Company are exclusive and non-transferable. Hence, the transfer of funds or regulatory capital within the banking group is not possible. |
| CIBL | There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group. |
| State Bank of India (UK) Limited | Excess capital beyond the regulatory minimum can be paid back to the parent (via dividends or reduced capital) along with the approval of SBI UK Board and PRA. This will be based on the projected growth plans of SBI UK Limited and its capital requirements. |

**Non-Banking Subsidiaries**

| Subsidiaries | Restrictions |
|---|---|
| SBI Life Insurance Ltd. | As per regulations, the only way to transfer capital to parent bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938. |
| SBI General Insurance Co. Ltd. | Solvency ratio of 1.7 to be always maintained by the company, as mandated by Company board. Capital transfer will not be allowed if this limit is breached. |
| SBI Cards & Payment Services Ltd. | SBI Card can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act, SEBI and RBI regulations. |
| SBI Funds Mgmt. Pvt. Ltd. | Any action of the Company in terms of dividend, capital changes, share buy-back, issuances or allotments, etc are covered in the JV agreement either directly or indirectly. The JV agreement provides that for all such action affirmative vote of at least one associate director of Amundi and SBI on the Board will be required.<br>In terms of Companies Act too approval from the Board and shareholders will be a pre-requisite. |
| SBI Capital Markets Ltd. | Transfer of capital from SBICAP to the parent SBI, would be subject to the below:<br>1. (a) As per SEBI Merchant Bankers Regulations 1992, a category I Merchant Banker requires a minimum Net worth of ₹5 crores. Further if any Transfer of funds leads to change in control approval from SEBI shall be required.<br>(b) As per SEBI (Research Analyst) Regulations, 2014, a research analyst who is a body corporate requires a Networh of ₹25 lakhs. Further if any Transfer of funds leads to change in control approval from SEBI shall be required.<br>2. Article 60 of AOA of SBICAP provides that Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.<br>3. SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00%.<br>All of the above would be subject, of course, to the Approval of the Board of SBICAP. |

| Subsidiaries | Restrictions |
|---|---|
| SBI Global Factors Ltd. | As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares. There are regulatory restrictions for the reduction of the Company's capital to be paid back to the shareholders including the parent. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the RBI Guidelines and the Companies Act. The amount to be paid is subject to maintaining adequate capital and the liquidity ratio as per the regulatory requirements.<br>a. A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds.<br>b. Every NBFC shall maintain, capital of not less than 15% of its aggregated risk weighted assets (Tier I plus Tier II Capital, Tier I capital should not be less than 10%) on balance sheet and of risk adjusted value of off-balance sheet items, or such higher ratio as may be determined by the central bank.<br>c. Every company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹5 crores as required by Factoring Regulations Act, 2011.<br>d. Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends.<br>There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company.<br>In case of excess capital beyond the regulatory minimum requirement, can be paid back to the parent (via dividends or reduced capital) with the approval of Board and the Regulator. This will be based on the projected growth plans and its capital requirements. |
| SBI-SG Global Securities Services Ltd. | The transfer of capital would be subject to maintenance of Minimum Regulatory Net worth of INR 500 million prescribed by SEBI. Apart from this company as per the Board is required to maintain Charge on Capital of INR100million (as on 31.03.21) for Operational Risk which is calculated as per Standardized Approach of Basel II.<br>Transfer can be achieved through issue of new shares (other than shares issued on a rights basis or in a subsequent placement), creation of option or warrants, creating new classes of shares, buy backs/ redemption/repurchase, splits, issuance of convertible debt, bonuses, lien or encumbrances or debt restructure involving conversion into equity which would be anti-dilutive for the parties and/or their rights as equity shareholders and declaration of dividend by the company. |
| SBI DFHI Ltd. | The capital can be transferred to the parent bank by way of dividends or buyback shares. The RBI instructions for Standalone Primary Dealers (SPD) in this regard are as under:<br>• Any change in the shareholding pattern / capital structure of a SPD shall need prior approval of RBI.<br>• SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis.<br>SPDs shall follow the following guidelines while declaring dividend distribution:<br>• The SPD shall have complied with the regulations on transfer of profits to statutory reserves and the regulatory guidelines relating to provisioning and valuation of securities, etc.<br>• SPDs having CRAR below the regulatory minimum of 15 per cent in any of the previous four quarters shall not declare any dividend. For SPDs having CRAR at or above the regulatory minimum of 15 per cent during all the four quarters of the previous year, but lower than 20 per cent in any of the four quarters, the dividend pay-out ratio (DPR) shall not exceed 33.3 per cent. For SPDs having CRAR at 20 per cent or above during all the four quarters of the previous year, the DPR shall not exceed 50 per cent. DPR shall be calculated as a percentage of dividend payable in a year (excluding dividend tax) to net profit during the year.<br>• The proposed dividend shall be payable out of the current year's profits. In case the profit for the relevant period includes any extraordinary income, the pay-out ratio shall be computed after excluding such extraordinary items for reckoning compliance with the prudential pay-out ratio ceiling.<br>• The financial statements pertaining to the financial year for which the SPD is declaring dividend shall be free of any qualifications by the statutory auditors, which have an adverse bearing on the profit during that year. In case of any qualification to that effect, the net profit shall be suitably adjusted downward while computing the DPR<br>• In case there are special reasons or difficulties for any SPD in strictly adhering to the guidelines, it shall approach RBI in advance for an appropriate adhoc dispensation in this regard. |

| Subsidiaries | Restrictions |
|---|---|
| SBI Pension Funds Pvt. Ltd. | There are no regulatory restrictions from PFRDA/ Companies Act, 2013 for transfer of capital to parent bank through dividends or buyback shares or capital repatriation to parent bank.<br>The Only criteria is that the Company should maintain minimum net worth of ₹25/ 50 crores and shall fulfil the minimum eligibility criteria of the Pension Fund i.e. Reg 8 (d) the sponsor shall have profits after tax in at least three of the preceding five financial years and further that there shall be no cash loss in the last preceding five years.<br>Further, as per Regulation J, any change in management, ownership, shareholding pattern or controlling interest of sponsor of the pension fund exceeding one per cent. but less than five per cent. of the paid-up capital of the sponsor or pension fund in a financial year, shall be informed to the Authority within fifteen days of the occurrence of such change.<br>Provided that no change in excess of five per cent. or more of the paid-up capital of the sponsor or the pension fund, in any financial year, shall be made without prior approval of the Authority.<br>The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations & the provisions of the Companies Act, 2013. |
| Jio Payments Bank Ltd. | The clause in the Subscription and Shareholders' Agreement w.r.t. 'lock-in' has been extracted and mentioned below: (CLAUSE 22.1.2)<br>"Subject to Clause 22.2 (Transfer to Associated Companies), SBI may not Transfer any of its Shares or any interest in any of its Shares to any person prior to the fifth year anniversary from the date of application to the RBI for the grant of the final license for the "Payment Bank" or such other date as may be allowed by the RBI on an application made to the RBI as required under clause 7.5.2 (Commencement of Business), Clause 7.8.1 (Development of business), Clause 10.4.2 (Business Plan Deadlock) and Clause 22.3 (Transfer to a third party) and Clause 23.7.2 (ii) (Other breaches of the Agreement) (the "SBI Lock-in Period')." |

# DF-2 – CAPITAL ADEQUACY

As on 31.03.2021

## Qualitative Disclosures

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities

- The Bank and its Banking Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis in line with the New Capital Adequacy Framework (NCAF) Guidelines of RBI. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:
  - » Credit Risk
  - » Operational Risk
  - » Liquidity Risk
  - » Compliance Risk
  - » Pension Fund Obligation Risk
  - » Reputation Risk
  - » Residual Risk from Credit Risk Mitigants
  - » Talent Risk
  - » Other than above Risks
  - » Market Risk
  - » Credit Concentration Risk
  - » Interest Rate Risk in the Banking Book
  - » Country Risk
  - » Strategic Risk
  - » Model Risk
  - » Contagion Risk
  - » Cyber Risk
  - » Underwriting Risk
- Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic / Foreign). This analysis is done for the SBI and SBI Group separately.
- CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPS) besides Equity as and when required.

- Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

## Quantitative Disclosures

| | | |
|---|---|---|
| (b) | Capital requirements for credit risk: | |
| | • Portfolios subject to standardized approach | ₹1,66,252.02 crores |
| | • Securitization exposures | Nil |
| | | **Total ₹1,66,252.02 crores** |
| (c) | Capital requirements for market risk: | |
| | • Standardized duration approach; | |
| | » Interest Rate Risk | ₹13,789.64 crores |
| | » Foreign Exchange Risk (including gold) | ₹171.23 crores |
| | » Equity Risk | ₹7,514.91 crores |
| | | **Total ₹21,475.78 crores** |
| (d) | Capital requirements for operational risk: | |
| | • Basic Indicator Approach | ₹21,366.36 crores |
| | • The Standardized Approach (if applicable) | NA |
| | | **Total ₹21,366.36 crores** |

(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:
- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

**CAPITAL ADEQUACY RATIOS AS ON 31.03.2021**

| | CET 1 (%) | Tier 1 (%) | Total (%) |
|---|---|---|---|
| SBI Group | 10.33 | 11.70 | 13.97 |
| State Bank of India | 10.02 | 11.44 | 13.74 |
| SBI (Mauritius) Ltd. | 19.54 | 19.54 | 20.44 |
| State Bank of India (Canada) | 13.97 | 13.97 | 15.70 |
| State Bank of India (California) | 15.28 | 15.28 | 16.45 |
| Commercial Indo Bank LLC, Moscow | 56.31 | 56.31 | 56.31 |
| Bank SBI Indonesia | 45.20 | 45.20 | 46.21 |
| Nepal SBI Bank Ltd. | 13.34 | 13.34 | 16.28 |
| Bank SBI Botswana Ltd. | 58.53 | 58.53 | 58.76 |
| SBI (UK) Ltd. | 17.78 | 17.78 | 18.09 |

# DF-3: CREDIT RISK: GENERAL DISCLOSURES

As on 31.03.2021

**General Disclosures**

**a. Qualitative Disclosures**

- **Definitions of past due and impaired assets (for accounting purposes)**

**Non-performing assets**

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31st March 2006, a non-performing Asset (NPA) is an advance where

(i) Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan

(ii) The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC)

(iii) The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted

(iv) Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts

(v) A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season

(vi) An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.

(vii) The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitization transactions undertaken in accordance with the RBI guidelines on securitization dated February 1, 2006.

(viii) In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

**'Out of Order' status**

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

**'Overdue'**

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

- **Resolution of Stressed Assets**

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

| SMA Sub-categories | Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between |
|---|---|
| SMA-0 | 1-30 days |
| SMA-1 | 31-60 days |
| SMA-2 | 61-90 days |

* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

- **Discussion of the Bank's Credit Risk Management Policy**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

(i) Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorized broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.

(ii) Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with exposure of ₹20 cr. and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

## DF-3: Quantitative Disclosures as on 31.03.2021

**General Disclosures:** ₹ in crores

| | **Quantitative Disclosures** | **Fund Based** | **Non-Fund Based** | **Total** |
|---|---|---|---|---|
| b. | Total Gross Credit Risk Exposures | 2591605.54 | 471140.72 | 3062746.26 |
| c. | Geographic Distribution of Exposures: FB / NFB | | | |
| | Overseas | 375153.85 | 63425.29 | 438579.14 |
| | Domestic | 2216451.69 | 407715.43 | 2624167.12 |
| d. | Industry Type Distribution of Exposures Fund based / Non-Fund Based separately | Please refer to Table "A" | | |
| e. | Residual Contractual Maturity Breakdown of Assets | Please refer to Table "B" | | |
| f. | Amount of NPAs (Gross) i.e. Sum of (i to v) | | | 128168.54 |
| | i. Substandard | | | 20152.60 |
| | ii Doubtful 1 | | | 31628.02 |
| | iii. Doubtful 2 | | | 26732.43 |
| | iv. Doubtful 3 | | | 24486.76 |
| | v. Loss | | | 25168.73 |
| g. | Net NPAs | | | 37119.10 |
| h. | NPA Ratios | | | |
| | i. Gross NPAs to gross advances | | | 4.95% |
| | ii. Net NPAs to net advances | | | 1.48% |
| i. | Movement of NPAs (Gross) | | | |
| | i. Opening balance | | | 150130.72 |
| | ii. Additions | | | 30717.40 |
| | iii. Reductions | | | 52679.58 |
| | iv. Closing balance | | | 128168.54 |
| j. | Movement of provisions for NPAs | | | |
| | i) Opening balance | | | 98004.01 |
| | ii) Provisions made during the period | | | 29241.85 |
| | iii) Write-off/Write-back of excess provisions | | | 36196.42 |
| | iv) Closing balance | | | 91049.44 |
| k. | Amount of Non-Performing Investments | | | 5474.38 |
| l. | Amount of Provisions held for Non-Performing Investments | | | 4706.83 |
| m. | Movement of Provisions for Depreciation on Investments | | | |
| | Opening balance | | | 9580.95 |
| | Provisions made during the period | | | 4615.48 |
| | Write-off | | | 3404.63 |
| | Write-back of excess provisions | | | 1593.55 |
| | Closing balance | | | 9198.25 |

| | | |
|---|---|---|
| n. | By major industry or counter party type | |
| | Amt. of NPA and if available, past due loans, provided separately | 63683.09 |
| | Specific & general provisions; and | - |
| | Specific provisions and write-offs during the current period | - |
| o. | Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions | - |
| | Provisions | - |

## Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2021

(₹ in Crores)

| Code | Industry | Fund Based [Outstanding-O/s)] | | | Non-Fund Based(O/s) |
|---|---|---|---|---|---|
| | | Standard | NPA | Total | |
| 1 | Coal | 8131.50 | 701.79 | 8833.29 | 5612.45 |
| 2 | Mining | 6019.31 | 139.60 | 6158.91 | 1641.72 |
| 3 | Iron & Steel | 59824.70 | 3215.94 | 63040.64 | 38985.90 |
| 4 | Metal Products | 36557.97 | 1176.44 | 37734.41 | 9962.72 |
| 5 | All Engineering | 33255.27 | 4994.74 | 38250.01 | 72079.91 |
| 5.1 | Of which Electronics | 4150.56 | 98.49 | 4249.05 | 6492.56 |
| 6 | Electricity | 5415.98 | 0.00 | 5415.98 | 0.00 |
| 7 | Cotton Textiles | 22180.05 | 1792.10 | 23972.15 | 1451.87 |
| 8 | Jute Textiles | 997.90 | 49.23 | 1047.13 | 42.15 |
| 9 | Other Textiles | 11589.37 | 1635.79 | 13225.16 | 2831.00 |
| 10 | Sugar | 5850.94 | 566.02 | 6416.96 | 962.06 |
| 11 | Tea | 828.98 | 82.68 | 911.66 | 44.58 |
| 12 | Food Processing | 83494.03 | 5215.16 | 88709.19 | 3010.52 |
| 13 | Vegetable Oils &Vanaspati | 5131.54 | 590.99 | 5722.53 | 2950.86 |
| 14 | Tobacco / Tobacco Products | 162.15 | 17.49 | 179.64 | 192.08 |
| 15 | Paper / Paper Products | 5046.68 | 634.69 | 5681.37 | 1015.62 |
| 16 | Rubber / Rubber Products | 7550.64 | 903.94 | 8454.58 | 2042.90 |
| 17 | Chemicals / Dyes / Paints etc. | 83261.39 | 3202.67 | 86464.06 | 57375.42 |
| 17.1 | Of which Fertilizers | 17024.17 | 1015.50 | 18039.67 | 7503.33 |
| 17.2 | Of which Petrochemicals | 42891.81 | 146.11 | 43037.92 | 38445.74 |
| 17.3 | Of which Drugs &Pharma | 11992.73 | 627.17 | 12619.90 | 2379.99 |
| 18 | Cement | 11719.63 | 754.90 | 12474.53 | 4289.38 |
| 19 | Leather & Leather Products | 3063.77 | 381.42 | 3445.19 | 376.54 |
| 20 | Gems & Jewellery | 11979.86 | 532.75 | 12512.61 | 1098.87 |
| 21 | Construction | 45623.80 | 1331.58 | 46955.38 | 16247.42 |
| 22 | Petroleum | 44073.69 | 342.68 | 44416.37 | 24784.78 |
| 23 | Automobiles & Trucks | 16298.32 | 911.67 | 17210.00 | 8397.26 |
| 24 | Computer Software | 6779.93 | 4.70 | 6784.63 | 1611.85 |
| 25 | Infrastructure | 327512.30 | 31999.85 | 359512.15 | 92979.33 |
| 25.1 | Of which Power | 179004.07 | 12436.73 | 191440.80 | 32604.46 |
| 25.2 | Of which Telecommunication | 21929.49 | 5914.26 | 27843.75 | 14548.54 |
| 25.3 | Of which Roads & Ports | 79310.86 | 7248.57 | 86559.43 | 19832.89 |
| 26 | Other Industries | 200414.42 | 33035.25 | 233449.67 | 33386.55 |
| 27 | NBFCs & Trading | 361934.88 | 18411.71 | 380346.58 | 52323.83 |
| 28 | Residual Advances | 1058738.00 | 15542.76 | 1074280.76 | 35443.15 |
| | **Total** | **2463437.00** | **128168.54** | **2591605.54** | **471140.72** |

## Table- B

## DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2021*

(₹ in crores)

| | INFLOWS | 1 days | 2-7 days | 8-14 days | 15-30 days | 31 days &upto 2 months | More than 2 months &upto 3 months | Over 3 months &upto 6 months | Over 6 months &upto 1 year | Over 1 year &upto 3 years | Over 3 years &upto 5 years | Over 5 years | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Cash | 23598.56 | 3.29 | 0.00 | 2.00 | 0.00 | 2.22 | 0.00 | 0.00 | 0.00 | 0.00 | 19.02 | **23627.09** |
| 2 | Balances with RBI | 62832.73 | 2756.14 | 1263.32 | 2016.48 | 2323.35 | 1732.80 | 5129.08 | 30509.76 | 28253.15 | 13376.96 | 39618.61 | **189812.38** |
| 3 | Balances with other Banks | 76285.29 | 49038.23 | 444.84 | 733.22 | 838.30 | 934.71 | 2602.32 | 3945.74 | 3832.81 | 22.62 | 70.62 | **138748.70** |
| 4 | Investments | 8405.02 | 878.84 | 16407.50 | 7794.45 | 10398.79 | 28797.20 | 52797.44 | 100994.96 | 336561.13 | 227375.94 | 585233.27 | **1375644.55** |
| 5 | Advances | 45083.24 | 17039.40 | 19280.77 | 42041.74 | 49861.36 | 39755.67 | 123530.07 | 204529.89 | 882447.88 | 327001.00 | 758199.46 | **2508770.48** |
| 6 | Fixed Assets | 0.00 | 0.00 | 0.00 | 0.0 | 0.00 | 0.00 | 0.00 | 0.03 | 14.72 | 21.38 | 39132.00 | **39168.13** |
| 7 | Other Assets | 22282.07 | 52940.44 | 55240.28 | 19663.21 | 17506.43 | 14874.54 | 23230.28 | 35430.24 | 17083.64 | 24967.59 | 71759.75 | **354978.47** |
| | **TOTAL** | **238486.91** | **122656.34** | **92636.70** | **72251.10** | **80930.24** | **86097.15** | **207289.18** | **375410.63** | **1268193.33** | **592765.48** | **1494032.73** | **4630749.80** |

*Notes:

i) Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.

ii) Investments include Non-Performing Investments and Advances includes Non-Performing Advances.

iii) The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

# DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31.03.2021

**Disclosures for Portfolios subject to Standardised Approach**

**Qualitative Disclosures**

- **Definitions of past due and impaired assets (for accounting purposes)**

(a) As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, Brickwork, ACUITE Ratings and Research and INFOMERICs (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

- **Types of exposures for which each Agency is used**

(i) For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.

(ii) For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.

- **Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book**

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

Long-term Issue Specific Ratings (For the Bank's own exposures or other issuance of debt by the same borrower-constituent/ counter-party) or Issuer (borrower-constituents/counter-party) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases :

- If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari passu or junior to the rated exposure in all respects.
- In cases where the borrower-constituent/counter-party has issued a debt (which is not a borrowing from the Bank), the rating given to that debt is applied to the Bank's unrated exposures, if the Bank's exposure ranks pari passu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than the maturity of the rated debt.

(b) For exposure amounts after risk mitigation subject to the Standardized Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.

(₹ in crores)

| | **Amount** |
|---|---|
| Below 100% Risk Weight | 20,70,436.98 |
| 100% Risk Weight | 7,48,475.63 |
| More than 100% Risk Weight | 2,43,833.65 |
| Deducted | 0.00 |
| **Total** | **30,62,746.26** |

# DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31.03.2021

**Credit Risk Mitigation: Disclosures for Standardised Approach**

**(a) Qualitative Disclosures**

- **Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting**

  On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

  Where bank,

  a. has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt;

  b. is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and

  c. monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- **Policies and Processes for Collateral Valuation and Management**

  The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

  The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

  (i) Classification of credit risk-mitigants
  (ii) Acceptable credit risk-mitigants
  (iii) Documentation and legal process requirements for credit risk-mitigants
  (iv) Valuation of collateral
  (v) Margin and Haircut requirements
  (vi) External ratings
  (vii) Custody of collateral
  (viii) Insurance
  (ix) Monitoring of credit risk mitigants
  (x) General guidelines.

- **Description of the main types of collateral taken by the Bank**

  The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

  Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)

  Gold

  Securities issued by Central / State Governments

  Debt Securities rated BBB- or better/ PR3/P3/F3/A3 for Short-Term Debt Instrument

- **Main types of Guarantor Counterparty and their creditworthiness**

  The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

  - Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
  - Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

| | |
|---|---|
| **Information about (Market or Credit) risk concentrations within the mitigation taken:** | |
| The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as: -<br>• Eligible financial collaterals listed above<br>• Guarantees by sovereigns and well-rated corporates,<br>• Fixed assets and current assets of the counterparty. | |
| **Quantitative Disclosures as on 31.03.2021** | (Amt. ₹ in Crs.) |
| (b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts. | 1,66,449.51 |
| (c) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI) | 96,391.87 |

# DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

As on 31.03.2021

| | | |
|---|---|---|
| | **Qualitative Disclosures** | |
| **(a)** | The general qualitative disclosure requirement with respect to securitisation including a discussion of: | |
| | The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities. | Nil |
| | The nature of other risks (e.g. liquidity risk) inherent in securitised assets; | Not Applicable |
| | The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them;<br>@ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules.<br># A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules. | Not Applicable |
| | A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012). | Not Applicable |
| | A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures; | Not Applicable |
| **(b)** | Summary of the bank's accounting policies for securitization activities, including: | |
| | Whether the transactions are treated as sales or financings; | Not Applicable |
| | Methods and key assumptions (including inputs) applied in valuing positions retained or purchased | Not Applicable |
| | Changes in methods and key assumptions from the previous period and impact of the changes; | Not Applicable |
| | Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets. | Not Applicable |
| **(c)** | In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used. | Not Applicable |
| | **Quantitative Disclosures: Banking Book** | |
| **(d)** | The total amount of exposures securitised by the bank. | Nil |
| **(e)** | For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security) | Nil |
| **(f)** | Amount of assets intended to be securitised within a year | Nil |
| **(g)** | Of (f), amount of assets originated within a year before securitisation. | Not Applicable |
| **(h)** | The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type. | Nil |

| | | |
|---|---|---|
| **(i)** | Aggregate amount of: | |
| | On-balance sheet securitisation exposures retained or purchased broken down by exposure type and | Nil |
| | Off-balance sheet securitisation exposures broken down by exposure type | Nil |
| **(j)** | Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach | Nil |
| | Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type). | Nil |
| | **Quantitative Disclosures: Trading Book** | |
| | Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type. | Nil |
| | Aggregate amount of: | |
| | On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and | Nil |
| | Off-balance sheet securitisation exposures broken down by exposure type. | Nil |
| **(m)** | Aggregate amount of securitisation exposures retained or purchased separately for: | Nil |
| | Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and | Nil |
| | Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands. | Nil |
| **(n)** | Aggregate amount of: | |
| | The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands. | Nil |
| | Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital(by exposure type). | Nil |

# DF–7: MARKET RISK IN TRADING BOOK

As on 31.03.2021

## (a) QUALITATIVE DISCLOSURES:

(1) The Bank follows Standardised Measurement Method (SMM) for computing capital requirement for Market Risk.

(2) Market Risk Management Department (MRMD) is functioning as a part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.

(3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.

(4) The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:

- (a) Market Risk Management Policy
- (b) Market Risk Limits
- (c) Investment Policy
- (d) Trading Policy
- (e) Stress Test Policy for Market Risk

(5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.

(6) Risk management and reporting is based on parameters such as Modified Duration, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Lower and upper management Action Triggers, in line with global best practices.

(7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.

(8) Value at Risk (VaR) is computed on a daily basis. Back-Testing of VaR number is carried out on daily basis. Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.

(9) Respective Foreign offices monitor risk of their investment portfolio, as per the local regulatory and RBI stipulations. Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.

(10) Bank has submitted Letter of Intent (LOI) to RBI to migrate to advanced approach i.e. Internal Models Approach for calculating capital charge for market risk and.

## (b) QUANTITATIVE DISCLOSURES:

### CAPITAL CHARGE ON MARKET RISK

Bank maintains Capital Charge for Market Risk under the Standardised measurement method as under.

(₹ in Crores)

| Category | 31.03.2021 |
|---|---|
| Interest rate Risk (including Derivatives) | 13,789.64 |
| Equity Position Risk | 7,514.91 |
| Foreign Exchange Risk | 171.23 |
| **Total** | **21,475.78** |

# DF–8: OPERATIONAL RISK

As on 31.03.2021

**Qualitative Disclosures**

**A. The structure and organization of Operational Risk Management function**

- The Operational Risk Management Department functions in SBI as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer. In SBI, Chief Risk Officer reports to Risk Management Committee of the Board (RMCB)
- The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.

**B. Policies for control and mitigation of Operational Risk in SBI**

**Domestic Banking Entities (SBI)**

The following Policies, Framework Documents and Manuals are in place in SBI:

**Policies and Framework Documents**

- Operational Risk Management policy encompasses Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks.
- Loss Data Management Policy;
- External Loss Data Management Policy;
- IS Policy;
- IT Policy;
- Cyber Security Policy
- Group Cyber Security Policy
- Business Continuity Planning (BCP) Policy;
- Business Continuity Management System (BCMS) Policy;
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures;
- Policy on Fraud Risk Management;
- Bank's Outsourcing Policy;
- Policy on Insurance;

**Manuals**

- Operational Risk Management Manual
- Loss Data Management Manual
- Business Continuity Planning (BCP) Manual
- Business Continuity Management System (BCMS) Manual
- External Loss Data Manual

**Domestic Non-Banking and Overseas Banking entities**

Policies and Manuals, as relevant to the business model of Non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc.

## C. Strategies and Processes

### Domestic Banking entities (SBI)

### Advanced Measurement Approach

- To successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at Circles like RMCAOs, RMCCs, and RMCs at the Business and Support Groups (RMC-R & DB, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events and external losses are also captured to improve risk management practices.
- Risk and Control Self-Assessment (RCSA) is a proactive exercise conducted in workshop-based manner to identify gaps, if any, in the existing controls and suggestions are invited for improvement of System & Controls to mitigate the Risks. RCSA also helps in generating risk awareness among staff members. RCSA exercise is carried out across Bank Branches, CPCs & Offices on a yearly basis. Bank also conducts theme based RCSA for Products /Processes. During FY 21, year, Bank has conducted 24 theme based RCSA exercises based on the RCSA exercise, Mitigation plans are prepared and implemented for activities rated as High & Critical Risks. Feasibility study is carried out by Business owners for suggestions received during RCSA exercise for further improvement of System & Controls in the Bank.
- Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism. KIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB. Top 10 KIs have been identified during current financial year for close follow up.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II guidelines is in place.
- The Bank had earlier received approval for the parallel run for AMA. However, due to recent revision in Basel III framework by the Basel Committee on Banking Supervision (BCBS), RBI has advised to discontinue submission of AMA Capital Computation.

### Others

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- "Book of Instructions" (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank's Apex Training Institutes and State Bank Institute of Learning and Development.
- Insurance cover is obtained for most of the potential operational risks excluding frauds as per Bank's policy on insurance.
- Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity Management Policy and Manuals in place.
- Stringent Implementation of vacation policy.
- Conduct of RCSA-Abridged at remaining Branches where RCSA is not proposed.

### Domestic Non-Banking and Overseas Banking entities

Adequate measures by way of systems and procedures and reporting have been put in place in the Domestic Non-Banking and Overseas Banking entities.

**D. The scope and nature of Risk Reporting and Measurement Systems**

- A system of prompt submission of reports on Frauds is in place in all the Group entities.
- A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- Significant risks thrown up in RCSA/RCSA-Abridged exercise at all Branches, Scenario Analysis and loss data/NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31st March 2021.

# DF–9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31.03.2021

## 1. Qualitative disclosures

### INTEREST RATE RISK IN BANKING BOOK (IRRBB)

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive. The Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from both a short-term and long-term perspective.

#### 1.1 Structure and organization

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through ALM Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by ALCO for managing interest rate risk.

#### 1.2 Scope and nature of risk reporting and measurement systems

RBI has stipulated monitoring of Interest Rate Risk at monthly intervals through a Statement of Interest Rate Sensitivity under Traditional Gap Analysis (IRS-TGA). Accordingly, ALCO reviews IRS-TGA on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRS-DGA), which Bank carries out on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through IRS-DGA by recognizing the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

**EaR:** The immediate impact of changes in interest rates is on Bank's earnings through changes in its Net Interest Income (NII). EaR is useful in calculating the impact of the change in interest rate on the NII for a shorter period of time (impact over a one-year period). The EaR computations include the banking book as well as the trading book.

**MVE:** A long-term impact of changes in interest rates is on Bank's Market Value of Equity (MVE) or Net Worth through changes in the economic value of its liabilities and off-balance sheet positions. Although these changes in value do not pass through earnings, they have a bearing on Bank's capital position.

The Bank uses MVE approach as part of a framework to manage IRRBB for its domestic and foreign operations. Impact on MVE is assessed for the overall Bank and Banking Book separately. In order to effectively monitor and manage IRRBB, the ALM Policy stipulates separate MVE limits for overall Bank and Banking Book.

#### 1.3 Policies for hedging and mitigating risk

The Bank has a policy for undertaking hedge transactions. Depending on the underlying and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. Derivative instruments like Interest Rate Swaps, OIS, Forward Rate Agreements and Cross Currency Swaps are used as a hedging technique by the Bank.

## 2. Quantitative Disclosures

**2.1** The following table sets forth, estimated impact on NII due to changes in interest rates on interest sensitive positions as on 31st March 2021, assuming a parallel shift in the yield curve.

**Earnings at Risk (EaR)**

(₹ in Crs.)

| | Impact on NII |
|---|---|
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 5,996.29 |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 11,992.58 |

**2.2** The following table sets forth, estimated impact on MVE due to changes in interest rates on interest sensitive positions as on 31st March 2021, assuming a parallel shift in the yield curve.

**Market Value of Equity (MVE)**

(₹ in Crs.)

| | Impact on MVE |
|---|---|
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 16,003.19 |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 32,006.38 |

# DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

As on 31.03.2021

## Qualitative Disclosure:

Credit Risk Management Department of the Bank uses scoring models for setting limits for amounts of counterparty exposure for Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Small Finance Banks & Payment Banks.

Credit Risk Management Department allocates the exposure limits to all business units, viz., CAG, CCG, R&DB, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.

### Classification and recognition of collaterals

The Bank will accept, recognize and attribute value to collateral, both for internal sanctioning and/or regulatory capital relief purposes, only when the following conditions are fulfilled:

- There is a legal certainty of enforceability and effectiveness of collateral in all relevant jurisdictions
- All contractual and statutory requirements with respect to the loan and collateral documentation are fulfilled.
- The Bank has obtained a legal charge to the said collateral (including second/subordinate or paripassu charges, in addition to first legal charge).
- The legal mechanism by which the collateral is pledged or transferred ensures that the Bank has the right to liquidate or take possession of it in a timely manner, in the event of a default, insolvency or bankruptcy on the part of the counterparty or any third party.
- The Bank has clear and robust procedures for the timely liquidation of collateral to ensure that any legal conditions required for declaring the default of the counterparty and liquidating the collateral are fulfilled and collateral can be liquidated promptly.

For the purposes of eligibility for IRB capital computation, collaterals are required to satisfy all operational criteria outlined in RBI IRB guidelines.

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limits for banks are assessed using internal models considering a number of financial parameters like networth, capital adequacy ratio, rating etc. For corporates, the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

## Quantitative Disclosure:

(₹ in Crores)

| Distribution of Notional and Current Credit Exposure | Notional | Current credit exposure | Exposure under Current Exposure Method (CEM) |
|---|---|---|---|
| a) Interest rate Swaps | 2,32,557.48 | 3,235.42 | 5,628.06 |
| b) Cross Currency Swaps | 49,326.97 | 759.25 | 1,233.14 |
| c) Currency Options | 65,027.90 | 1,097.70 | 7,251.11 |
| d) Foreign Exchange Contracts | 9,18,403.76 | 9,277.85 | 33,510.60 |
| e) Currency Futures | | | |
| f) Forward Rate Agreements | 361.14 | 0.00 | 0.00 |
| g) Others (please specify product name) - NDF | 2,394.83 | 0.27 | 48.16 |
| **Total** | **12,68,072.08** | **14,370.49** | **47,671.07** |
| **Credit Derivative transactions** | | **NIL** | |

# DF-11: COMPOSITION OF CAPITAL

As on 31.03.2021

(₹ in Crore)

| Basel III common disclosure template to be used from March 31, 2017 | | | |
|---|---|---|---|
| **Common Equity Tier 1 capital: instruments and reserves** | | | **Ref No. (with respect to DF - 12: Step 2)** |
| 1 | Directly issued qualifying common share capital plus related stock surplus (share premium) | 80007.93 | A1 + B3 |
| 2 | Retained earnings | 147376.81 | B1 + B2 + B7 + B8 + B9 (#) |
| 3 | Accumulated other comprehensive income (and other reserves) | 18326.35 | B5 * 75% + B6 * 45% |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | 1358.53 | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 247069.61 | |
| **Common Equity Tier 1 capital: regulatory adjustments** | | | |
| 7 | Prudential valuation adjustments | 597.62 | |
| 8 | Goodwill (net of related tax liability) | 1549.99 | D |
| 9 | Intangibles (net of related tax liability) | 31.96 | |
| 10 | Deferred Tax Assets | 2.19 | |
| 11 | Cash-flow hedge reserve | | |
| 12 | Shortfall of provisions to expected losses | | |
| 13 | Securitisation gain on sale | | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | | |
| 15 | Defined-benefit pension fund net assets | | |
| 16 | Investments in own shares (if not already netted off paid-up capital on reported balance sheet) | 95.47 | |
| 17 | Reciprocal cross-holdings in common equity | 318.58 | |
| 18 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | | |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | | |
| 20 | Mortgage servicing rights (amount above 10% threshold) | | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | | |
| 22 | Amount exceeding the 15% threshold | | |
| 23 | of which: significant investments in the common stock of financial entities | | |
| 24 | of which: mortgage servicing rights | | |
| 25 | of which: deferred tax assets arising from temporary differences | | |
| 26 | National specific regulatory adjustments (26a+26b+26c+26d) | 1331.49 | |
| 26a | of which: Investments in the equity capital of unconsolidated insurance subsidiaries | 1319.68 | |
| 26b | of which: Investments in the equity capital of unconsolidated non-financial subsidiaries | 11.81 | |

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

| | | | Ref No. (with respect to DF - 12: Step 2) |
|---|---|---|---|
| 26c | of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank | | |
| 26d | of which: Unamortised pension funds expenditures | | |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | | |
| 28 | **Total regulatory adjustments to Common equity Tier 1** | 3927.30 | |
| 29 | **Common Equity Tier 1 capital (CET1)** | 243142.32 | |
| **Additional Tier 1 capital: instruments** | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32) | 32029.00 | |
| 31 | of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares) | | |
| 32 | of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments) | 32029.00 | |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | | |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | 254.72 | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | | |
| 36 | **Additional Tier 1 capital before regulatory adjustments** | **32283.72** | |
| **Additional Tier 1 capital: regulatory adjustments** | | | |
| 37 | Investments in own Additional Tier 1 instruments | 88.84 | |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | 11.23 | |
| 39 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | | |
| 40 | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | | |
| 41 | National specific regulatory adjustments (41a+41b) | 0.00 | |
| 41a | of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries | | |
| 41b | of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank | | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | | |
| 43 | **Total regulatory adjustments to Additional Tier 1 capital** | 100.07 | |
| 44 | **Additional Tier 1 capital (AT1)** | **32183.65** | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1) (29 + 44)** | **275325.97** | |
| **Tier 2 capital: instruments and provisions** | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | 33111.30 | |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | 951.04 | |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | 785.95 | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | | |

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

| | | | Ref No. (with respect to DF - 12: Step 2) |
|---|---|---|---|
| 50 | Provisions | 18938.55 | |
| 51 | **Tier 2 capital before regulatory adjustments** | 53786.84 | |
| **Tier 2 capital: regulatory adjustments** | | | |
| 52 | Investments in own Tier 2 instruments | 386.15 | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | | |
| 54 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | | |
| 55 | Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | | |
| 56 | National specific regulatory adjustments (56a+56b) | 0.00 | |
| 56a | of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries | | |
| 56b | of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank | | |
| 57 | **Total regulatory adjustments to Tier 2 capital** | 386.15 | |
| 58 | **Tier 2 capital (T2)** | 53400.69 | |
| 59 | **Total capital (TC = T1 + T2) (45 + 58)** | **328726.65** | |
| 60 | **Total risk weighted assets (60a + 60b + 60c)** | **2353096.02** | |
| 60a | of which: total credit risk weighted assets | 1847244.71 | |
| 60b | of which: total market risk weighted assets | 268447.28 | |
| 60c | of which: total operational risk weighted assets | 237404.03 | |
| **Capital ratios and buffers** | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 10.33 | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 11.70 | |
| 63 | Total capital (as a percentage of risk weighted assets) | 13.97 | |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets) | 7.98 | |
| 65 | of which: capital conservation buffer requirement | 1.88 | |
| 66 | of which: bank specific countercyclical buffer requirement | | |
| 67 | of which: D-SIB buffer requirement | 0.60 | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) | 4.83 | |
| **National minima (if different from Basel III)** | | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) | 5.50 | |
| 70 | National Tier 1 minimum ratio (if different from Basel III minimum) | 7.00 | |
| 71 | National total capital minimum ratio (if different from Basel III minimum) | 9.00 | |
| **Amounts below the thresholds for deduction (before risk weighting)** | | | |
| 72 | Non-significant investments in the capital of other financial entities | | |
| 73 | Significant investments in the common stock of financial entities | 567.62 | |
| 74 | Mortgage servicing rights (net of related tax liability) | | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | 7195.35 | |

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

| | | | Ref No. (with respect to DF - 12: Step 2) |
|---|---|---|---|
| **Applicable caps on the inclusion of provisions in Tier 2** | | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | 18938.55 | 0.00 |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | 23090.56 | 0.00 |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | 0.00 | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 0.00 | |
| **Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)** | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | 0.00 | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | 0.00 | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | 10% | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | 10% | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | | |

**Notes to the Template**

| Row No. of the template | Particular | (₹ in Crore) | |
|---|---|---|---|
| 10 | Deferred tax assets associated with accumulated losses | 2.19 | 0 |
| | Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability | 7195.35 | 0.00 |
| | Total as indicated in row 10 | 2.19 | 0 |
| 19 | If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank | 0.00 | |
| | of which: Increase in Common Equity Tier 1 capital | 0.00 | |
| | of which: Increase in Additional Tier 1 capital | 0.00 | |
| | of which: Increase in Tier 2 capital | 0.00 | |
| 26b | If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then: | | |
| | (i) Increase in Common Equity Tier 1 capital | | |
| | (ii) Increase in risk weighted assets | | |
| 50 | Eligible Provisions included in Tier 2 capital | 18938.55 | 0.00 |
| | Eligible Revaluation Reserves included in Tier 2 capital | | |
| | Total of row 50 | 18938.55 | 0.00 |

# B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹5 Crore)

# DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT

As on 31.03.2021

(₹ in Crores)

| | | Balance sheet as in financial statements | Balance sheet under regulatory scope of consolidation | Reference number |
|---|---|---|---|---|
| | | As on reporting date | As on reporting date | |
| **A** | **Capital & Liabilities** | | | |
| i. | Paid-up Capital | 892.46 | 892.46 | A |
| | of which: Amount eligible for CET 1 | 892.46 | 892.46 | A1 |
| | of which: Amount eligible for AT1 | - | - | A2 |
| | Reserves & Surplus | 274669.11 | 263411.43 | B |
| | of which: Statutory Reserve | 77170.12 | 77170.08 | B1 |
| | of which: Capital Reserves | 15434.69 | 15433.33 | B2 |
| | of which: Share Premium | 79115.47 | 79115.47 | B3 |
| | of which: Investment Reserve | - | - | B4 |
| | of which: Investment Revaluation Reserve | 3048.08 | 3048.08 | |
| | of which: Foreign Currency Translation Reserve | 10290.42 | 10288.72 | B5 |
| | of which: Revaluation Reserve on Fixed Assets | 23577.35 | 23577.35 | B6 |
| | of which: Revenue and Other Reserves | 43407.92 | 38146.09 | B7 |
| | of which: Reserves under Sec. 36(1) (viii) of Income Tax Act,1961 | 14528.52 | 14528.52 | B8 |
| | of which: Balance in Profit & Loss Account | 8096.54 | 2103.79 | B8 |
| | Minority Interest | 9625.92 | 4154.18 | |
| | **Total Capital** | **285187.49** | **268458.07** | |
| ii | **Deposits** | **3715331.23** | **3716470.18** | |
| | of which: Deposits from banks | 10961.97 | 10961.97 | |
| | of which: Customer deposits | 3704369.26 | 3705508.21 | |
| | of which: Other deposits (pl. specify) | | | |
| iii | Borrowings | 433796.21 | 434018.28 | |
| | of which: From RBI | 24956.00 | 24956.00 | |
| | of which: From banks | 127811.60 | 127811.60 | |
| | of which: From other institutions & agencies | 211180.09 | 211402.16 | |
| | of which: Others (pl. specify) | - | - | |
| | of which: Capital instruments | 69848.52 | 69848.52 | |
| iv | **Other liabilities & provisions** | **411303.62** | **187575.36** | |
| | of which: DTLs related to goodwill | | | |
| | of which: DTLs related to intangible assets | | | |
| | **Total** | **4845618.55** | **4606521.89** | |
| **B** | **Assets** | | | |
| i | **Cash and balances with Reserve Bank of India** | **213498.62** | **213419.76** | |
| | **Balance with banks and money at call and short notice** | **134208.42** | **131727.33** | |

(₹ in Crores)

| | | Balance sheet as in financial statements | Balance sheet under regulatory scope of consolidation | Reference number |
|---|---|---|---|---|
| | | As on reporting date | As on reporting date | |
| ii | **Investments** | **1595100.26** | **1365305.75** | |
| | of which: Government securities | 1161657.44 | 1084854.62 | |
| | of which: Other approved securities | 27970.45 | 227.18 | |
| | of which: Shares | 69005.39 | 8027.90 | |
| | of which: Debentures & Bonds | 223935.09 | 182941.85 | |
| | of which: Subsidiaries / Joint Ventures / Associates | 13354.64 | 10149.43 | |
| | of which: Others (Commercial Papers, Mutual Funds etc.) | 99177.25 | 79104.77 | |
| iii | **Loans and advances** | **2500598.99** | **2500239.93** | |
| | of which: Loans and advances to banks | 84976.68 | 84976.68 | |
| | of which: Loans and advances to customers | 2415622.31 | 2415263.25 | |
| iv | **Fixed assets** | **40166.79** | **39311.45** | |
| v | **Other assets** | **360495.48** | **354967.68** | |
| | of which: Goodwill | - | - | |
| | of which: Other intangibles (excluding MSRs) | 2.00 | 2.00 | |
| | of which: Deferred tax assets | 7244.80 | 7226.42 | |
| vi | **Goodwill on consolidation** | **1549.99** | **1549.99** | |
| vii | **Debit balance in Profit & Loss account** | | | |
| | **Total Assets** | **4845618.55** | **4606521.89** | |

| **Common Equity Tier 1 capital: instruments and reserves** | | **Component of regulatory capital reported by bank** | **Ref No. (with respect to DF - 12: Step 2)** |
|---|---|---|---|
| 1 | Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus | 80007.93 | A1 + B3 |
| 2 | Retained earnings | 147376.81 | B1 + B2 + B7 + B8 + B9 (#) |
| 3 | Accumulated other comprehensive income (and other reserves) | 18326.35 | B5 * 75% + B6 * 45% |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | 1358.53 | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 247069.61 | |
| 7 | Prudential valuation adjustments | 597.62 | |
| 8 | Goodwill (net of related tax liability) | 1549.99 | D |

# B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹5 Crores)

## DF 13: MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

# DF 14: FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

These disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e. www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures

# DF 15 – DISCLOSURE REQUIREMENTS FOR REMUNERATION

Not applicable, as Private sector and foreign banks operating in India are required to make this disclosure.

# DF-16: EQUITIES - DISCLOSURE FOR BANKING BOOK POSITIONS

As on 31.03.2021

| | | | | | |
|---|---|---|---|---|---|
| **Qualitative Disclosures** | | | | | |
| 1. | The general qualitative disclosure with respect to equity risk, including: | | | | |
| | • Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; | | | | All equity investment in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature. |
| | • Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices | | | | Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 in Bank's Annual Report. |
| **Quantitative Disclosures** | | | | | |
| 1. | Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value. | | | | ₹828.09 Crores |
| 2. | The types and nature of investments, including the amount that can be classified as: | | | | |
| | Particulars | Type | | Book Value (In Crores) | |
| | Publicly traded | Subsidiaries | HTM | 2497.27 | |
| | | Associate | AFS | 7810.00 | |
| | Privately held | Associates, Subsidiaries, JVs & RRBs | HTM | 2309.63 | |
| 3. | The cumulative realized gains (losses) arising from sales and liquidations in the reporting period | | | | 1,550.96 cores (Gain) |
| 4. | Total unrealized gains (losses)[13] | | | | 11.24 crores (Unrealized loss) |
| 5. | Total latent revaluation gains (losses)[14] | | | | ₹3916 crores (MTM Gain) |
| 6. | Any amounts of the above included in Tier 1 and/or Tier 2 capital | | | | ₹8.44 crores |
| 7. | Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements | | | | Nil |

[13] Unrealised gains (losses) recognized in the balance sheet but not through the profit and loss account.

[14] Unrealised gains (losses) not recognized either in the balance sheet or through the profit and loss account.

# DF-17: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

As on 31.03.2021

| | ITEM | ₹ (In millions) |
|---|---|---|
| 1 | Total consolidated assets as per published financial statements | 48456185.00 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -2390967.00 |
| 3 | Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | 62857.00 |
| 4 | Adjustments for derivative financial instruments | 460792.00 |
| 5 | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | 0.00 |
| 6 | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) | 4622696 |
| 7 | Other adjustments | -117903.00 |
| **8** | **Leverage ratio exposure (State Bank Group)** | 51093660 |

# DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

As on 31.03.2021

| | ITEM | ₹ (In millions) |
|---|---|---|
| | **On balance sheet exposures** | |
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 46065218.00 |
| 2 | (Asset amounts deducted in determining Basel III Tier 1 capital) | -117903.00 |
| 3 | **Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)** | 45947315.00 |
| | **Derivatives exposures** | |
| 4 | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | 144086.00 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | 316706.00 |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 0 |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | 0 |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | 0 |
| 9 | Adjusted effective notional amount of written credit derivatives | 0 |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | 0 |
| 11 | **Total derivative exposures (sum of lines 4 to 10)** | **460792.00** |
| | **Securities financing transaction exposure** | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 62857.00 |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | 0 |
| 14 | CCR exposure for SFT assets | 0 |
| 15 | Agent transaction exposures | 0 |
| 16 | **Total securities financing transaction exposures (sum of lines 12 to 15)** | **62857.00** |
| | **Other off balance sheet exposures** | |
| 17 | Off-balance sheet exposure at gross notional amount | 10783417.00 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | -6160721.00 |
| 19 | **Off-balance sheet items (sum of lines 17 and 18)** | 4622696.00 |

| | ITEM | ₹ (In millions) |
|---|---|---|
| | **Capital and total exposures** | |
| 20 | **Tier 1 capital** | **2753260.00** |
| 21 | **Total exposures (sum of lines 3,11,16 and 19)** | **51093660.00** |
| | **Leverage ratio** | |
| 22 | **Basel III leverage ratio (%) (State Bank Group)** | **5.39%** |

# DF- GR: ADDITIONAL DISCLOSURES ON GROUP RISK

As on 31.03.2021

| **Qualitative Disclosure** | |
|---|---|
| **In respect of Group entities * [Overseas Banking entities and Non-Banking entities]** | |
| **General Description on** | |
| Corporate Governance Practices | All Group entities adhere to good Corporate Governance practices. |
| Disclosure Practices | All Group entities adhere to / follow good disclosure practices. |
| Arm's Length Policy in respect of Intra Group Transactions | All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security. |
| Common marketing, branding and use of SBI's Symbol | No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity. |
| Details of Financial Support,# if any | No Group entity has provided / received Financial Support from any other entity in the Group. |
| Adherence to all other covenants of Group Risk Management policy | All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities. |

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support' #:

a) inappropriate transfer of capital or income from one entity to the other in the Group;

b) vitiation of the Arm's Length Policy within which the Group entities are expected to operate;

c) adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;

d) evasion of capital or other regulatory requirements;

e) operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

*Entities covered:

| BANKING - OVERSEAS | NON - BANKING |
|---|---|
| State Bank of India (Canada) | SBI Capital Markets Ltd. |
| State Bank of India (California) | SBI Cards & Payment Services Pvt. Ltd. |
| SBI (Mauritius) Ltd. | SBI DFHI Ltd. |
| PT Bank SBI Indonesia | SBI Funds Management Pvt. Ltd. |
| Commercial Indo Bank LLC, Moscow | SBI General Insurance Company Ltd. |
| Nepal SBI Bank Ltd. | SBI Global Factors Ltd. |
| State Bank of India (Botswana) Ltd. | SBI Life Insurance Co. Ltd. |
| State Bank of India (UK) | SBI Pension Funds Pvt. Ltd. |
| | SBI-SG Global Securities Services Pvt. Ltd. |

**Disclosures on indicators for identification of Global Systemically Important Banks (G-SIBs) as on 31st March, 2021 have been disclosed separately on the Bank's website www.sbi.co.in under the link Corporate Governance.**

# GREEN INITIATIVE

Dear Shareholder,

## Green Initiative in Corporate Governance

In accordance with SEBI guidelines, we are issuing Annual Report in electronic form to those shareholders whose e-mail addresses are available.

Your Bank invites you to participate in the Green initiative by enabling the Bank to communicate with you through electronic mode i.e. e-mail. It will not only contribute to conservation of environment, but also bring in better efficiency in communication by obviating transit delays and losses. We request you to join us in this initiative by updating your email ID with your Depository Participant, if your holding is in demat form. Shareholders holding shares in physical form shall have to send their updated information / changes to the Registrar & Transfer Agent (RTA), M/s Alankit Assignments Ltd. through email to sbi.igr@alankit.com.

Further, while most of you hold shares of your Bank in demat form, some of you are still retaining the shares in physical form. SEBI has banned transfer of securities in physical form w.e.f. 01.04.2019. The Shares held by you in physical form can be easily dematerialized i.e converted into electronic form. The various benefits derived out of dematerialization of shares are:-

- Immediate transfer of securities.
- Reduction in risks associated with holding securities in paper form such as theft, damage due to fire, wear & tear, fake / forged securities etc.
- Change in address recorded with DP gets registered electronically with all companies in which investor holds securities
- eliminating the need to correspond with each of them separately;
- Transmission of securities is done by DP eliminating correspondence with companies;
- Holding investments in equity, debt instruments and Government securities in a single account;
- Automatic credit into demat account, of shares, arising out of bonus/ split/consolidation/ merger etc;

If you are holding shares in physical form, please approach any Depository Participant (DP) (like SBICAP Securities Limited toll free number 1800223345 email- helpdesk@sbicapsec.com) of your choice for opening the Demat account. Fill in a Demat Request Form (DRF) and handover the relative shares certificate(s) to your DP for Dematerialisation of your shares. Shares will get converted into electronic form and will automatically be credited to your Demat Account.

If you are receiving dividend in the physical form, you are requested to furnish/ update bank account details with DP/RTA, as the case may be, to receive dividend electronically.

We are sure that you will appreciate the “Green Initiative” taken by your Bank and hope that you will enthusiastically participate in the effort.

Kind Attention of shareholders is brought to Section 38A of the State Bank of India Act, 1955 inserted with effect from 15.09.2010 by the State Bank of India (Amendment) Act, 2010. As per the said section, a dividend declared by the State Bank which has not been paid to a shareholder or claimed by any eligible shareholder, within thirty days from the date of declaration shall be transferred to a special account called as “unpaid dividend account”. Further, all unpaid dividend amount of period prior to the above amendment was already transferred to the said “unpaid dividend account.” Any money transferred to the unpaid dividend account of the State Bank as above which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Bank to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013, for being utilised for the purpose and in the manner specified in that section. In view of the above, all shareholders are requested to ensure that any dividend payable to them, are claimed without any delay.

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SBI

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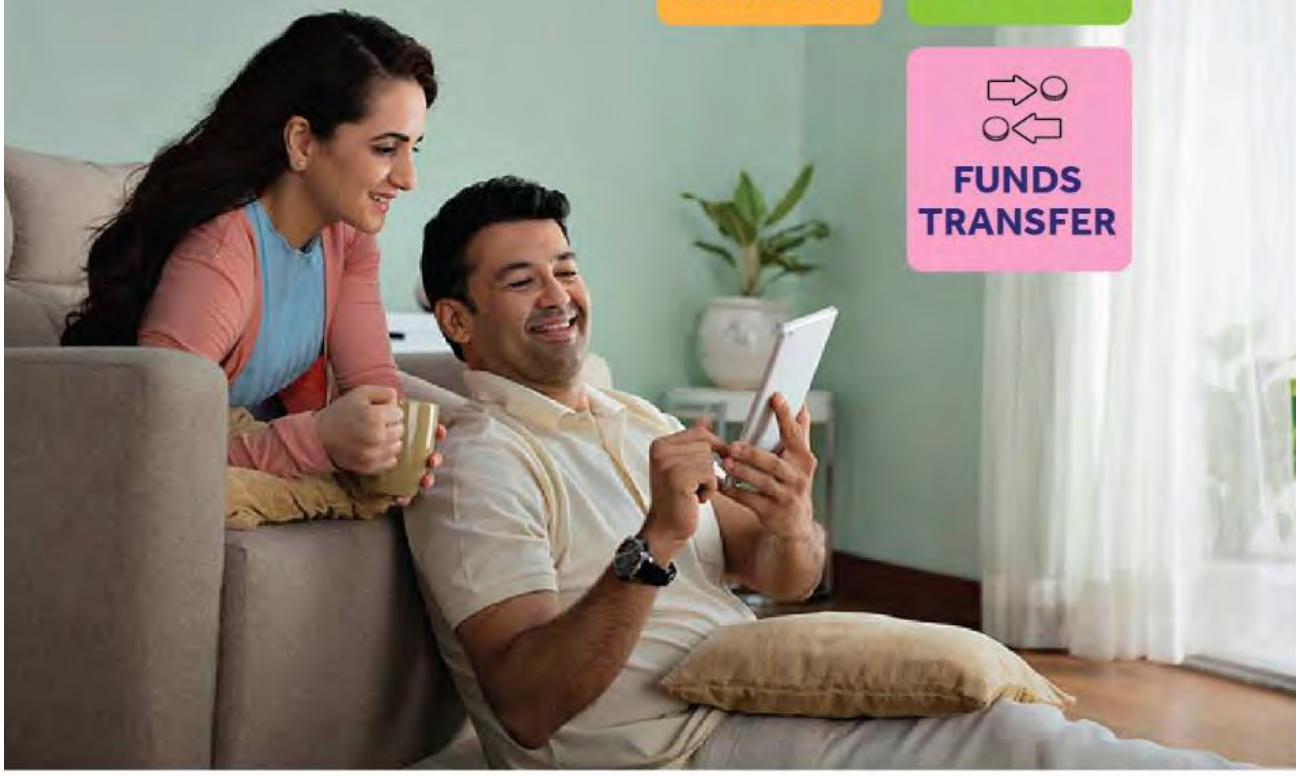

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