

## 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.

The summarised HR Profile of the Bank as on 31<sup>st</sup> 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
<b>Total</b>	<b>2,49,448</b>	<b>2,45,652</b>

#### 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".

### 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 30<sup>th</sup> 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.

### 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, To

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-savvy 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.

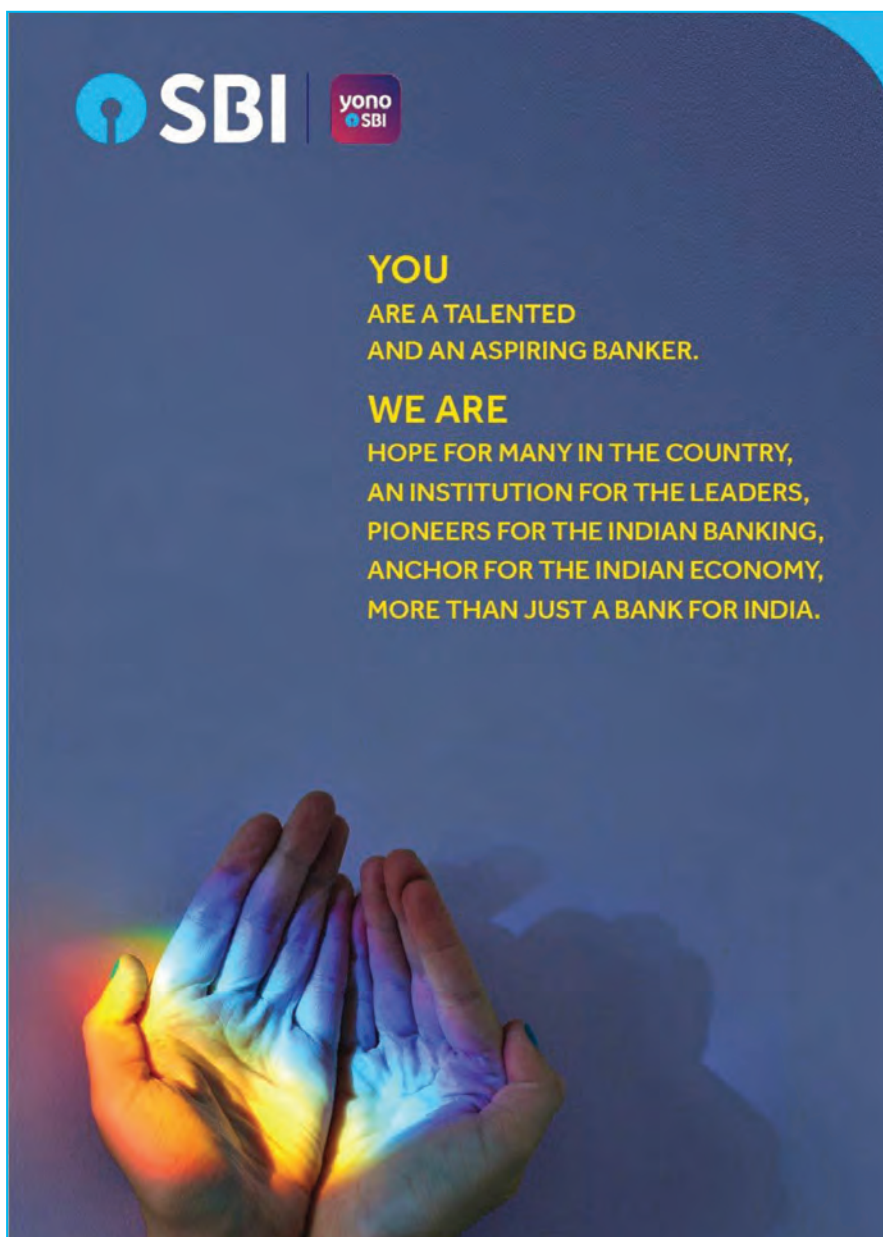
- As a measure to complete the recruitment process in a time bound manner your Bank utilised the IT platform and conducted the recruitment interviews through video conferencing following the social distancing protocols during the COVID-19 pandemic. This also reduced the long distance travelling through 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. 1<sup>st</sup> February 2019 in terms of the GOI guidelines.



#### Representation as on 31<sup>st</sup> 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
<b>Grand Total</b>		<b>245652</b>	<b>44649</b>	<b>19476</b>	<b>58047</b>	<b>4682</b>

\* 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 1<sup>st</sup> 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:

- 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.
- The Faculty was rigorously coached in delivering effective and engaging online interactions through external trainings and simulation courses.
- All stakeholders associated with imparting training were onboarded on a single virtual platform.
- An in-house, automated centralised training calendar management system was instituted.
- 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:**

- 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 1<sup>st</sup> October, 2020 by the Hon'ble Finance Minister.
- For all employees up to the Senior Management level: As a part of mandatory learning, the following is being offered to the employees:
  - 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



**Fundamental reset in training of Public Sector Bank officers**  
Finance Minister launches Uniform Training Programme for Induction and Mid-Level Training, including a module on Preventive Vigilance, for Officers of Public Sector Banks

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.

- 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.

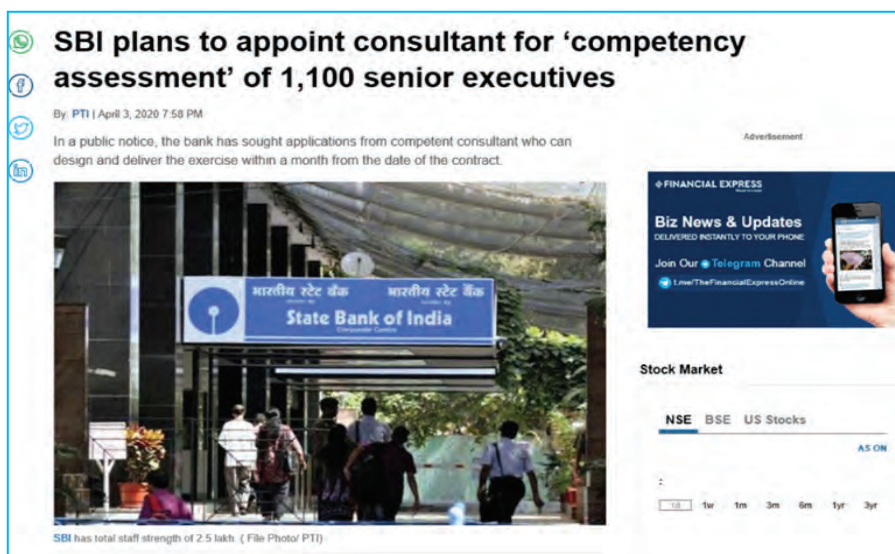
**b. Immersive Credit Skilling:** To make a positive difference in the economic scenario requires adroit handling of credit portfolio while resolving off-beat situations. Accordingly, all business leaders of DGM rank have been imparted intensive training in solution oriented credit decision making.

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**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

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.

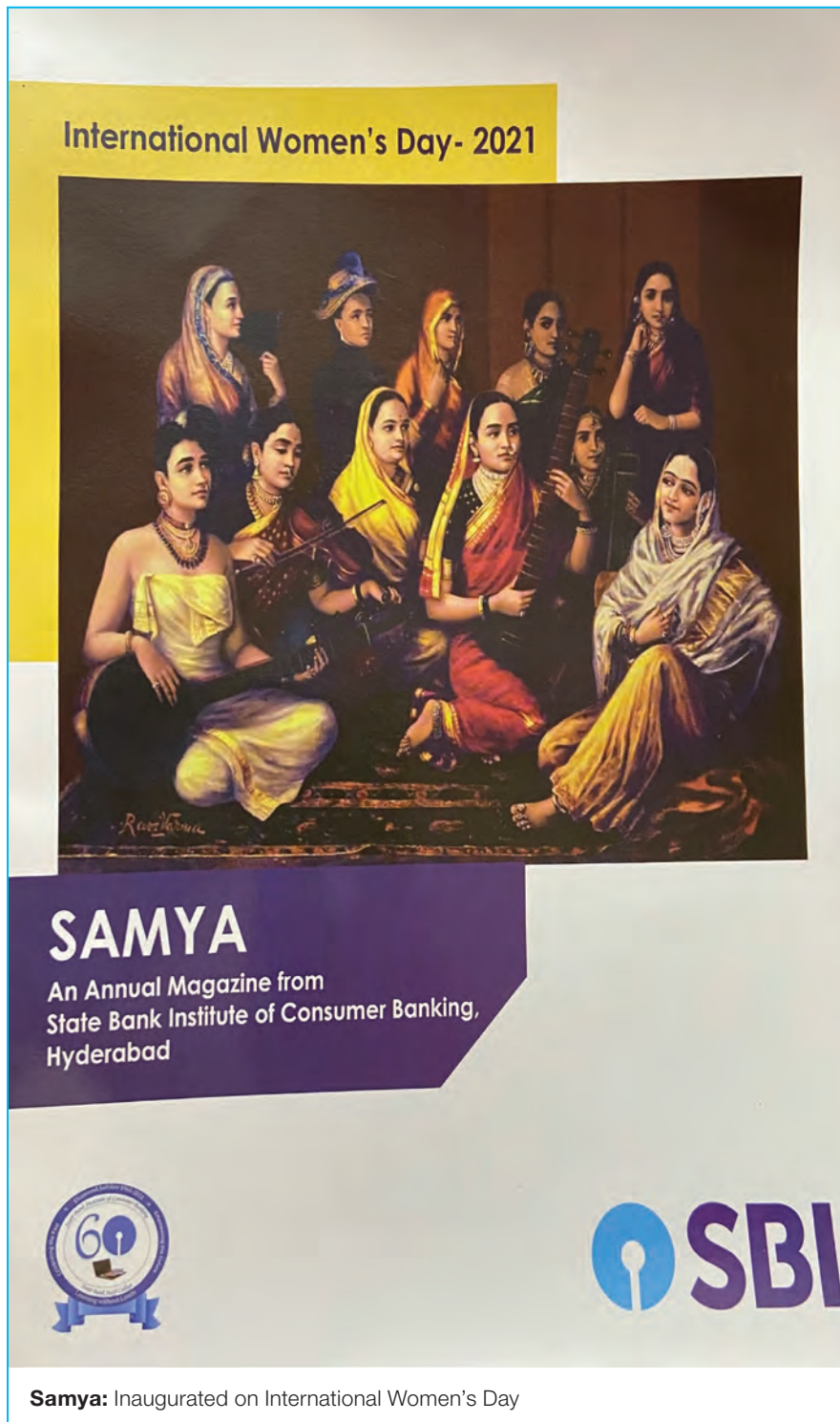


SBI Wizard: Final Event and Information Mailers





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.



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.

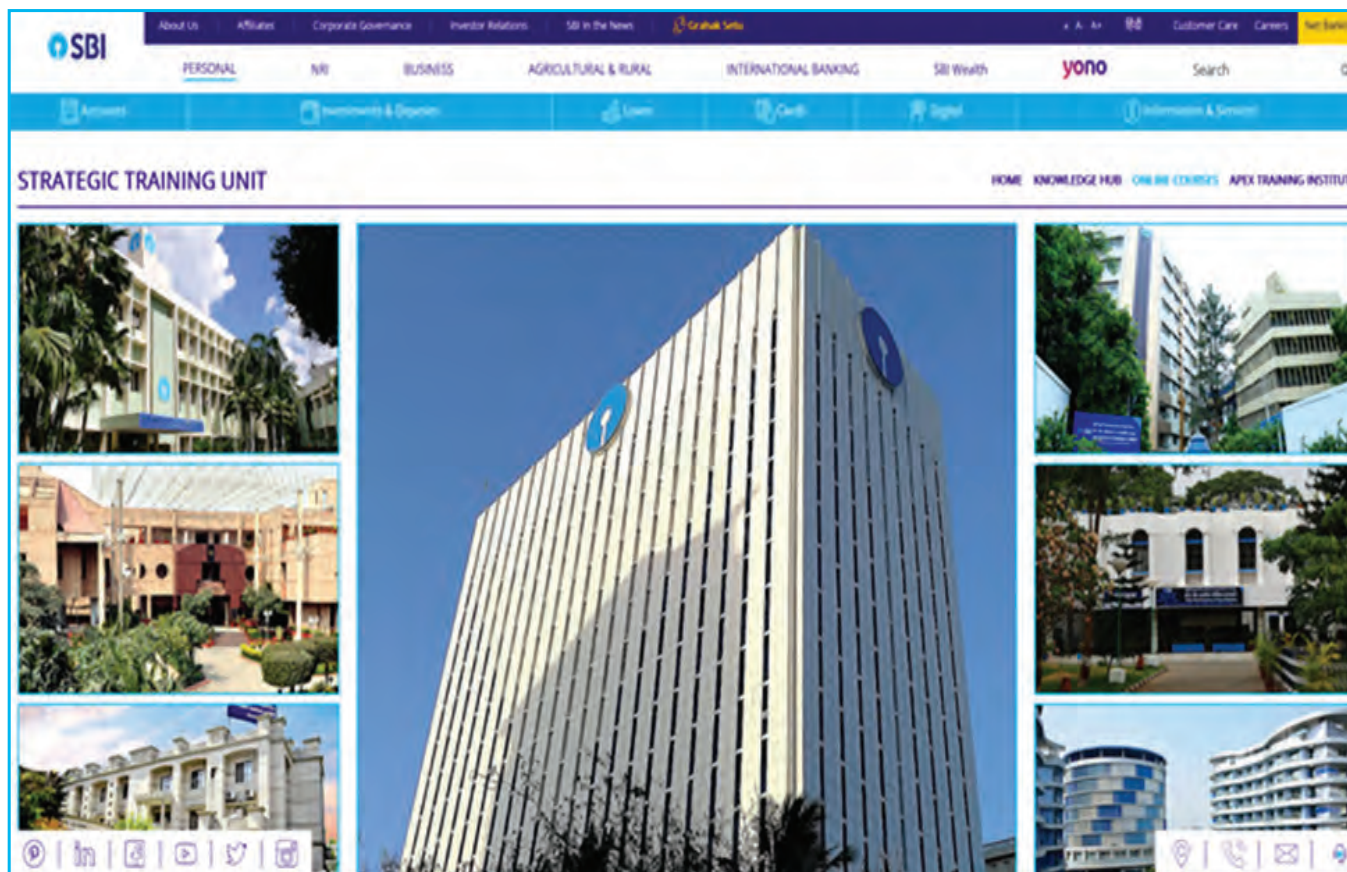
ii. **MOOCs on edX:** Your Bank is the first Corporate organisation in India and second financial institution in the world (after World Bank) to host in-house MOOCs on edX. So far, thirteen MOOCs have been launched and have received enthusiastic market response.

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 24<sup>th</sup> 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 31<sup>st</sup> 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

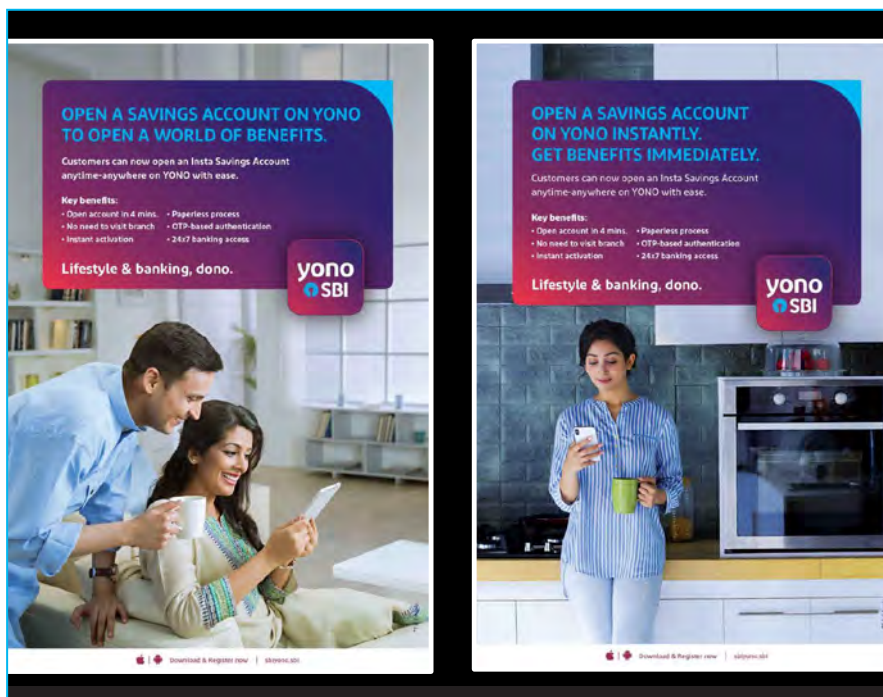
The three pillars are built on strong foundational capabilities across ways of working (cross-functional garage construct), modern technology architecture and skills (Agile, product management) to sustain the transformation. It digitally serves multifarious Banking interface requirements of all types 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 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:

- Cheque lodgement through Positive Pay System
- QR Code based ATM cash withdrawal
- RTGS 24\*7
- SIA Chatbot
- Apply IPO
- 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

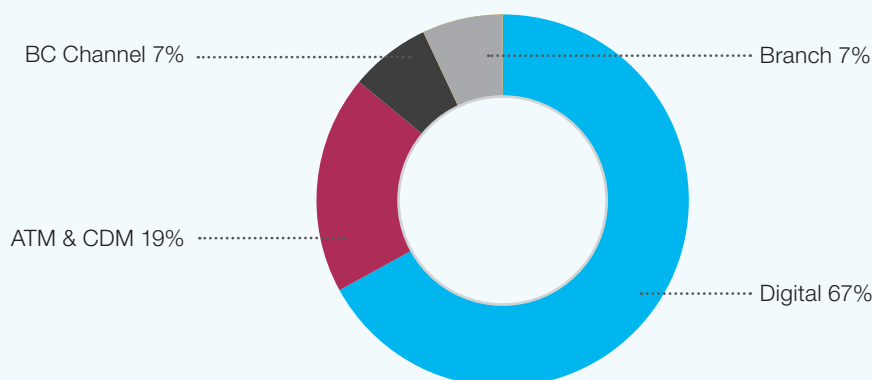
During FY2021, following facilities were introduced for the customers:

- Cheque lodgement through Positive Pay System
- SMS and Missed call-based loan lead generation for Personal loan, Gold loan, Home Loan and Car loans
- Mobile Top-up and Recharge facility
- SBI Samadhaan consolidation in SBI Quick app
- 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.

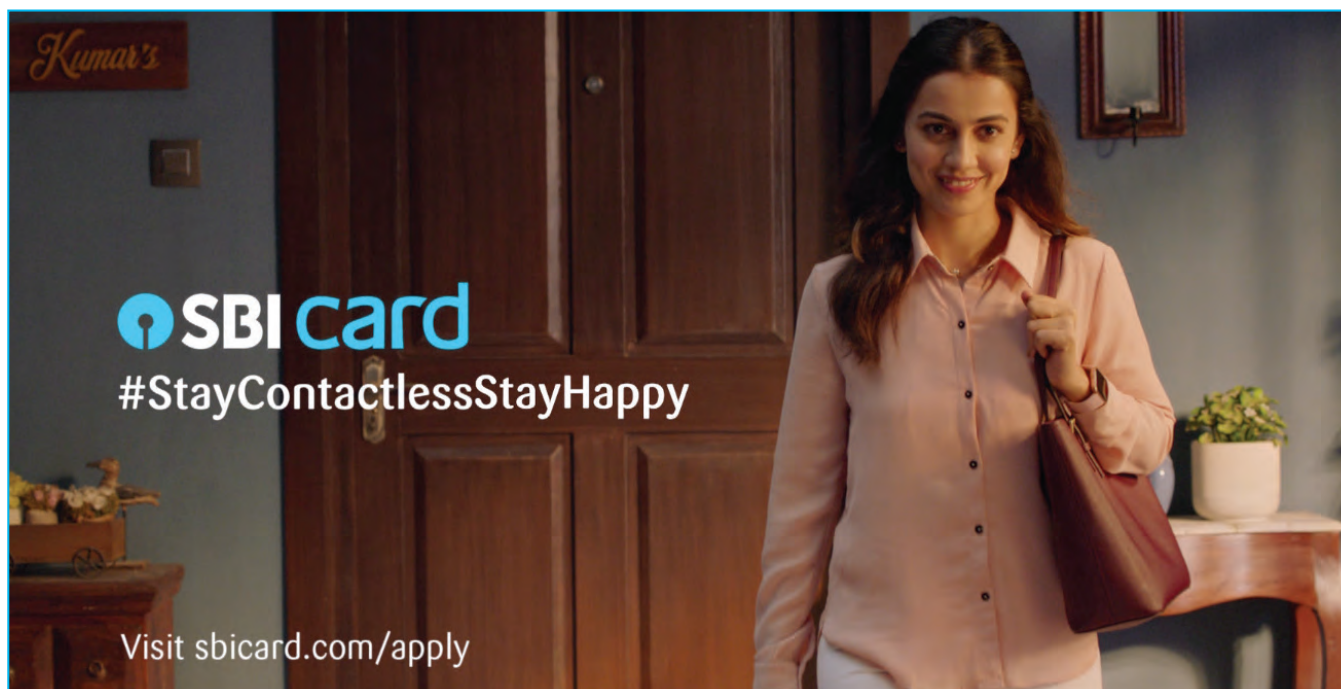
**4. Business Intelligence Department**

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 1<sup>st</sup> September, 2020.
- h) **Aadhaar Masking:** As per compliance, Aadhaar Masking was implemented at CKYC and other channels on 3<sup>rd</sup> October, 2020.
- i) 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.

## 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 Retail 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](http://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:

- 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.

- 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.
- 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.
- 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	<ul style="list-style-type: none"> <li>Gachibowli Data Centre awarded the M&amp;O certificate (Stamp of Approval) from Uptime Institute</li> <li>Only Data Centre in the BFSI sector in India to Achieve M&amp;O award by Uptime Institute</li> </ul>



### 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. 1<sup>st</sup> 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 1<sup>st</sup> 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

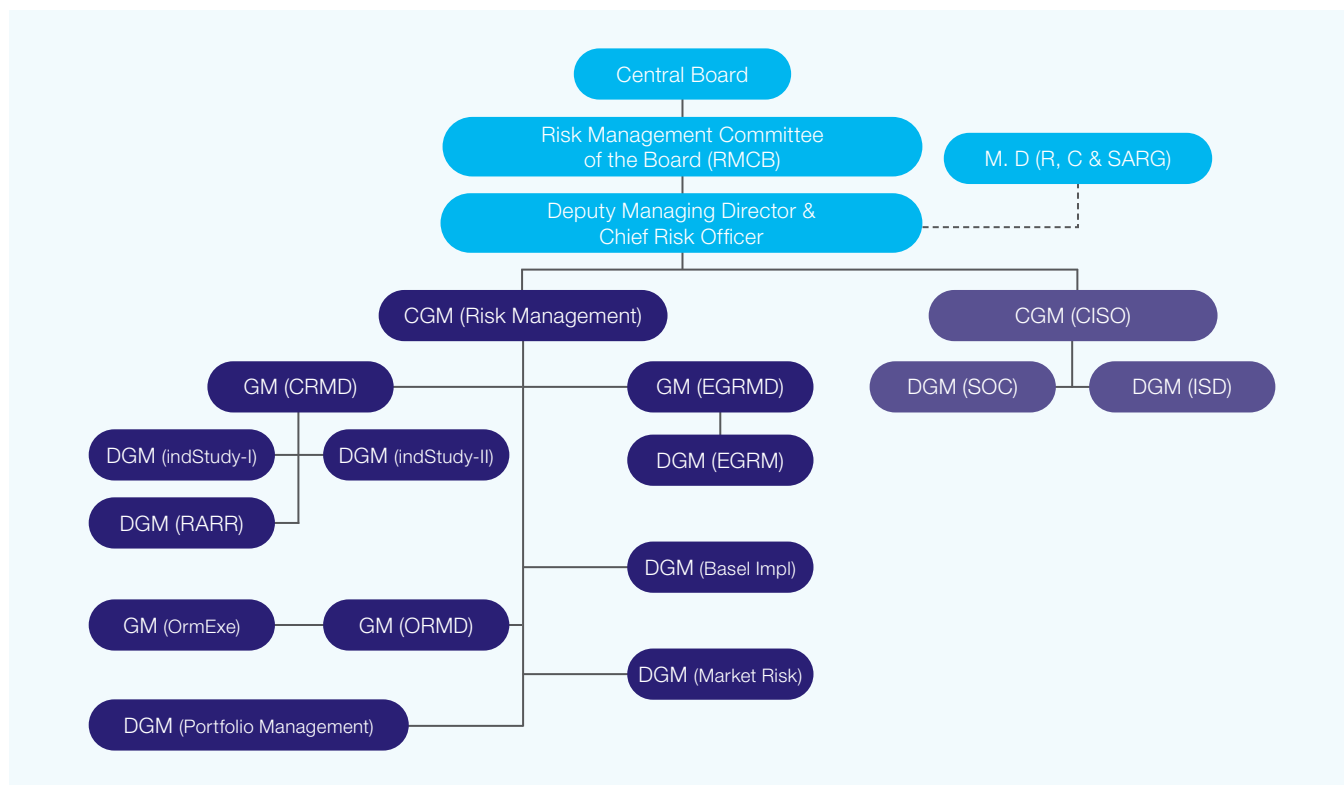
Enterprise Risk Management aims to put in place a comprehensive framework to manage and align risk with strategy at the whole Bank level. It encompasses global best practices such as establishing a Risk Appetite Framework, Risk Culture Assessment framework, Material Risk Assessment, amongst others.

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 1<sup>st</sup> 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 appraises 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 2<sup>nd</sup> November every year wherein pledge is taken on that day at all branches/processing centers and Administrative Offices. Similarly, 1<sup>st</sup> 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 18<sup>th</sup> June 2020 at the Corporate Centre, Mumbai.
2. Webinar on the subject "Customer Satisfaction" was held on 29<sup>th</sup> June 2020 at Bengaluru.
3. Training programme for Probationary Officers was held on 19<sup>th</sup> June 2020 at Kolkata.
4. All India Group Discussion on Implementation of Sustainable Development Goals for Sustainable Life was held on 19<sup>th</sup> 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 25<sup>th</sup> 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 29<sup>th</sup> 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 17<sup>th</sup> 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 31<sup>st</sup> 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 22<sup>nd</sup> 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 7<sup>th</sup> 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 18<sup>th</sup> 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 uninterrupted, 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 27<sup>th</sup> October 2020 to 2<sup>nd</sup> 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 1<sup>st</sup> 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)

	<b>FY2021 CSR Expenditure</b>
National Donations	26.00
Donations & other direct activities including RSETIs (for capex expenditure)	47.70
<b>Total</b>	<b>73.70</b>
SBI Foundation	71.18
<b>Total CSR spend</b>	<b>144.88</b>



### 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 Road, Delhi
- Your bank has helped in setting up of computer labs and robotics 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:**

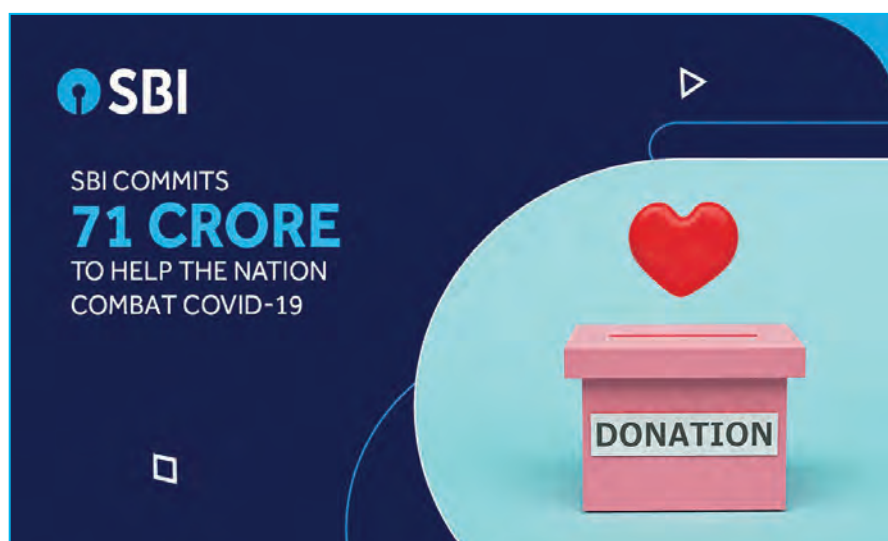
Rural Self Employment Training Institutes (RSETIs): India is one of the youngest nations in the world with more than 50% of its population below 25 years of age. Employability of the growing young demography is one of the important factors in the economic development of the country. The skill development 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

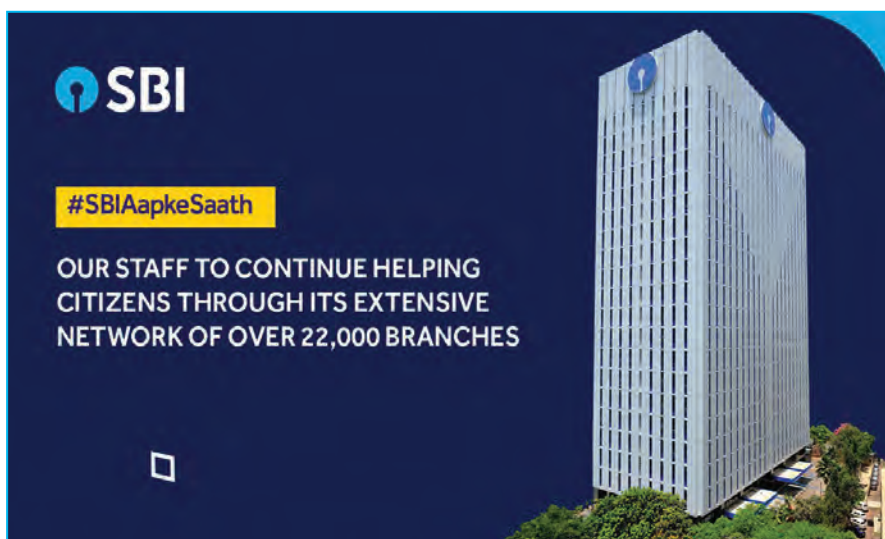
Your Bank is committed towards strengthening women empowerment and care for senior citizen. The major initiatives taken in this space are as follows:

- 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.



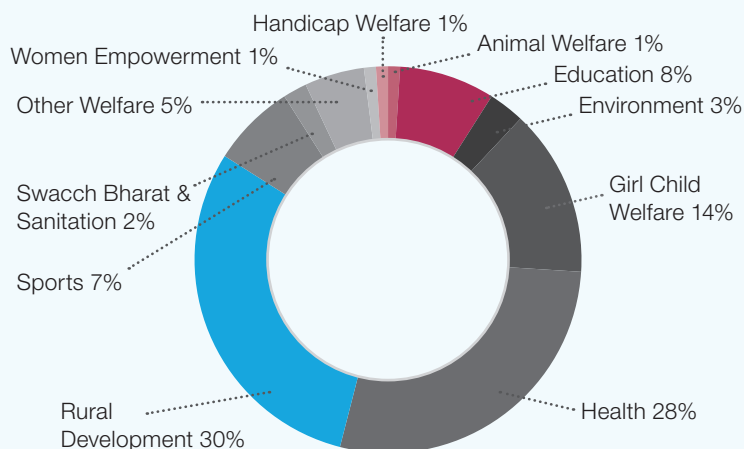
### Animal Welfare

- 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 undertaking 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 has 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 3<sup>rd</sup> 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.