



**Enterprising bank.
Enduring enterprise.**



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NOTICE

STATE BANK OF INDIA

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

The 65th Annual General Meeting of Shareholders of the State Bank of India will be held at the “SBI Auditorium”, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai-400021 (Maharashtra) on Tuesday the 14th July, 2020, at 11.00 A.M. for transacting the following business:

“To discuss and adopt the balance sheet and the profit and loss account of the State Bank of India made up to the 31st day of March 2020, the report of the Central Board on the working and activities of the State Bank of India for the period covered by the Accounts and the Auditor’s Report on the Balance Sheet and Accounts”.

Corporate Centre,
State Bank Bhavan,
Madame Cama Road,
Mumbai - 400 021
Date: 05th June, 2020

(RAJNISH KUMAR)
CHAIRMAN

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

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular"), physical attendance of the Members to the EGM/AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). The Board of Directors of the Bank has decided to adopt the above guidelines issued by Ministry of Corporate Affairs and SEBI in conducting Annual General Meeting of the Bank. Hence, Members can attend and participate in the ensuing Annual General Meeting through VC/OAVM, which may not require physical presence of members at a common venue. The deemed venue for the meeting shall be State Bank Auditorium, Corporate Centre of the Bank.
2. In view of the VC facility being provided to the members of the Bank, the facility to appoint proxy to attend and cast vote for the members as provided in Regulation 34 of SBI General Regulations, 1955 is not available for this Annual General Meeting. However, the Body Corporates are entitled to appoint authorised representatives as provided in Regulation 32 and 33 of SBI General Regulations, 1955 to attend the Annual General Meeting through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the Annual General Meeting in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC/OAVM will be made available for at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.
4. The attendance of the Members attending the Annual General Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Regulation 24 of SBI General Regulations, 1955.
5. Pursuant to the provisions Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) read with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, (as amended), and the MCA Circulars the Bank is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Annual General Meeting. For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on 14th July, 2020 the date of the Annual General meeting will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the Annual General Meeting has been uploaded on the website of the Bank at www.sbi.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the Annual General Meeting Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. Annual General Meeting has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circular dated May 12, 2020 and if conditions are conducive and the local authorities permit for conducting the Annual General Meeting, Meeting may be convened in terms of SBI Act and SBI General Regulations, 1955.
8. In terms of Regulation 7 of SBI General Regulations, 1955 in case of joint holders, the Member whose name appears first as per the Register of Members of the Company will be entitled to vote at the Annual General Meeting provided the votes are not already cast through remote e-voting.
9. Members who opt to be present through VC and who do not cast their vote through remote e-voting will be allowed to vote through e-voting at the Annual General Meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period commence on 10th July, 2020 at 10:00 A.M. IST and end on 13th July, 2020 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the Member, the Member shall not be allowed to change it subsequently.

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

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

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Bank. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the Bank, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system[₹]

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Bank for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@mehta-mehta.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager NSDL at evoting@nsdl.co.in ; or amitv@nsdl.co.in; or pallavid@nsdl.co.in or at telephone Nos. +91-22- 24994360 or + 91-9920264780 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.complaints@sbi.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.complaints@sbi.co.in.
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

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

1. The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting. The Members are entitled to vote in terms of Regulation 31 of the SBI General Regulations, 1955.
3. Members who have voted through remote e-voting will be eligible to attend the Annual General Meeting. However, they will not be eligible to vote at the Annual General Meeting.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same person mentioned for remote e-voting.
5. In case, if Bank gets permission to conduct physical Annual General Meeting, voting through tablets will also be made available to members who have not earlier voted through remote e-Voting.

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

1. Member will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of the Bank will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investor.complaints@sbi.co.in in advance before the start of annual general meeting on 14th July, 2020 at 11.00 a.m.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions. The same will be replied by the Bank suitably.

Determination of voting rights.- Subject to the provisions contained in section 11 of the SBI Act, each shareholder who has been registered as a shareholder for a period of not less than three months prior to the date of annual general meeting shall, at such meeting, have one vote for each fifty shares held by him or it. Every shareholder [other than the Central Government] entitled to vote as aforesaid who, shall have one vote for each fifty shares held by him/her for the whole period of three months prior to the date of such meeting i.e. 13.04.2020.

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

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

(RAJNISH KUMAR)
CHAIRMAN

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

ABOUT SBI

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

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

Vision

Be the Bank of Choice for a Transforming India

Mission

Committed to providing Simple, Responsive and Innovative Financial Solutions

Values

- Service
- Transparency
- Ethics
- Politeness
- Sustainability



Our Services



Personal Banking

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

36 Lakh
SBI's Home Loan Customer



SME Banking

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

₹2,67,614 cr.
Total SME Advances



International Banking Group

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

233 Offices
Presence across all Time Zones



Rural Banking

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

1.42 cr.
Farmers catered by SBI



Government Banking

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

₹52,62,643 cr.
Total Government Business Turnover



Corporate Banking

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

₹8,44,215 cr.
Total Corporate Advances



Investments

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

27.40%
ROE recorded by SBI Card

SBI'S JOURNEY THROUGH NUMBERS

We are India's Largest Bank, in terms of Deposits, Advances, Customers & Banking Outlets.

44.89 cr.
Customers

Market Share
22.84%
Deposits

Market Share
19.69%
Advances

22,141
Total Branches

58,555
Pan-India ATMs & ADWMs
(Automated Deposit & Withdrawal
Machines CDMs & Recyclers)

61,102
BC Outlets

91%
Share of Transactions
on Alternate Channels

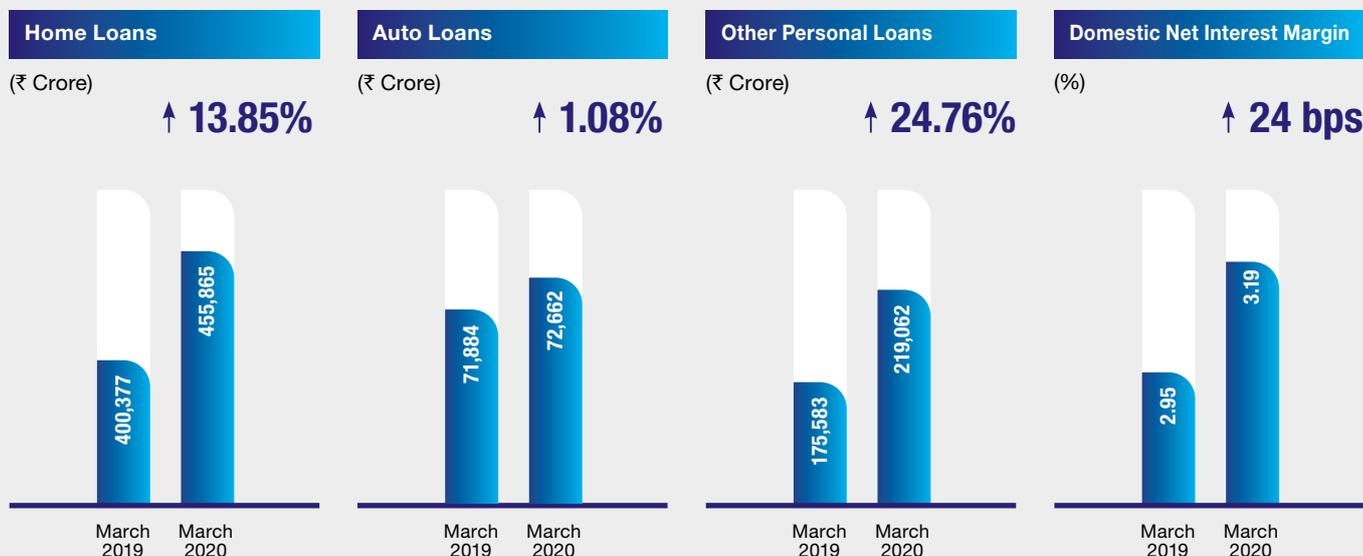
13.43%
Market Share
in no. of POS

29.42%
Market Share in Debit
Card Spends

15.53 cr.
Financial Inclusion
Accounts

₹2,27,469 cr.
Financial Inclusion
Transaction Amount

49.29 cr.
Financial Inclusion
Transactions Through
BC Channel





Enterprising bank. Enduring enterprise.

A progressing India is digitally advanced. The country is witnessing an accelerated pace of innovation and technology adoption. As the digital economy is thriving, SBI is also moving forward with its technological developments and growing its presence in multi-channel platforms, keeping itself ahead in the curve. We are committed towards transforming ourselves into a digitalised organisation, supported by technology enabled backend operations.

SBI intends to be a partner to a progressing India. We aim to continue helping our customers realise their aspirations, and make their day-to-day banking intuitive, easy, and secured. As the banker to every Indian, we will also continue to research and expand new ways to stay at the forefront of digital banking. With the evolution of time, we recognise the role played by technology to develop the society and make it more advanced. Therefore, we are unceasingly enhancing our digital banking efforts to deliver seamless services anytime and anywhere.

We believe that as a people's bank, we have a responsibility of catering to the smallest needs of customers who are located in different parts of the world. Our aim is to become a trusted and the most preferred banker to every Indian. We are already working closely with each of our retail, corporate and PSU customers. At every level, we will be innovative and proactive in finding workable solutions and remedies, for ringing in a better future.

Over the past few years, we have been doing many things to enhance our return on assets. At every turn, we have always looked to surpassing industry excellence standards, so that we can enhance the bank's lending performance, profitability, asset quality and the pace of capital generation.

As the oldest bank in India, SBI continues to pursue its ultimate goals of meeting the core operating profit targets for each business unit, and for improving its ROA on a constant basis. With every passing year, SBI

stands at the forefront of the banking industry and continues to be the most critical engine of India's growth and success. Going forward, we intend to be steadfast in our on-going journey towards strengthening our overall balance sheet, while being a compassionate banker.

Today, the world has come to a standstill due to the emergence of a global pandemic. However, governments across the world remain undeterred and committed. In these time of global solidarity, India too stands at a leading position supporting other countries while also courageously moving forward to heal herself. At times like this, the role we play for all our stakeholders is most crucial.

In our 214 years legacy of responsible banking, we have always been committed to help India run. As a leading financial institution to this country, we are determined to be a compassionate banker to every Indian. Our consistent goal is to offer uninterrupted banking solutions to our customers, clients, and colleagues, made possible by tens of thousands of amazing and dedicated SBI people around the world. Despite the multiple challenges of an unexpected disruption, they have tirelessly kept our services running, keeping the interests of our customers at the forefront.

It is our undeterred focus on innovation, customer service and value creation that makes SBI an **Enterprising Bank**. It is our time tested resilience as the leading bank in India that makes us an **Enduring Enterprise**.



To view Annual Report 2020 online, visit: <https://sbi.co.in>

We are continuously investing in building the bank of the future. The digital payments landscape in India is evolving at an accelerated rate, and we are playing an active role in transforming India through the digitalisation of the economy.



~46+ million
Total downloads of YONO

~21+ million
Total YONO registrations

29.42%
Market share in debit card spends

“

Yono is an integrated proposition serving banking and beyond needs of the customer - with innovative banking offerings like YONO Cash, 40+ products across insurance and investments and lifestyle and shopping options from 80+ merchant partners

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Being increasingly digital plays a big part in helping us reduce our costs, which in turn improves our profitability matrix.

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Today, we have already garnered major market share across multiple digital channels. Our flagship all-encompassing digital platform, YONO, is testimony to our prowess in delivering cutting-edge digital services to millions of retail customers. They are increasingly choosing to bank with us online, and YONO is seamlessly connecting us with them. We are pleased to announce that by 31st March 2020, Yono set a new record with ~46+ million downloads and ~21+ million registered users. Yono is an integrated proposition serving banking and beyond needs of the customer - with innovative banking offerings like YONO Cash, 40+ products across insurance and investments and lifestyle and shopping options from 80+ merchant partners. To encourage wider adoption, we have also launched a mobile banking app for our retail customers, called 'YONO Lite'. To cater to our diverse customer base, the app is available in eight regional languages besides English. In addition to YONO, we have also set up 'SBI Anywhere Corporate', which is another banking app designed for delivering online transactions for proprietorship firms.

Furthermore, we have focused on shifting the usage of debit cards by customers, away from ATMs and more towards PoS terminals and e-Commerce websites. We have also launched various functionalities around debit cards, such as NCMC compliant RuPay Card, RuPay JCB (for international conveniences), usage of RuPay Card in Bhutan, and MasterCard World for premier customers. These initiatives have made us a market leader in terms of our share in total debit card spends, which is at a high of 29.42% for the financial year under review. With approximately 27.81 crore actively used debit cards as on 31st March 2020, we also continue to lead in debit card issuance in the country.

In sync with the focus of the Government of India to create a 'less-cash' economy, we have expanded our digital footprint across the country. To this end, we have tied-up with significant corporate and Government departments to migrate their operations from cash to the digital mode. We have also embarked on a digital journey for the sale of third-party products.

The advent of digitalisation has strengthened need-based selling and improved the stickiness of our customers. In the case of SBIMF and SBI Life, 100% and 98% of the sales, respectively, are carried out digitally.

As a bank focused on optimising returns, SBI strives to make its business more resilient, better controlled, and more profitable. Being increasingly digital plays a big part in helping us reduce our costs, which in turn creates the financial capacity to improve our profitability matrix. We endeavour to accelerate our digital journey even more and continue to play a leading role in capturing innovations and scaling their adoption for millions of customers and clients.

THE LEADING DIGITAL BANK: TECHNOLOGY

SBI is leading the digital transformation drive to serve an increasingly digital India

 Basic Banking facilities	 One view Dashboard of all your transactions	 Shopping through 80+ E-comm & Merchant stores	 Membership shopping Discounts & Privileges	 Transfer through UPI Payment	 Link & Manage all your SBI relationships	 Buy Insurance & MF
 Get Loans and Credit Cards	 Analyse your spending	 4 Click Personal Loans up to ₹ 8 lakh	 Book new Car under special deals	 Book your hotel stay for a vacation	 Automated help answered by an SIA Bot	 YONO available Globally

At State Bank of India, we place our customers at the centre of everything we do. We do this by listening to them attentively, and by customising our products and services to address their ever-evolving needs. With a preeminent leadership position in the marketplace, we are continuously investing and innovating to keep raising the bar in customer service and experience.



LEADERSHIP IN SERVING CUSTOMERS:
SERVING
raising the bar in customer
service and experience

We serve a diverse variety of customers that come in all shapes and sizes. At one end of the spectrum, we serve small and large global customers, across the entire spectrum of their banking requirements. At the other end of spectrum, we serve agricultural and small & medium-sized businesses throughout India, by providing them with financing options and necessary solutions to thrive. In between, we serve the fast-growing middle-class population of India for a variety of their individual financial needs.

The dynamic customer preferences, especially of the younger population, coupled with an increased focus on enhanced customer convenience, are transforming the retail banking landscape. The retail and digital banking group is our largest business vertical constituting 94.31% of our total Domestic Deposits and 58.14% of total Domestic Advances, as on 31st March 2020. We have continued to lead the market in the home loans segment by registering a market share of 30.80% amongst all the ASCBs. Besides this, we have launched multiple new

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Over recent years, we have launched numerous digital initiatives that have redefined our customers' banking experience. Today, we have a well-placed multi-channel delivery model, which offers our customers a wide choice in how they can carry out their transactions, at any time and any place.

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activities, such as the introduction of a consolidated processing fee for our home loan customers and digitalised vendor verification module, which should help us in faster verification. All our endeavours are directed towards making State Bank of India the 'Choice of Customers' for home loan products, with an emphasis on sustainable growth. Today, we have 36 lakh satisfied home loan customers, and adding many more each day.

We continue to be at the forefront in the digital banking domain with a steady stream of technology-driven innovations. Over the last couple of years, we have launched numerous digital initiatives that have redefined our customers' banking experience. Today, we have a well-placed multi-channel delivery model, which offers our customers a wide choice in how they can carry out their transactions, at any time and any place. In FY2020, we increased our offerings across multiple channels – digital, mobile, ATM, internet, social media and our branches, to ensure the seamless delivery of our products and services.

When it comes to Agri financing, State Bank of India is a pioneer and market leader. From 'Farm to Plate', we have a solution to match any financing need within the entire value chain of the agricultural economy. Similarly, we view Small and Medium Enterprises (SMEs), as a critical segment of our business, considering their contribution to India's GDP and the role they play in the development

of the economy. To help sustain India's transformation, we have established the highest number of touchpoints across the country within the industry, in terms of our own branch network and through other third party channels. To enhance the ease of doing business for SMEs, we have initiated a new delivery model by establishing Asset Management Teams (AMTs), so that we may be able to maintain an end-to-end relationship with customers taking loans under ₹50 lakh. By strengthening and improving the quality of workforce in this area, we have significantly improved our service level to SMEs.

Our customers' faith and trust in the SBI franchise is fundamental to growing the scope of our relationship with each customer. As a banking powerhouse, we understand the value of cross-selling and gaining a larger wallet-share of our existing customer base. Our customers also benefit by having greater access to a myriad of financial solutions under our roof. Through our vast branch network, spread across the length and breadth of the country, they can access multiple financial solutions, such as Mutual Funds, General Insurance, Life Insurance, Credit Cards, National Pension System and Demat Accounts.

To ensure uninterrupted service and convenience, we have established an online Complaint Management System (CMS), where our customers can lodge their complaints, feedback and suggestions online through our website, www.sbi.co.in. In addition

to this, our contact centres operate 24*7*365 in different geographical areas, servicing our customers in Hindi, English and ten other major regional languages. We have also established an internal contact centre with our staff for escalating any issue beyond the purview of our regular contact centres, to ensure a better customer experience.

Not resting on our laurels, we aim to keep improving our inquiry and complaints resolution workflow. We are continuously identifying and addressing the root causes of customer concerns and keep investing to improve the quality of our services. We also intend to explore and pursue new ways of working, in order to meet our customers' evolving needs.

“

At the other end of spectrum, we serve agricultural and small & medium-sized businesses throughout India, by providing them with financing options and necessary solutions to thrive.

”

₹4.56 lakh crore

Home Loans Portfolio
of your Bank

36 lakh

Satisfied Home
Loan Customers

FY2020 will be remembered as successful year of delivering quality secular growth across all our businesses, while crossing the inflection point of delivering a strong transformation story that has defined your Bank.

It will also be remembered for our progress on enhancing the Bank's lending performance, profitability, asset quality and the pace of capital generation. Despite tough market conditions, the Bank has gained market share across its entire product line, a testimony to its strong standing within the industry. At the same time, we are constantly recalibrating our lending strategy to bolster the quality of our loan book. Consequently, we are building a strong reputation for running a high calibre business and taking leadership positions in many of our businesses.

This outcome has been the culmination of many years' efforts on improving our credit processes and establishing strong filters for accumulating quality loan mandates and building a robust and growing retail business. Your Bank has made remarkable strides in its capabilities and growth in adoption of digitisation across its operations. While we continued to roll out of several IT initiatives and pathbreaking B2C platforms to become an endemic part of digital India, we also enhanced our branch reach and experience to serve India's urban and rural population. Today, these transformative initiatives have made SBI highly competitive and relevant to its diverse base of customers. With this backdrop, we are now ideally positioned for delivering superior value creation through sustainable growth. Going forward, we are placing great importance to our financial inclusion initiatives, that will drive future growth and value creation opportunities for the Bank.

Meanwhile, we continue to take several accounts towards positive resolutions of our stressed assets, with many cases approaching the end of their resolution funnel. On the liabilities

management side, we strengthened our strong deposits franchise as a reliable liabilities foundation to fund credit growth, while maintaining a prudent treasury operation. During the latter part FY2020, we successfully unlocked value through our IPO listing of our subsidiary SBI Card, which received an overwhelming response from the capital market, with a subscription of over 26 times. The successful IPO of this entity is a testimony to your Bank's ability to spawn and nurture businesses that become leaders in their domain areas. The Company is the second largest credit card issuer in India, with a customer base of over 10 million.

FY2020 was another year of the significant strengthening of our sizeable balance sheet and creating value for our shareowners. Today, we remain well structured, on the back of a strong capital and leadership position, towards a journey of steadily improving ROE and ROA. Going into FY2021 and beyond, your Bank remains a resilient institution with more than adequate reserves and surplus. Despite the Covid-19 disruption to the global economy, we are confident of showing our durability and coming out stronger at the other end of this momentous economic and lifestyle re-set, brought upon us by COVID-19.

The Bank is deeply committed to contributing to society at large. We will continue to serve as a trusted partner to all our stakeholders by responsibly providing financial services that enables growth and economic progress for people of all income groups.

“

FY2020 was another year of the significant strengthening of our sizeable balance sheet and creating value for our shareowners. Today, we remain well structured, on the back of a strong capital and leadership position, towards a journey of steadily improving ROE and ROA.

”

For the moment, we are squarely focused on working closely with all our stakeholders to play our part in helping India and its peoples to regain its pole position as the world's fastest growing large economy. We intend to deliver on this by being an empathetic bank that is sensitive to the human side of a challenging economic climate. By continuing to be a caring banker to every Indian.

7.74%

Return on Equity as on 31st March, 2020



“

During the latter part FY2020, we successfully unlocked value through our IPO listing of our subsidiary SBI Card, which received an overwhelming response from the capital market, with a subscription of over 26 times.

”

RESPONSIBLE TO OUR SHAREHOLDERS:

RESPONSIBLE

improving returns by attaining market leadership across multiple businesses

As India's premier bank, we believe in leading by example in having a positive impact on society at large. We believe in being a strong enabler for uplifting the underserved population, so that they too can be beneficiaries of a modernising and progressing nation. Amongst the most critical indicators of development and well-being of any society is the extent to which 'Financial Inclusion' exists within an economy. As "the Banker to every Indian", we see this to be a defining purpose by which we conduct ourselves.

SERVING COMMUNITIES: **CARING** navigating India's Financial Inclusion Agenda

Towards this end, our framework of touchpoints through our branches, digital banking channels and a network of business correspondents, serve as the basic foundation on which we are expanding our financial inclusion initiatives. To achieve inclusive development and growth, we have thoughtfully curated policies and leveraged technology to expand our financial services to the doorsteps of India's vast unbanked population. Through a multi-pronged approach, we aim to bring them under the ambit of the formal banking system.

We not only intend to offer convenient banking solutions to every person in the country but also impart adequate financial literacy. To achieve this, we have actively established 341 Financial Literacy Centres (FLCs) across the country. As of FY2020, these FLCs have conducted 29,995 financial literacy camps across India

recording total participation of 16.82 lakh people. As a part of the pilot project implemented by RBI, we have placed 15 such centres for Financial Literacy at the block level, 5 each in the state of Maharashtra, Chhattisgarh and Telangana in association with NGOs identified by RBI.

We are also a recognised RSETI agent, encouraging social change through rural employment and wealth creation. We have so far founded 152 RSETIs, spreading across 26 states and three union territories. Till the 31st of March, 2020, we have successfully trained 93,009 candidates through our extensive network. During the year under review, SBI was adjudged the 'Best Performing Bank' in delivering on the implementation of the RSETI initiative by the Ministry of Rural Development (MoRD) on 19th December 2019.

At State Bank of India, we maintain our long-term vision to ensure that financial inclusion permeates within the country. It is our pride to realise that while we make our journey ahead a rewarding one in terms of value and wealth creation, we are doing so by fostering the development of India's people and its economy.



₹2,27,469 crore

Transaction amount recorded by our BC channel

12.05 crore

PMJDY accounts opened by SBI

11.28 crore

RuPay Debit Cards issued to customers

61,102

Operational Business Correspondents of SBI

“

During the year under review, SBI was adjudged the 'Best Performing Bank' in delivering on the implementation of the RSETI initiative by the Ministry of Rural Development (MoRD)

”

Our people are the drivers and enablers of all our accomplishments. Maintaining strong and healthy relations with our employees is fundamental to our success. As our most valuable capital, we nurture and invest in our people so that they can develop and grow in tandem with the objectives of your Bank.

“

As our most valuable capital, we nurture and invest in our people so that they can develop and grow in tandem with the objectives of your Bank.

”

OUR INTELLECTUAL CAPITAL: OUR PEOPLE

influencing a performance-driven culture

We believe that people with different perspectives and life experiences make our organisation even more powerful. To this purpose, we are ensuring that our employees operate in a diverse and inclusive environment in their workplace. We believe that the culture at SBI is developed and shaped by our several employees across the globe, who serve our customers with a unified purpose.

We aim to attract, develop and retain the best people in our organisation. Towards this end, we have established a dynamic Career Development System that helps to generate improved transparency, inclusiveness, responsibility and effectiveness in our process. The system has proved to be highly effective in ensuring a credible data-backed performance evaluation process. It has also resulted in aligning individuals more precisely to our organisational goals. We have also implemented a mid-year online feedback mechanism to drive the performance review process. In addition to this, we have a Succession Planning policy for

the senior leadership position to maintain a smooth transition at all prominent executive-level positions.

At State Bank of India, engaging and interacting with our employees is fundamental to our long-term growth and development. Hence, we take many measures to proactively engage with our employees. Firstly, we have established ‘Sanjeevani’, which is a helpline for redressal of staff grievances. It also extends counsellor support, which is a measure to enhance employee morale. Secondly, we have conducted the most extensive employee engagement initiative ‘Abhivyakti’, to determine the factors that motivate employees to deliver their best performance, and also the ones that hinder their productivity. The initiative recorded participation of 1,91,881 employees, making ‘Abhivyakti’ the largest ever engagement program conducted in any organisation in India.

For several years now, we have recognised the importance of measuring progress around our

gender diversity agenda. We continue our efforts to advance women in our workplace. As of today, 25.28% of our total workforce are women.

As we move forward, our focus remains on enabling an engaging work environment that will encourage long-term retention and contribution.

We believe that the seamless contributions of our people drive our growth. Going forward, we plan to keep investing in them in making the State Bank of India an excellent place to work.



2,49,448

Total workforce

25.28%

Women employees

2,00,000

Employees trained annually

“

We believe that the culture at SBI is developed and shaped by our several employees across the globe, who serve our customers with a unified purpose.

”

SBI GROUP STRUCTURE

as on 31st March, 2020

NON-BANKING SUBSIDIARIES / JOINT VENTURES



FOREIGN BANKING SUBSIDIARIES / JOINT VENTURES



FOREIGN NON-BANKING SUBSIDIARY



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

FINANCIAL HIGHLIGHTS: 10 YEARS AT A GLANCE

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-2019	2019-2020
Liabilities										
Capital (₹ in crore)	635	671	684	747	747	776	797	892	892	892
Reserves & Surplus (₹ in crore)	64,351	83,280	98,200	1,17,536	1,27,692	1,43,498	1,87,489	2,18,236	2,20,021	2,31,115
Deposits (₹ in crore)	9,33,933	10,43,647	12,02,740	13,94,409	15,76,793	17,30,722	20,44,751	27,06,344	29,11,386	32,41,621
Borrowings (₹ in crore)	1,19,569	1,27,006	1,69,183	1,83,131	2,05,150	3,23,345	3,17,694	3,62,142	4,03,017	3,14,656
Other's (₹ in crore)	1,05,248	80,915	95,404	96,927	1,37,698	1,59,276	1,55,235	1,67,138	1,45,597	1,63,110
Total (₹ in crore)	12,23,736	13,35,519	15,66,211	17,92,748	20,48,080	23,57,617	27,05,966	34,54,752	36,80,914	39,51,394
Assets										
Investments (₹ in crore)	2,95,601	3,12,198	3,50,878	3,98,800	4,81,759	5,75,652	7,65,990	10,60,987	9,67,022	10,46,954
Advances (₹ in crore)	7,56,719	8,67,579	10,45,617	12,09,829	13,00,026	14,63,700	15,71,078	19,34,880	21,85,877	23,25,290
Other Assets (₹ in crore)	1,71,416	1,55,742	1,69,716	1,84,119	2,66,295	3,18,265	3,68,898	4,58,885	5,28,015	5,79,150
Total (₹ in crore)	12,23,736	13,35,519	15,66,211	17,92,748	20,48,080	23,57,617	27,05,966	34,54,752	36,80,914	39,51,394
Net Interest Income (₹ in crore)	32,526	43,291	44,329	49,282	55,015	57,195	61,860	74,854	88,349	98,085
Provisions for NPA (₹ in crore)	8,792	11,546	11,368	14,224	17,908	26,984	32,247	70,680	54,529	42,776
Operating Result (₹ in crore)	25,336	31,574	31,082	32,109	39,537	43,258	50,848	59,511	55,436	68,133
Net Profit Before Taxes (₹ in crore)	14,954	18,483	19,951	16,174	19,314	13,774	14,855	-15,528	1,607	25,063
Net Profit (₹ in crore)	8,265	11,707	14,105	10,891	13,102	9,951	10,484	-6,547	862	14,488
Return on Average Assets (%)	0.71	0.88	0.97	0.65	0.68	0.46	0.41	-0.19	0.02	0.38
Return on equity (%)	12.84	14.36	15.94	10.49	11.17	7.74	7.25	-3.78	0.48	7.74
Expenses to Income (%) (operating Expenses to total Net Income)	47.6	45.23	48.51	52.67	49.04	49.13	47.75	50.18	55.70	52.46
Profit Per employee (₹ in 000)	385	531	645	485	602	470	511	-243	33	578.98
Earnings Per Share (₹)*	130.16	184.31	210.06	156.76	17.55	12.98	13.43	-7.67	0.97	16.23
Dividend Per Share (₹)*	30	35	41.5	30	3.5	2.60	2.60	Nil	Nil	Nil
SBI Share (Price on NSE) (₹)*	2,765.30	2,096.35	2,072.75	1,917.70	267.05	194.25	293.40	249.90	320.75	196.85
Dividend Pay out Ratio % (₹)	23.05	20.06	20.12	20.56	20.21	20.28	20.11	NA	NA	NA
Capital Adequacy Ratio (%)										
(₹ in crore)	98,530	1,16,325	1,29,362	1,45,845	1,54,491	1,81,800	2,06,685	2,34,056	2,41,073	2,66,596
Basel-II (%)	11.98	13.86	12.92	12.96	12.79	13.94	13.56	12.74	12.85	13.13
(₹ in crore)	63,901	82,125	94,947	1,12,333	1,22,025	1,35,757	1,56,506	1,84,146	1,94,655	2,17,477
Tier I (%)	7.77	9.79	9.49	9.98	10.1	10.41	10.27	10.02	10.38	10.71
(₹ in crore)	34,629	34,200	34,415	33,512	32,466	46,043	50,179	49,910	46,418	49,119
Tier II (%)	4.21	4.07	3.43	2.98	2.69	3.53	3.29	2.72	2.47	2.42
(₹ in crore)	N.A	N.A	N.A	1,40,151	1,46,519	1,75,903	2,04,731	2,38,154	2,45,225	2,74,036
Basel-III (%)	N.A	N.A	N.A	12.44	12	13.12	13.11	12.60	12.72	13.06
(₹ in crore)	N.A	N.A	N.A	1,09,547	1,17,157	1,33,035	1,61,644	1,95,820	2,05,238	2,30,769
Tier I (%)	N.A	N.A	N.A	9.72	9.6	9.92	10.35	10.36	10.65	11
(₹ in crore)	N.A	N.A	N.A	30,604	29,362	42,868	43,087	42,334	39,987	43,267
Tier II (%)	N.A	N.A	N.A	2.72	2.4	3.20	2.76	2.24	2.07	2.06
Net NPA to Net Advances (%)	1.63	1.82	2.1	2.57	2.12	3.81	3.71	5.73	3.01	2.23
Number of Domestic Branches	13,542	14,097	14,816	15,869	16,333	16,784	17,170	22,414	22,010	22,141
Number of Foreign Branches /offices	156	173	186	190	191	198	195	206	208	233

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

RATINGS

as on 31st March, 2020

	RATING	RATING AGENCY
BANK RATING	Baa3/Negative/P-3 BBB-/Stable/A-3 BBB-/Stable/F3	Moody's S & P Fitch Ratings
₹ DENOMINATED INSTRUMENTS		
INNOVATIVE PERPETUAL DEBT	AAA/Stable AAA/Stable	CRISIL CARE
UPPER TIER II SUBORDINATED BONDS	AAA/Stable AAA/Stable	CRISIL CARE
LOWER TIER II SUBORDINATED BONDS	AAA/Stable AAA/Stable AAA/Stable	CRISIL CARE ICRA
BASEL III TIER 2 DEBT	AAA/Stable AAA/Stable AAA/Stable	CRISIL CARE ICRA
BASEL III AT 1 PERPETUAL DEBT	AA + /Stable AA + /Stable AA + /Stable	CRISIL CARE ICRA

CARE : Credit Analysis & Research Limited

ICRA : ICRA Limited

CRISIL : CRISIL Limited

S&P : Standard & Poor

CENTRAL BOARD OF DIRECTORS

as on 31.03.2020



Shri Rajnish Kumar
Chairman



Shri P. K. Gupta
Managing Director



Shri Dinesh Kumar Khara
Managing Director



Shri Arijit Basu
Managing Director



Shri Challa Sreenivasulu Setty
Managing Director



Shri Sanjiv Malhotra
Shareholder Director



Shri Bhaskar Pramanik
Shareholder Director



Shri Basant Seth
Shareholder Director



Shri B Venugopal
Shareholder Director



Dr. Pushendra Rai
Director Nominated by Gol



Dr. Purnima Gupta
Director Nominated by Gol



Shri Sanjeev Maheshwari
Director Nominated by Gol



Shri Debasish Panda
Secretary, DFS
Director Nominated by Gol



Shri Chandan Sinha
Additional Director, CAFRAL
Director Nominated by Gol

Chairman

Shri Rajnish Kumar

Managing Directors

Shri P.K. Gupta
Shri Dinesh Kumar Khara
Shri Arijit Basu
Shri Challa Sreenivasulu Setty

Directors elected under Section 19(c) of SBI Act

Shri Sanjiv Malhotra
Shri Bhaskar Pramanik
Shri Basant Seth
Shri B Venugopal

Directors under Section 19(d) of SBI Act

Dr. Pushpendra Rai*
Dr. Purnima Gupta
Shri Sanjeev Maheshwari

Director under Section 19(e) of SBI Act

Shri Debasish Panda

Director under Section 19(f) of SBI Act

Shri Chandan Sinha

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

COMMITTEES OF THE BOARD

as on 31.03.2020

Executive Committee of the Central Board (ECCB)

Shri Rajnish Kumar - Chairman

Managing Directors,

Shri P.K. Gupta

Shri Dinesh Kumar Khara

Shri Arijit Basu

Shri Challa Sreenivasulu Setty

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

Audit Committee of the Board (ACB)

Shri Basant Seth

Independent Director - Chairman of the Committee

Shri Bhaskar Pramanik, Independent Director - Member

Shri B Venugopal, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

Shri Debasish Panda, GOI Nominee Director - Member

Shri Chandan Sinha, RBI Nominee Director - Member

Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)

Shri Dinesh Kumar Khara, MD - GB&S - Member (Ex-Officio)

Risk Management Committee of the Board (RMCB)

Shri Sanjiv Malhotra,

Independent Director - Chairman of the Committee

Shri Bhaskar Pramanik, Independent Director - Member

Shri Basant Seth, Independent Director - Member

Shri B Venugopal, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)

Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)

IT Strategy Committee of the Board (ITSC)

Shri Bhaskar Pramanik,

Independent Director - Chairman of the Committee

Shri Sanjiv Malhotra, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri B Venugopal, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)

Shri Dinesh Kumar Khara, MD - GB&S - Member (Ex-Officio)

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

Shri Basant Seth,

Independent Director - Chairman of the Committee

Shri Bhaskar Pramanik, Independent Director - Member

Shri Sanjiv Malhotra, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)

Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)

Customer Service Committee of the Board (CSCB)

Shri B Venugopal,

Independent Director - Chairman of the Committee

Shri Sanjiv Malhotra, Independent Director - Member

Shri Bhaskar Pramanik, Independent Director - Member

Shri Basant Seth, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)

Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)

Stakeholders Relationship Committee (SRC)

Shri Sanjiv Malhotra,

Independent Director - Chairman of the Committee,

Dr. Purnima Gupta, Independent Director - Member

Shri B Venugopal, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)

Shri Challa Sreenivasulu Setty, MD - SA - Member (Ex-Officio)

Nomination & Remuneration Committee of the Board

Shri Basant Seth,

Independent Director - Chairman of the Committee

Shri Sanjiv Malhotra, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

Board Committee to Monitor Recovery (BCMR)

Shri Rajnish Kumar - Chairman

Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)

Shri Dinesh Kumar Khara, MD - GB&S - Member (Ex-Officio)

Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)

Shri Challa Sreenivasulu Setty, MD - SA - Member (Ex-Officio)

Shri Debasish Panda, GOI Nominee Director - Member

Shri Bhaskar Pramanik, Independent Director - Member

Shri Basant Seth, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

Corporate Social Responsibility Committee (CSR)

Shri P. K. Gupta, MD - R&DB - Chairman of the Committee (Ex-Officio)

Shri Dinesh Kumar Khara, MD - GB&S - Member (Ex-Officio)

Shri Sanjiv Malhotra, Independent Director - Member

Shri Bhaskar Pramanik, Independent Director - Member

Shri Basant Seth, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri B Venugopal, Independent Director - Member

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

Shri Challa Sreenivasulu Setty, MD - SA - Chairman of the Committee (Ex-Officio)

Shri Sanjiv Malhotra, Independent Director - Member

Shri Bhaskar Pramanik, Independent Director - Member

Shri Basant Seth, Independent Director - Member

Dr. Purnima Gupta, Independent Director - Member

Shri Sanjeev Maheshwari, Non-Executive Director - Member

MEMBERS OF CENTRAL MANAGEMENT COMMITTEE

as on 31.03.2020

Shri Rajnish Kumar

Chairman

Shri P. K. Gupta

Managing Director
(Retail & Digital Banking)

Shri Dinesh Kumar Khara

Managing Director
(Global Banking & Subsidiaries)

Shri Arijit Basu

Managing Director
(Commercial Clients Group & IT)

Shri Challa Sreenivasulu Setty

Managing Director
(Stressed Assets)

Shri C. Venkat Nageswar

Deputy Managing Director
(International Banking Group)
Holding Additional charge as
Chief Financial Officer

Shri K. V. Haridas

Deputy Managing Director
(Financial Inclusion & Micro Market)

Shri Anil Kishora

Deputy Managing Director &
Chief Risk Officer

Shri B. Ramesh Babu

Deputy Managing Director &
Chief Operating Officer

Shri P. N. Prasad

Deputy Managing Director
(Commercial Clients Group- I)

Shri S. K. Varma

Deputy Managing Director
(Corporate Accounts Group)

Shri D. A. Tambe

Deputy Managing Director &
Chief Information Officer

Shri Partha Pratim Sengupta

Deputy Managing Director &
Chief Credit Officer

Shri T. Keshav Kumar

Deputy Managing Director
(Commercial Clients Group-II)

Shri Alok Kumar Choudhary

Deputy Managing Director
(Human Resources) & Corporate
Development Officer

Shri Hare Krishna Jena

Deputy Managing Director
(Global Markets)

Shri Sandeep Tewari

Deputy Managing Director
(Internal Audit)

Shri Soma Sankara Prasad

Deputy Managing Director &
Group Compliance Officer

Shri Swaminathan Janakiraman

Deputy Managing Director
(Strategy) & Chief Digital Officer

MEMBERS OF LOCAL BOARDS, OTHER THAN MANAGING DIRECTOR (RETAIL & DIGITAL BANKING) - NOMINATED BY CHAIRMAN IN TERMS OF SECTION 21(1)(A) OF SBI ACT, 1955 as on 31.03.2020

Ahmedabad

Shri Dukhabandhu Rath
Chief General Manager (Ex-Officio)

Amaravati

Shri Mani Palvesan
Chief General Manager (Ex-Officio)

Bengaluru

Shri Abhijit Majumder
Chief General Manager (Ex-Officio)

Bhopal

Shri Rajesh Kumar
Chief General Manager (Ex-Officio)

Bhubaneswar

Smt. Praveena Kala
Chief General Manager (Ex-Officio)

Chandigarh

Shri Rana Ashutosh Singh
Chief General Manager (Ex-Officio)

Chennai

Shri Vinay M Tonse
Chief General Manager (Ex-Officio)

Guwahati

Shri Sunil Kr Tandon
Chief General Manager (Ex-Officio)

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

Jaipur

Shri Ravindra Pandey
Chief General Manager (Ex-Officio)

Kolkata

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

Lucknow

Smt. Saloni Narayan
Chief General Manager (Ex-Officio)
Shri Basant Seth*

Maharashtra

Shri G. Ravindranath
Chief General Manager (Ex-Officio)

Mumbai - Metro

Shri Deepak Kumar Lalla
Chief General Manager (Ex-Officio),
Shri Sanjiv Malhotra*,
Shri B Venugopal*,
Shri Sanjeev Maheshwari*

New Delhi

Shri Vijay Ronjan
Chief General Manager (Ex-Officio)
Shri Bhaskar Pramanik*,
Dr. Pushpendra Rai*,
Dr. Purnima Gupta*

Patna

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

Telangana

Shri O. P. Mishra
Chief General Manager (Ex-Officio)

Thiruvananthapuram

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

BANK'S AUDITORS

M/s Ray & Ray

Kolkata

M/s Chaturvedi & Shah LLP

Mumbai

M/s S K Mittal & Co.

New Delhi

M/s K Venkatachalam Aiyer & Co.

Kochi

M/s N C Rajagopal & Co.

Chennai

M/s O P Totla & Co.

Indore

M/s S K Kapoor & Co.

Kanpur

M/s G P Agrawal & Co.

Kolkata

M/s J C Bhalla & Co.

New Delhi

M/s Karnavat & Co.

Mumbai

M/s Umamaheswara Rao & Co.

Hyderabad

M/s Khandelwal Jain & Co.

Mumbai

M/s Shah Gupta & Co.

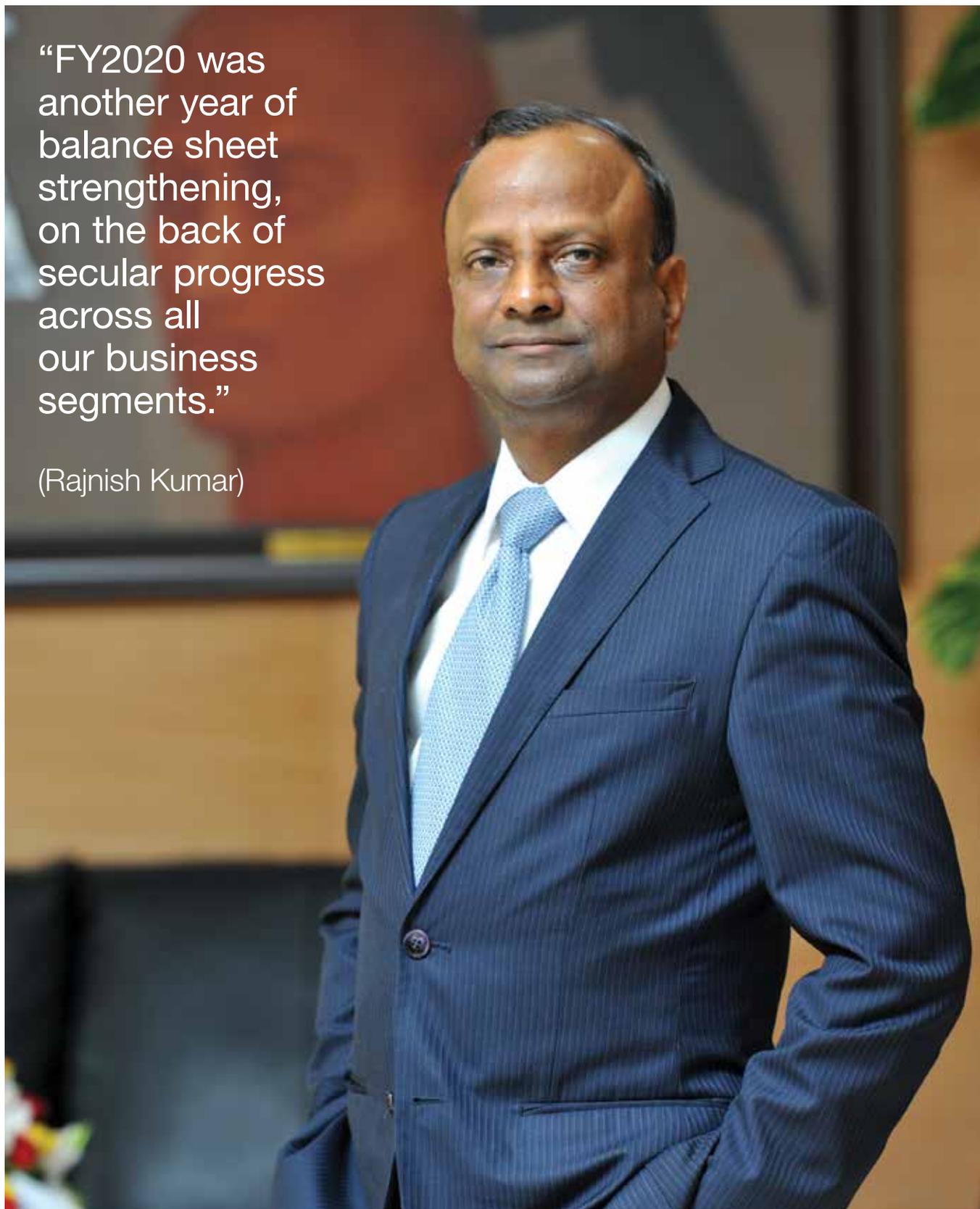
Mumbai

M/s S C V & Co. LLP

New Delhi

“FY2020 was another year of balance sheet strengthening, on the back of secular progress across all our business segments.”

(Rajnish Kumar)



Dear Shareholders,

It gives me great pleasure to place before you the highlights of your Bank's performance during the financial year 2019-20. Details of the achievements and initiatives taken by your Bank are provided in the enclosed Annual Report for the year 2019-20.

ECONOMIC OVERVIEW

World economy witnessed slow growth of 2.9% in 2019 compared to 3.6% in the previous year. Both emerging and developing market economies as well as the advanced economies slowed down. While weak external demand dragged down the Euro zone growth, tight monetary conditions and domestic policy uncertainty in developing countries contributed to slow growth momentum. China experienced its slowest growth amidst weak domestic demand and trade skirmish with the US.

Global trade also experienced a setback with goods and services trade growth below 1%, with exports and imports of emerging markets being sharply hit. Meanwhile, supportive monetary policies, diminished trade tensions and nascent signs of stabilization of global economy provided necessary support to financial markets early this year. However, the financial volatility has significantly increased since March after the spread of Covid-19 pandemic. Decline in asset and commodity prices and drop in equity market has reached unprecedented levels. Moreover, uncertainty around the prospect of production cuts keeps oil price under pressure.

Against this backdrop, India's growth in FY2020 moderated to 4.2% with lockdown related to Covid-19 impairing economic activity in the last quarter (Jan-Mar'20). Looking ahead, the outlook of the global economy has become very uncertain and world is likely to experience a deep rooted recession next year. As per RBI, Indian economy also is likely to witness a contraction in FY2021. However, low oil prices will help in improving our external balance, with India likely to experience current account surplus despite an expected slump in exports due to falling world demand.

YOUR BANK'S PERFORMANCE

DEPOSITS GROWTH

In FY20, your Bank's total deposits grew at a faster rate of 11.34%, compared to ASCB's growth of 7.9%, to ₹ 32,41,621 crore from the previous year's level of ₹ 29,11,386 crore. This high growth in deposits pushed your Bank's market share up by 46 bps to 22.84%. The foreign offices deposits grew by 20.45% to ₹ 1,17,005 crore, while domestic deposits grew by 11.03% to ₹ 31,24,616 crore. The term deposits grew at a faster rate of 12.23%, compared to CASA growth of 9.61%. While, your Bank has maintained its robust CASA ratio at 45.16% in FY20.

CREDIT GROWTH

In line with the ASCBs decline in credit growth to 58-years low of 6.1% in FY20, your Bank's domestic advances grew by 3.75% to ₹ 20,65,484 crore, while the foreign offices advances grew at a robust pace of 18.05% to ₹ 3,57,360 crore. Therefore, the gross advances of your Bank grew by 5.64% to the level of ₹ 24,22,845 crore in FY20 from the previous year level of ₹ 22,93,454 crore.

Much of the growth in domestic advances came from Personal segment (Retail Per) including Home Loans. Overall, the Personal loans showed a robust growth of 15.40% to ₹ 7,47,589 crore in FY20 which is in line with the Bank's strategy towards this segment. Within retail, Home Loans and Xpress credit grew substantially by 13.86% to ₹ 4,55,865 crore and 34.64% to ₹ 1,41,243 crore respectively in FY20. The growth in Xpress credit is mainly driven by our YONO and INB platforms. Your Bank's Home Loan & Xpress credit portfolio now constitutes around 80% of the Personal loans.

However, Corporate Loan book has declined marginally by -0.87% to ₹, 8,44,215 crore in FY20, which is in line with the banking industry's growth trend. Major share of the credit went into sectors such as Infrastructure (Power, Roads & Ports) and Services especially Commercial Real Estate and NBFCs. The Corporate Loan book accounts 38.9% share of PSUs/Govt. sector or the Gol undertakings. With the decline in credit to corporates, the share of Retail segment (Personal, SME & Agri) in the domestic loan book has increased to 59.13% from 57.22% last year.

INVESTMENTS

Your Bank's investment portfolio increased to ₹ 10,58,048 crore (domestic portfolio was ₹ 10,10,599 crore and foreign portfolio was ₹ 47,449 crore) in FY20 compared to ₹ 9,78,124 crore in FY19, with the rise in SLR investments.

CUSTOMER CONVENIENCE

Your Bank's various activities are centred on improving customer experience by ensuring the seamless delivery of products and services. For this your Bank has created the highest number of touchpoints in terms of branches and other modes. The Bank has 61,102 operating BCs, around 22,100 branches and 58,555 ATMs including 13,270 Automated Deposit & Withdrawal Machines (ADWMs). Nearly 28% of the financial transactions of your Bank are routed through ATMs/ADWMs. On an average, over 1.23 crore transactions per day are routed through your Bank's ATM network.

Your Bank's first global footprint was with the branch of Bank of Madras in Colombo, Sri Lanka in July, 1864 (first amongst Indian banks). With presence across all time zones through 233 offices in 32 countries, State Bank of India has gradually spread its wings across the globe and has become a pioneer of International Banking among the Indian PSBs. During FY2020, your Bank has consolidated its overseas operations to achieve capital conservation, cost efficiencies and synergies in the overseas markets. Your Bank has rationalised its overseas operations by closing four branches and further merging four branches into two.

TECHNOLOGY AND INNOVATION

SBI has been incorporating technological advancements to improve its back-end processes which in turn are helping to deliver more efficient customer service. Your Bank has re-engineered its internal processes to improve risk management and encourage growth.

Transaction banking within the bank uses a technology driven platform that offers comprehensive transaction products and solutions to clients. Your Bank has emerged as a Technology Driven Platform for straight through processing of bulk transactions of Corporates & Governments. During the year, Bank has on boarded prestigious clients like Railways, Department of Post, State Govt. like MP and Chhattisgarh, Mandate clients like India Bulls, Religare, Tech Process, Bajaj Finserv etc. to earn fee income and reduce work load on branches and VAN based cash, cheque and e-collections (NEFT, RTGS, INB). Clients using SBI's transaction products also include financial Institutions such as non-banking financial companies (NBFCs), insurance companies, banks, mutual funds and SMEs, to support their fund management requirements with transaction banking solutions.

Recently, your Bank has expanded its collection related solutions based on virtual account numbers, in order to maintain its leadership in cash management solutions in the Indian market. Today, SBI's payment services stand out, not only for their comprehensiveness of end-to-end solutions for users, but also because of the wide variety of users.

In order to provide seamless online experience, your Bank is offering diverse digital banking services to 681.32 lakh retail users, 26.05 lakh corporate users, 54.24 crore debit cards customers and providing mobile app in 9 regional languages (Gujarati, Marathi, Telugu, Tamil, Kannada, Malayalam, Punjabi, Odiya and Bangla).

Your Bank has introduced many new services like Real Time Demand Loan for e-Commerce Transactions; Pre-Approved Merchant Loan; Integration with Merchants in the UPI Platform for providing financial services through online and QR Applications; EMI@POS functionality; National Common Mobility Rupay Cards on qSparc specification to ensure seamless mobility to commuters across the country. New developments like YONO Cash@PoS and Yono Sale@PoS, Metro projects in effecting payments to the merchants, EMI on SBI debit cards on Pinelabs managed terminals are other initiatives which have shown further adoption of latest technology in order to enhance customer satisfaction.

SBI has launched various functionalities around Debit Cards such as launch of NCMC compliant RuPay Card, RuPay JCB (for international conveniences), usage of RuPay Card in Bhutan and launch of MasterCard World for premier customers. In Co-branded Debit Card, your Bank has launched SBI IOCL Co-branded Debit Card for digitizing fuel transactions and tied up with Madurai Kamaraj University for launching Co-branded Combo Debit Card. Your Bank has ensured safety and security of your Debit Card transactions by providing Switch On/Off facility for enabling and disabling your International / Domestic / ATM / PoS & e-Com transactions through Internet Banking, YONO & YONO Lite and SBI Quick App, etc. All these initiatives have made State Bank of India a market leader in terms of share in Debit Card spends, which is at a high of 29.42% as per latest available data. With approximately 27.81 crore actively used Debit Cards as on 31st March 2020, State Bank of India continues to lead in Debit Card issuance in the country. SBI is number 3 in terms of POS terminals deployed in the country with 6.72 lakh terminals (13.43% market share) as on March 2020.

Besides, your Bank has issued more than 15 lakh SBI FASTags to customers. Consequently, toll transactions through SBI FASTags have crossed 441 lakhs with a total transaction amount of over ₹ 722 crore as on 31st March 2020 during the FY2020. Your Bank has onboarded State Road Transport Corporations in Uttar Pradesh, Punjab, Uttarakhand, Odisha, Tamil Nadu, Karnataka and West Bengal for FASTag related services.

Furthermore, in order to enhance FI and add customer convenience following new facilities including Bill Payment through FI channel (BBPS), Door Step banking and Aadhaar data vault in BC channel, among others were introduced during the year. You will be glad to know that keeping pace with rapid digitalisation in SBI, the Internal Audit function has also initiated technological interventions for providing enhanced efficiency and effectiveness through system driven and analytics-based audits.

Your Bank has a dedicated state of the art Innovation development, collaboration and experience cell to try and test innovative ideas in the Banking field. This cell oversees the Banks' Start-Ups Engagement Program, Hackathon / Crowd Sourcing and Intrapreneurship Scheme, which aims at extending a collaboration, incubation and on boarding scheme of the Bank to its own employees for implementing their ideas/ concepts or products in a focused internal environment.

PROFITABILITY

The FY20 has been a year of new record. Your Bank has reported standalone net profit of ₹ 14,488 crore against net profit of ₹ 862 crore in the previous year. Your Bank has reported significant improvement on asset quality front, provision coverage, NIM and yield on advances. This coupled with reduction in cost of deposits and declined credit cost has been a significant improvement over the previous years.

The Net Interest Income of the Bank stood at ₹ 98,085 crore registering a healthy growth of 11.02%. The growth is owing to focused efforts in retail credit and quality corporate credit as well as control in slippages, thereby resulting in good growth under interest income and a simultaneous control on interest expenses by CASA oriented deposit accretion. The Operating Profit of the Bank stood at ₹ 68,133 crore in FY20 as compared to ₹ 55,436 crore in previous year. The Bank made a standalone profit of ₹ 14,488 crore and consolidated profit of ₹ 19768 crore.

Cost to income ratio has improved by 324 bps i.e. from 55.70% in FY19 to 52.46% in FY20. Return on Assets too increased by 36 bps YoY to 0.38% in FY20 from 0.02% in FY19.

The recovery in Written-Off accounts registered a growth of 10.85 % over the previous year and the trend is expected to continue with better recoveries in FY2020-21.

ASSET QUALITY

Keeping the momentum from the past year, the asset quality of the Bank improved in FY20 on the back of all-round effort in managing stressed accounts. Thus the Gross non-performing assets (NPA) of the Bank fell by 13.69% from ₹ 1,72,750 crore in March 2019 to ₹ 1,49,092 crore in March 2020.

Accordingly the gross NPA ratio of the Bank as on March 2020 stood at 6.15%, a reduction of 138 basis points. The highest improvement in asset quality was achieved in Corporate segment where the NPA ratio dropped from 13.62% in March 2019 to 9.67% in March 2020. Net Corporate NPA stood at ₹ 17,656 crore with close to 98.7% provision for accounts in NCLT list 1 & 2.

The Slippages Ratio for FY20 was contained to 2.16%. The Provision Coverage Ratio (PCR) of the Bank also improved to 83.62% as on March 2020, up 489 bps YoY and 189 bps on QoQ basis.

CAPITAL STRUCTURE

The Capital Adequacy of the Bank improved during the financial year on the back of better capital planning, including judiciously utilising all the options at disposal to raise and optimise capital. This included consolidating the overseas operations to achieve capital conservation, cost efficiencies and synergies.

As a result Bank's CET 1 ratio stood at 9.77% in March 2020 well above regulatory minimum, demonstrating Bank's ability to comfortably raise capital through various avenues in the past. The overall capital adequacy ratio of the Bank is at 13.06% as on March 2020 up 34 bps YoY.

STRATEGIC INITIATIVES

During FY2020, your Bank has undertaken strategic initiatives to achieve the long term objectives set by your Bank. Some of the important initiatives are as under:

- SBI is one of the most trusted brands in India and we aim to honor this trust by putting in place improved compliance and governance and risk-mitigation structures. Your Bank has taken an initiative to create a new audit wing at IAD to assess the aggregate risk and maintain an audit oversight at macro level. It audits your Bank's adherence to various Regulatory Compliances and risk mitigating measures undertaken to keep your Bank safe & secure. Also, the Internal Audit function has initiated technological interventions for providing enhanced efficiency and effectiveness through system driven and analytics-based audits.
- Aadhaar Data Vault is another major initiative envisaged in the Bank to protect the privacy of Aadhaar Number holders in accordance with the guidelines laid down by UIDAI for enhancing the security of Aadhaar authentication eco-system. It not only reduces the footprint of Aadhaar numbers but also ensures only trusted and authorized access to Aadhaar numbers.

- Your Bank has made 40 new Dealer finance tie-ups during the financial year including corporates such as OPPO Mobile, Bosch Ltd, Hero Electric, ITC Ltd, Dabur Ltd, International Tractors Ltd, Ultra Tech Cement, Jindal Stainless Hisar Ltd etc. To ring fence the supply chain portfolio, Bank has put in place suitable risk mitigation measures and risk-based pricing for the Supply Chain Portfolio.
- We are committed to support the small businesses and MSMEs, an integral part of the Indian economy. Specific new products have been developed for loans under Co-origination model with NBFCs. An end-to-end digitized model has also been developed for loans up to ₹ 1.00 lakh under this model wherein more than 11000 accounts have been sanctioned since October 2019. Similarly, other NBFCs/ BCs are also being onboarded under Business Associate model and an end to end digitized process is also expected to be launched very soon for this model.
- With a view to enhance ease of business for the Small and Medium Enterprises, State Bank of India has modified its existing delivery model of Small and Medium Enterprises Centre (SMEC) and created Asset Management Teams (AMTs) to maintain end to end relationship with the customers for loans up to ₹ 50 lakh. The SMECs have also been strengthened in terms of manpower, which has resulted in improvement in the service levels.
- Marking a shift towards 'Originate to Distribute' business model, Structuring Team has been set up at PF&S SBU to provide customized structuring solutions for financing structure of projects while keeping the Return on Equity from the transaction a priority. Experienced officials have been recruited from different sectors and industries to provide Structuring Solutions to our clients.
- All our steps are aimed at improving customer satisfaction. Naya Disha Phase II, introduced in FY 2020, concentrated on customer centricity by equipping staff with the required skillsets for providing excellent customer service at every stage of service cycle. A total of 2.34 lakh employees were covered.
- Sustainability is key to all our operations. Your Bank is in the process to map its product and services to the 17 United Nations Sustainable Development Goals (SDGs). Your Bank's eight products have been mapped to SDGs which includes the two flagship loan products- Housing Loan & Car Loan. On the theme of Integrating SDGs in Business Practices, an industry wide round table discussion was organized to foster peer partnership and capacity building.

SUBSIDIARIES

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

On a standalone basis, SBI Capital Markets Limited posted a PAT of ₹ 215.42 crore for FY2020 as against ₹ 168.19 crore in FY2019. On a consolidated basis it has posted a profit of ₹

334.04 crore in FY2020 as against ₹ 236.38 crore in FY2019. SBICAP Securities Limited, a subsidiary of SBI Capital Markets Limited has booked gross revenue of ₹ 495.95 crore during FY2020 as against ₹ 404.52 crore in FY2019.

SBI Life Insurance has continued to maintain the leadership position amongst private players in number of policies issued, which reflects mass coverage and strong market acceptance across geographies amongst life insurer. During the year, total 15,51,862 individual new policies were issued and registered growth of 2%. The company witnessed a PAT of ₹ 1,422 crore in FY2020 against ₹ 1,327 crore in FY2019, a Y-o-Y growth of 7%.

SBI Cards and Payment Services Private Limited delivered PAT of ₹ 1,245 crore in FY2020 as compared to ₹ 865 crore in FY2019 at Y-o-Y growth of 44%. Furthermore, the IPO of SBI Cards led to significant value discovery and is a strong indication of the Bank's ability to incubate and nurture future industry leaders with a strong potential for value creation in the times ahead.

SBI Funds Management Private Limited (SBIFMPL), the Asset Management Company of SBI Mutual Fund, is amongst the fastest growing AMCs with a growth of over 31.5% against the industry average of 10.4% in FY2020. In the last three years, SBIFMPL has achieved a CAGR of 33.4% against the industry average of around 13.9%. It posted a PAT of ₹ 603.45 crore during FY2020 as against ₹ 427.54 crore earned during FY2019.

SBI General Insurance Company Limited (SBIGC) has registered Gross Written Premium of ₹ 6,840 crore with a growth of 45% compared to the industry growth of 12% in FY2020. The company has achieved a profit of ₹ 412 crore in FY2020. The company's market ranking is at 8th among private insurers and at 13th in the industry.

SBI Global Factors Private Limited, a leading provider of factoring services for domestic and international trade, registered a turnover of ₹ 4,394 crore for FY2020 as compared to turnover of ₹ 4,387 crore in FY2019.

SBI Pension Funds Private Ltd, one of the Pension Fund Managers (PFM) to manage the pension corpus, maintained lead position amongst PFM in terms of Assets Under Management (AUM) in both Government and Private Sectors. The total AUM of the company as on 31 March 2020 was ₹ 1,60,491 crore (YoY growth of 32%) against ₹ 1,21,959 crore on 31 March, 2019.

RECOGNITION & AWARDS

The numerous awards gathered by Your Bank are a testament to our zeal for perfection. Your Bank was recognized as "Best Transaction Bank in India" by The Asian Banker for the third time in a row in 2019. Your Bank was also recognized as "Best Payment Bank in India" by The Asian Banker and "Best Cash Management House in India" by Corporate Treasurer in 2019. Your Bank has been adjudged as the Best Performing Bank in implementation of RSETI initiative by the Ministry of Rural Development (MoRD), Government of India. Your Bank was also awarded the First Prize for opening the largest Number of Sukanya Samriddhi Accounts amongst all Banks (Pan India). Ministry of Rural Development also awarded us for Outstanding Performance in Sikkim, as Sponsor Bank, for timely wage payments of MGNREGA.

Among the subsidiaries, SBI Cards was awarded The Economic Times' "Best BFSI Brand" in India award in the credit cards category in 2019.

CORPORATE SOCIAL RESPONSIBILITY

Social Responsibility is deeply ingrained in the culture of your Bank. Consequently, your Bank has been actively involved in CSR activity since 1973. The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact to the lives of economically, physically and socially challenged communities of the country. The Bank's CSR activities touch the lives of millions of the poor and needy across the length and breadth of the country. The focus areas of the Bank's CSR activities include Healthcare, Education, Livelihood, Skill Development, Environment Protection of National Heritage, Empowerment of Women, Youth & Senior Citizens etc.

In the FY19, the net profit of the Bank was ₹ 862 Crore and 1% of the profit, i.e. ₹ 8.62 Crore has been earmarked as CSR fund of Bank for FY20.

As part of our endeavour to fight the Covid-19 pandemic, while SBI staff members collectively donated ₹ 108 crore to the PM Cares Fund, your Bank also pledged ₹ 30 crore for COVID related CSR activities besides donating around 21000 PPE Kits to government hospitals.

Further, during the year, with the approval of RBI, Bank spent/donated a total of ₹ 27.47 Crore for various initiatives under CSR including donation of an amount of ₹ 9 Crore towards Chief Minister Relief Fund of various states and ₹ 12.38 crore to SBI Foundation (SBIF). SBIF was established in 2015 to undertake the CSR activities of SBI Group and its subsidiaries in a focused manner and working on various projects to build a momentum for transforming India by creating an inclusive development paradigm that serves all Indians without any discrimination based on region, language, caste, creed, religion, etc. and ensure that each initiative creates a substantial change at the grassroots level.

ENVIRONMENT AND SUSTAINABILITY

State Bank of India has been performing on Sustainability front through a multi fold approach viz. management of social and environmental risks in strategic decision making, lending and developing innovative products and services. To enhance Sustainability practices in the Bank in a formalized manner, the Bank has put in place a Board approved "Sustainability and Business Responsibility (BR) Policy". The Bank has entrusted the Deputy Managing Director (HR) and Corporate Development Officer to oversee the Bank's overall sustainability vision. The execution of Bank's Environmental and Social goals and targets are monitored by the Corporate Centre Sustainability Committee (CCSC) that comprises business and functional Heads from various verticals/Departments. Some of the key initiatives already undertaken and in contemplation inter-alia includes:

Carbon Neutrality Project: An approach paper is in place where the Bank envisages achieving the "Carbon Neutral" status by the year 2030. Initiative of Remote monitoring based Solar Power System at Branches (Rural/Semi-Urban) in lieu of Generator sets is being taken.

SBI Green Fund: For all our digital channel customers, Bank is offering Green Reward Points which can be redeemed for credit to SBI Green Fund, the proceeds of which will be utilized for sustainable activities.

Green Bonds: Integration of Environment and Social Management Systems (ESMS) in our Credit assessment process and business decisions have assumed critical importance. During the reporting period, Bank issued additional Green Bonds of USD 100 million which adds up to the aggregate Green Bond size of the bank at USD 800 million.

During the year, Bank introduced a dedicated online tutorial "ASTITVA" for its employees on Sustainability issues pertaining to bank's Internal Sustainability measures and UN Sustainable Development goals. Additionally, a quarterly E-Newsletter "SUSTAIN ON" introduced and being mailed to all employees to sensitize them on sustainability related issues and news.

WAY FORWARD

The FY21 will be challenging as the full impact of the COVID-19 outbreak will be felt in this financial year. However, from the Bank's point of view, the true impact COVID pandemic must also consider the behavioral impact on Bank's customers, composition of portfolio etc. For instance, likely job cuts and salary reductions will have relatively low level of stress on account of higher proportion of Govt/ Quasi Govt. sector customers. As of now, only 21.8% of the customers have availed the benefit of moratorium. Furthermore, the Bank was able to achieve 98% branch operability as well as 91% alternate channel operability during the period of lockdown.

Nevertheless, an elaborate Business Continuity Plan (BCP) is in place to manage disruptions. Business continuity hub branches have been identified to cater to customers in case of emergency and BCP sites identified to support essential backend services. The focus going forward is on cost rationalization, rationalization and reskilling of workforce, improving staff productivity and redeployment of workforce from admin offices to sales roles.

In line with opportunities created by the Atamanirbhar Bharat Package for MSMEs, the Bank has created Financial Inclusion & Micro Market vertical to create value in micro markets. Cash flow-based lending models will be used for SME segment; leading to lower early delinquency. Further advanced analytics-based models for underwriting in the P segments and low value SME loans is also under consideration.

The pandemic has changed the preference of our customers. It is a big opportunity for us as there is now more acceptability to adopt digital channels for doing banking transactions. The Bank will further scale up YONO and has set a target of doubling user registrations in the next six months and further strengthen platform through new product offerings like end to end home loans, pre-approved car loan and personal gold loans.

With global acceptability of Work-from-Home (WFH) arrangements, the Bank is in process of upgrading its existing WFH policy to Work from Anywhere (WFA). Productivity tools & technology are in already place to perform administrative work remotely. Furthermore, WFA reduces commute time that can be utilized for providing better services to customers as well as ensuring better work life balance. WFA facility has already been rolled out across 19 foreign offices and soon domestic operations will also be covered. This is expected to drive down the operational cost for the Bank, besides ensuring better motivation and productivity for staff members.

Overall, despite the economic headwinds, the Bank is well prepared to adjust to the challenges posed by the COVID-19 pandemic. I am more than hopeful that the robust performance achieved in FY20 will continue in FY21 as well.

Yours Sincerely,

(Rajnish Kumar)

DIRECTORS' REPORT

I. ECONOMIC BACKDROP AND BANKING ENVIRONMENT

GLOBAL ECONOMIC SCENARIO

Global growth moderated to 2.9% in 2019 vis-à-vis 3.6% in 2018. At regional level, the growth was dragged down primarily by slowdown in India, Russia and Mexico with overall emerging economies growing by 3.7%. China's gross domestic product grew 6.1% in 2019, the country's slowest rate of economic growth since 1990, due to prolonged trade war with US and broader economic slowdown. India, too, saw a loss in growth momentum, with investment activity falling and slow industrial growth.

Meanwhile, advanced economies grew by 1.7%. Euro area growth was sluggish owing to weak export demand. While Germany experienced tepid manufacturing activity, economic activity in Italy suffered owing to weak external environment and domestic policy uncertainty. Even the US economy witnessed moderation in growth as the support from tax cuts faded.

Global merchandise trade suffered a serious setback in 2019 due to strains in US-China trade relations and Brexit related uncertainty. Moreover, the trade activity (both goods and services) is likely to remain weak in at least the first nine months of 2020 as, the lockdown amidst the Covid-19 pandemic will significantly impact trade dynamics this year.

As far as financial stability is concerned, the world was already grappling with rising corporate debt burdens, higher holdings of riskier and illiquid assets by institutional investors and increased reliance on external borrowing by many countries. The Covid pandemic has further raised the financial stability challenges with falling prices of assets and elevated market volatility.

The outbreak of Covid-19 has dampened the global growth outlook with IMF projecting real GDP growth of -3.0% in 2020. However, the uncertainty around the growth numbers is unprecedented and we could see changes in either positive or negative direction, depending on the actions taken by various Governments.

INDIA'S ECONOMIC SCENARIO

Even before the outbreak of COVID-19, India's growth rate was expected to moderate in FY2020 as the Indian economy was grappling with both local and global demand slow-down and sector specific issues. As per the provisional estimates, the overall GDP growth came in at 4.2% in FY2020 vis-a-vis 6.1% in FY2019.

In the industrial sector, the GVA growth decelerated to 0.9% in FY2020 from 4.9% a year ago. It was the deceleration in the manufacturing sector that deepened this slowdown, due to weak domestic and external demand. The mining sector growth picked up, but electricity generation and construction activity weakened.

Services sector GVA also moderated from 7.7% in FY2019 to 5.5% in FY2020, with travel, tourism and communication services growth coming down significantly and Financial, Insurance, real estate & professional Services growth also showing fatigue. Government expenditure, however, showed marginal growth.

Only in agriculture and allied activities growth accelerated in FY2020 to 4.0% from 2.4% in FY2019. The third advance estimates of crop production for 2019-20 placed Kharif and Rabi food-grain production higher by 1.7% and 5.6%, respectively.

The contraction in merchandise exports and imports during FY2020 is an indication of prolonged slowdown in world trade as well as in global demand. India's merchandise exports (Y-o-Y) contracted by 4.8% in FY2020 vis-à-vis growth of 8.75% in FY2019 while Imports shrank by 9.1% in FY2020 compared to 10.42% growth in FY2019. However, the larger decline in imports supported the external outlook and the Current Account Deficit narrowed to 1.0 % of GDP in April-December of FY2020 from 2.6 % in April-December of FY2019.

On the price side, the favourable conditions generated by below target inflation numbers till the first half of FY2020 were dispelled as vegetable prices rose in the later half and an unusually prolonged south-west monsoon and unseasonal rains ravaged the later part of the Kharif

harvest and produced an unprecedented rise in prices of onions. Fuel prices too moved out of five months of deflation into positive territory in Dec'19 and increased sharply thereafter. These factors pushed the CPI inflation to a higher trajectory and the average CPI inflation for FY2020 stood at 4.77% compared to 3.43% in FY2019.

The outlook for growth for FY2021 was looking up prior to the outbreak of COVID-19 owing to (i) the bumper Rabi harvest and higher food prices during 2019-20 providing conducive conditions for the strengthening of rural demand, (ii) improvement in the transmission of past reductions in the policy rate to bank lending rates, with favourable implications for both consumption and investment demand, and (iii) reduction in the GST rates, corporate tax rate cuts in Sep'19 and measures to boost rural and infrastructure spending directed at boosting domestic demand more generally. Preliminary forecasts indicating an 'above normal' monsoon this year due to La Nina conditions, also supported the growth outlook.

However, the COVID-19 pandemic has drastically altered this outlook. The global economy is expected to slump into recession in 2020. The sharp reduction in international crude oil prices, if sustained, could improve the country's terms of trade, but the gain from this channel is not expected to offset the drag from the shutdown and loss of external demand.

The trajectory of inflation in the near-term is likely to be conditioned by the pace of reversal of the spike in vegetables prices, the dispersion of inflationary pressures across other food prices, the incidence of one-off cost-push effects on various elements of core inflation and especially, the evolution of the COVID-19 outbreak.

The adverse impact of COVID-19 on global supply chains and global economic activity may dent export performance going forward. The first month of FY2021 has been a washout with exports plunging by 61% in \$ terms on a y-o-y basis and the pandemic does not bode well for future growth. However, reduction in oil prices can provide support to the import bill, thus helping in maintaining a sustainable Current Account Balance.

BANKING ENVIRONMENT

During the year, the aggregate deposits growth has remained in the range of 9% to 11%, before ending at 7.9% in FY20. The low growth is aided by last year's high base and COVID crisis. The credit offtake during 2019-20 was also muted with credit growth at 6.1% being less than half the growth of 13.3% in 2018-19, due to low momentum and unfavourable base effects. The seasonal decline in Q3 credit growth in 2019-20 was more pronounced than a year ago, while the offtake during Q4:2019-20 has been subdued as compared with the corresponding quarters of previous two years. The slowdown in credit growth was spread across all bank groups, especially private sector banks. Credit growth of public sector and foreign banks remained modest, even as there has been some uptick in credit by public sector banks in Q4. With credit offtake remaining muted and non-SLR investments declining, banks augmented their SLR portfolios. Banks held excess SLR of around 7.5% of net demand and time liabilities (NDTL) in FY2020 as compared with 6.3% of NDTL in FY2019.

While, the sector-wise credit data for March 2020, indicates that the incremental credit has increased only in Agri. & Allied sectors and all other sectors have shown a deceleration. Credit to Industry declined to 1.4% in FY2020 (6.9% in FY2019), services by 8.5% (17.8% in FY2019). While, personal loans declined marginally to 15.7% in FY2020 from 16.4% in FY2019, credit to MSE and NBFC has increased substantially, due to the enhanced support by Banks in the form of increase in working capital limits.

In FY2020, monetary policy transmission to banks' term deposit and lending interest rates has improved, with the improvement in transmission during H2:2019-20 to banks' deposit and lending interest rates reflecting the lagged impact of the previous rate cuts (110 bps during February–September 2019) as also the introduction of the external benchmark system from October 1, 2019 for the pricing of new floating rate loans to select sectors, viz., retail loans and loans to Micro and Small Enterprises (MSEs). Further, the data indicates that the public sector banks, while transmitting the repo rate cut, have tried to minimize the cut in

term deposit rates to have minimal impact on the depositor. Meanwhile, for private sector banks & foreign banks the deposits rate cuts have been more aggressive than the MCLR cuts.

OUTLOOK

The last financial year was a mixed bag from the point of view of the Banks. The first half of the financial year saw good progress in resolution of the stress assets. The general budget was supportive of growth. However, in the backdrop of slowdown in private consumption, financial instability in Indian private banking and delays in resolution of NPAs in NBFC, the third quarter saw shift in the outlook.

With start of the fourth quarter, the outbreak of the COVID-19 in mainland China and its subsequent spread across globe, the outlook of global growth has markedly changed. The RBI preponed its scheduled monetary policy due in April to March and refrained from giving any growth forecast. RBI further instituted measure to ensure supply of liquidity to different sectors of the economy.

The impact of COVID-19 outbreak on economy and financial markets has been dramatic and severe. The commodities price deflated sharply with oil dropping over 70%. Equity markets also corrected sharply across emerging markets, including in India. Although forecast on GDP India's GDP growth differ widely, with deep negative to just positive growth in FY2021, demand inoperability due to lockdown measure has led to considerable loss of income in the poor sections of the society.

In this context, the future outlook for Bank's business needs a careful revision. The loss in output due to demand inoperability in sectors such as transport has cascading impact on other sectors. The elongation of the working capital cycle due to delay in realisation of sales have increased demand for working capital loans and the possibility of slippages. Loss in income may adversely impact the Bank's deposit mobilisation strategy in future.

However, the COVID-19 pandemic has also opened opportunities for the banks. Reordering of global supply chains

presents unique opportunity to India to position itself as manufacturing hub to meet global demand. To the extent state governments are able to secure such relocation of businesses from China; banks will see opportunities to expand business. Rapid adoption of digital technology in response to the COVID-19 also augurs well from point of view of the banks as it may accelerate the adoption of digital offerings by the banks.

In a nutshell, the outlook on Bank's business and the economy will be conditional on time frame by which the virus is completely eliminated, and normalcy restored. The recently released fiscal stimulus package, its priorities and funding strategy will decide how banks will respond in the post-COVID scenario. Bank will also have to revisit its risk management framework, its internal models of risk assessment and capital planning and business procedures to better adapt to new operating environment.

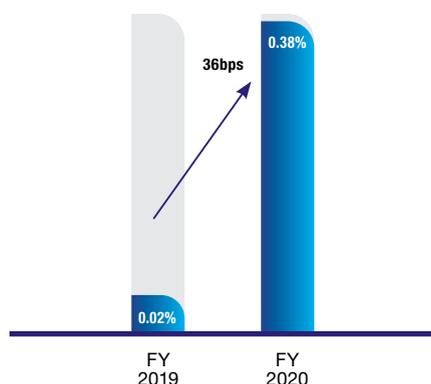
II. FINANCIAL PERFORMANCE

ASSETS AND LIABILITIES

Total assets of your Bank have increased by 7.35% from ₹36,80,914.25 crore at the end of March 2019 to ₹39,51,393.92 crore as at the end of March 2020. During the period, the loan portfolio increased by 6.38% from ₹21,85,876.92 crore, to ₹23,25,289.56 crore. Investments increased by 8.27% from ₹9,67,021.95 crore to ₹10,46,954.52 crore as at the end of March 2020. A major portion of the investment was in the domestic market in government securities.

Your Bank's aggregate liabilities (excluding capital and reserves) rose by 7.50% from ₹34,60,000.42 crore as on 31st March 2019 to ₹37,19,386.49 crore as on 31st March 2020. The deposits rose by 11.34% and stood at ₹32,41,620.73 crore as on 31st March 2020 against ₹29,11,386.01 crore as on 31st March 2019. The borrowings decreased by 21.92% from ₹4,03,017.12 crore at the end of March 2019 to ₹3,14,655.65 crore as at the end of March 2020.

Return on Assets

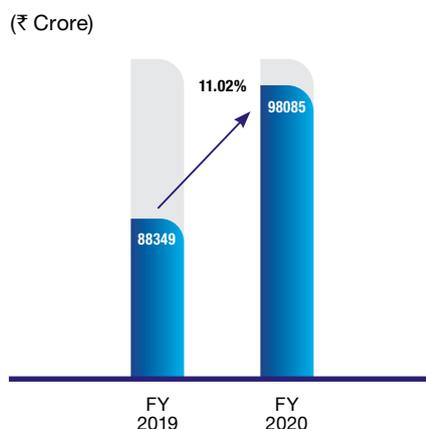


NET INTEREST INCOME

Net interest income increased by 11.02% from ₹88,348.87 crore in FY2019 to ₹98,084.83 crore in FY2020. Total interest income increased from ₹2,42,868.65 crore in FY2019 to ₹2,57,323.59 crore in FY2020 registering a growth of 5.95%.

Total interest expenses increased from ₹1,54,519.78 crore in FY2019 to ₹1,59,238.77 crore in FY2020. Interest expenses on deposits during FY2020 recorded an increase of 5.08%, compared to the previous year.

Net Interest Income



NON INTEREST INCOME AND EXPENSES

Non-interest income increased by 22.97% to ₹45,221.48 crore in FY2020 as against ₹36,774.89 crore in FY2019. During the year, your Bank received an income of ₹212.03 crore (₹348.01 crore in FY2019) by way of dividends from subsidiaries and joint ventures in India and abroad, and ₹8,575.65 crore (₹3,146.86 crore in FY2019) by way of profit on sale of investments.

22.97%

YoY Growth in Non Interest Income

We are an enterprising bank that delivers performance through innovation, technology and reach. We are highly focused on strengthening our balance sheet to create enduring value for all our stakeholders.

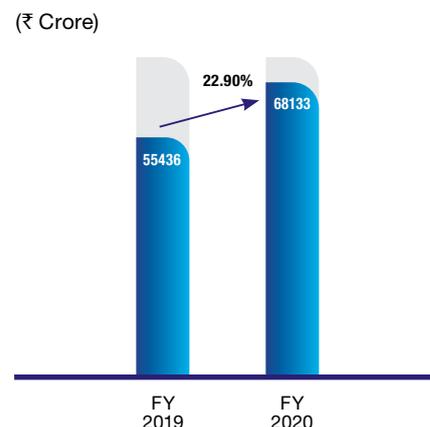
OPERATING PROFIT

The Operating Profit of your Bank for FY2020 was at ₹68,132.61 crore as compared to ₹55,436.03 crore in FY2019 (including exceptional item of ₹6,215.64 crore in the FY2020 and ₹1,560.55 crore in FY2019). Your Bank posted a Net Profit of ₹14,488.11 crore for FY2020, as compared to a Net Profit of ₹862.23 crore in FY2019.

1580%

YoY Growth in Net Profit

Operating Profit



PROVISIONS AND CONTINGENCIES

Major provisions made in FY2020:

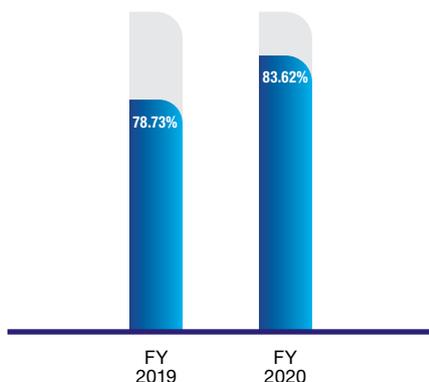
Provision of ₹42,775.96 crore for non-performing assets (as against ₹54,529.06 crore in FY2019) and Investment depreciation of ₹538.55 crore (as against a write back of ₹762.09 crore in FY2019) was made during the year.

83.62%

Provision Coverage Ratio for FY2020

Provision Coverage Ratio

(Including AUCA)



RESERVES AND SURPLUS

An amount of ₹4,346.43 crore (as against ₹258.67 crore in FY2019) was transferred to Statutory Reserves. An amount of ₹3,985.84 crore (as against ₹379.21 crore in FY2019) was transferred to Capital Reserves. An amount of ₹302.26 crore (as against transfer of ₹371.84 crore in FY2019) was withdrawn from Investment reserve. An amount of ₹183.50 crore (as against ₹194.05 crore in FY2019) was transferred from Revaluation Reserve to General Reserve. An amount of ₹1,119.88 crore (as against Nil in FY2019) was transferred to Investment Fluctuation Reserve.

PROGRESS OF IMPLEMENTATION OF IND AS

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

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THE LEADING DIGITAL BANK:

TECHNOLOGY

SBI is leading the digital transformation drive to serve an increasingly digital India

III. CORE OPERATIONS

1. RETAIL & DIGITAL BANKING GROUP

The Retail and Digital Banking Group is the largest business vertical of your Bank, constituting 94.31% of total Domestic Deposits and 58.14% of total Domestic Advances, as on 31st March, 2020. The Group comprises of eight strategic business units, which drive the largest branch network across the country. Your Bank is making continuous efforts in providing a pleasing ambience with clean and uncluttered surroundings, along with a courteous and smartly attired staff at all its branches. The ever-evolving customer preferences, especially of the younger population, coupled with an increased focus on enhanced customer convenience, are transforming the retail banking landscape.

Your Bank's customer base is steadily growing across the country, making Retail Banking the most prolific segment of your Bank, both in terms of deposit mobilisation as well as extending customised credit. Your Bank continues to be the largest Home Loan provider in the country and the largest dispenser of Education Loans, which demonstrates its unflinching commitment to serving society at large. Your Bank has now also started extending home loans, car loans and personal loans also through its 'PSB Loans in 59 Minutes' portal.

Your Bank continues to be at the forefront in digital banking domain with a steady stream of technology-driven innovations. It has a multi-channel delivery model, which offers its customers a wide choice to carry out these transactions, at any time and any place. In FY2020, your Bank has increased its offerings across various channels – digital, mobile, ATM, internet, social media and branches.

The flagship digital app for retail customers 'YONO' has crossed many milestones with 46+ million downloads and approximately 21+ million registrations till date. YONO provides a rich "LifeStyle & Banking" experience, with 31+ products and 40+ services, in conjunction with 5 JV partners.

Your Bank is committed to creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cybersecurity processes to ensure the mitigation of various risks. For example, to curb incidents of ATM-related frauds, your Bank has introduced an OTP-based ATM cash withdrawal facility.

A. PERSONAL BANKING

1. HOME LOANS

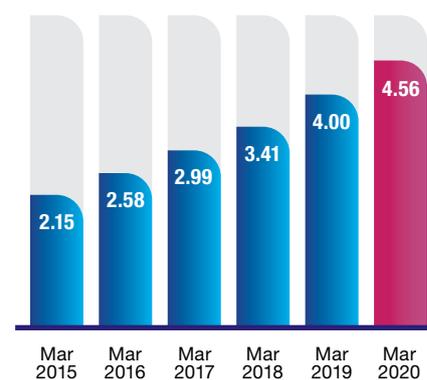
Your Bank has added one more feather into its cap by being the best and largest home loan provider in the country, which has been acknowledged by Honourable Union Minister of Finance, Smt. Nirmala Sitharaman, while awarding your Bank with prestigious 'FE India's Best Banks Awards' in home loan category during the year. Your Bank has also won the Best Home Loan provider trophy in the 'CNBC 13th Real Estate Awards 2018-19' event during the year. Undoubtedly, all your Bank's stakeholders are joint contributors behind these achievements and successes.

In home loans, your Bank has continued to lead the market, registering a market share of 30.62% as of 31st March 2020 amongst all ASCBs. The home loan business now forms an impressive 22.66% of your Bank's total domestic advances.

Your Bank's affordable housing segment enjoys 62.30% of its total home loan portfolio, while PSL (Priority Sector Lending) stood at a significant 35.03%. These important segments are anchored by its constant thrust and efforts on maintaining the quality of assets throughout the year, which has resulted in checking the gross NPAs to remain within planned levels.

Landmarks:

■ Levels in Lakh Crore



Home Loan Portfolio Over the Years

FY2020 has been an eventful year with many innovations and initiatives taken forward by your Bank to keep pace with changing market's sentiments in the real estate sector across the country (excepting March 2020 due to the

unprecedented COVID-19 pandemic and nation-wide stringent lockdown measures):

Repo Rate Linked Home loan - In a historic step towards enhancing trust of home loan customers, your Bank decided to link its home loan interest rates to RBI's Repo Rate from 1st July, 2019, which has generated a positive sentiment amongst all its stakeholders. Your Bank was the first bank to do so, and currently, it offers all its home loan products linked to Repo Rate under EBLR (External Benchmark Lending Rate) regime, both for new and existing customers.

Appointment as CNA - In another significant development during FY2020, your Bank was the only bank in the country to be entrusted with the task of CNA (Central Nodal Agency) by MoHUA (M/o Housing and Urban Affairs) for faster settlement of PMAY (Urban) subsidy for your Bank's borrowers. For all other banks, NHB and HUDCO act as CNA, your Bank processed ₹ 1,938 crore amount of PMAY-U subsidy during FY2020.

Tie-ups - During FY2020, your Bank tied-up with the India Mortgage Guarantee Corporation (IMGIC). The Corporation is a joint venture between NHB, Genworth Inc., International Finance Corporation (IFC) and Asian Development Bank (ADB). The tie-up is aimed at providing mortgage default guarantee to your Bank against default in repayment of the loan by a specific segment of customers.

Digital Journey - SBI's digital journey is ever-evolving. Your Bank has been instrumental in launching several digital initiatives for the convenience of its customers. YONO is one such ambitious project of your Bank, through which home loans are also being marketed aggressively. Your Bank has also explored various marketing opportunities for home loans on social media with the help of its official Facebook page, Twitter Handle, and other digital platforms, such as Instagram and LinkedIn. Besides, a big push has been given to digital marketing by entering into an arrangement with the financial aggregators and property search sites and search engines.

Enhancing Customer Experience - Your Bank's various activities are centred around improving customer experience

by ensuring the seamless delivery of products and services to make home loan journey for a customer a joyful one. For example, your Bank has launched the introduction of consolidated processing fee for home loan customers, vendor verification module, to on-board all empanelled advocates, valuers, and verification agencies in one digital platform, which helps in faster verification of documents and reports. This will help in further reducing the TAT and allow us to analyse customers' feedbacks within stipulated timelines. Your Bank has also introduced doorstep delivery, more FOS, and further strengthening of CPCs and Branches.

The home loan market is witnessing fierce competition. Therefore, all your Bank's endeavours are directed towards making State Bank of India the 'Choice of Customers' for home loans, with an emphasis on sustainable growth. Your Bank has 36 lakh happy home loan customers and accounts, and it is confident of adding many more every day.

2. AUTO LOANS

Your Bank helps in upgrading the living standards of its customers by providing auto loans at competitive rates, and by making owning a car an affordable proposition. While industry sales fell over 19% during the FY2020, your Bank took various initiatives to maintain volumes. To begin with, the vast product range covering all types of vehicles was made available to both existing and New to Bank (NTB) customers, through multiple channels, such as Branches, YONO, Dealers, and CLPs. State Bank of India's YONO car loan comes with benefits of 0.25% concession in rate of interest to customers, which is an additional feature provided by your Bank. These have helped your Bank to grow its loan portfolio to reach a level of ₹ 72,662 crore as of 31st March, 2020, as against ₹ 71,884 crore as on March, 2019. SBI's market-share in Auto Loans is at 32.93% as of 31st March 2020 as against 35.55% in FY2019, amongst All Scheduled Commercial Banks (ASCBs).

3. EDUCATION LOANS

Education is the key prerequisite for creating human capital, as it helps in developing skilled and productive human resources. The loans of up to ₹ 10 lakh

under Education Loans are considered as Priority Sector Advance. Your Bank takes pride in being the largest Education Loan provider in the country, with market share improved to 34.72% as of March, 2020, as against 30.55% as of March, 2019. Your Bank has helped 76,572 meritorious students to realise their dreams by providing financial assistance to the tune of ₹ 8,777 crore during the year. Out of this, 38% of the loans were extended to girl students (increased from 35% in March, 2019). To broaden the scope of Education Loans, book quality business and enhance customer satisfaction, your Bank has taken the following steps:

- Shortlisted a higher number of top-rated premier and reputed institutions taking total numbers to 187 for extending Education Loans under the Scholar Loan scheme at relaxed norms and concessional interest rates.
- Penetration through your Bank's Flagship product "Global Ed-vantage Education Loans" for studies abroad was improved through the extension of Door-step services at select cities.
- To ensure better tracking of the loan applications and faster sanctioning of loans, your Bank's Loan Origination System (LOS) was integrated with Vidya Lakshmi Portal (VLP) of the Government of India.

4. PERSONAL LOANS

Personal Loans, both secured and unsecured, are amongst the most popular products of your Bank, making it a leader in this market segment. Your Bank is aggressively catering to the needs of salaried class (both government and private), pensioners and self-employed and other customers. Your Bank is now extending loans to salaried customers of other banks through SBI Quick Personal Loans (CLP Platform) and Xpress Elite (Branch Channel) Products. As of March, 2020, your Banks' personal loans portfolio reached a level of ₹ 1,96,189 crore with a YTD growth of 27.65% (₹ 42,491 crore). The growth is contributed primarily by the flagship product Xpress Credit (₹ 36,508 crore - YTD 34.80%) and the traditional product Gold Loan (₹ 2,179 crore - YTD 142%), besides contribution of other products. Your Bank has provided loans to more than 20 lakh customers, amounting to

₹ 90,000 crore, during FY2020, improving its market share to around 33%. Your Bank has introduced new "Realty Gold Loan" product to cater to the needs of SBI's Home Loan customers with Income Tax benefit such as Home Loans. The Personal Loan products are now delivered through multiple channels such as Branches, OCAS (Bank's website) and YONO.

Consumer Durable Loans for e-Commerce Purchases:

- Online EMI: Your Bank provides EMI based loans for online shopping up to ₹ 1 lakh from Flipkart and Amazon portals to pre-selected customers on a real-time basis.
- POS EMI: Pre-selected group of SBI Debit cardholders are empowered to avail EMI based loans up to ₹ 1 lakh for purchase of consumer goods from the approved shops.
- Checking of EMI loan eligibility by sending SMS "DCEMI" to 567676 introduced.

5. LIABILITY AND INVESTMENT PRODUCTS

The overall P-Domestic CASA Deposits of your Bank has grown from ₹ 9,16,442 crore as of March, 2019 to ₹ 10,15,578 crore as of March, 2020, registering a growth of ₹ 99,136 crore (10.82% annualised). The CASA for P-Domestic portfolio is at 48.28% as of March, 2020, as compared to 48.49% as of March, 2019.

Doorstep Banking Services:

Your Bank introduced Doorstep Banking Services through its Contact Centre and Doorstep Banking Agents at 50 centres across India. To enhance the ease of banking for its customers, SBI expanded its doorstep services. This includes essential banking services such as Cash Pick-up for credit to own account Delivery of Cash withdrawn from own account; Pick up of Cheque Book Requisition Slip; Pick up of Cheques for Collection / Clearing; and delivery of Statement of Account and Term Deposit Advice to all individual customers. Introduction of these services are planned for 100 centres imminently.

6. CORPORATE AND INSTITUTIONAL TIE-UPS FOR SALARY PACKAGE

Your Bank has had a focused approach towards opening salary package accounts for Corporates, Defence, Railways and State Govt employees during FY2020 through KAMs (Key Accounts Managers). These managers provide a personalised doorstep service. The total Salary Account customer base as of March, 2020 reached a level of 154.22 lakh, with the addition of 5.44 lakh new Salary Package customers during FY2020.

7. DIGITAL PERSONAL LOAN OFFERINGS

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

- PAPL (Pre-Approved Personal Loan)
- PAXC (Pre-Approved Xpress Credit)
- PAPNL (Pre-Approved Pension Loan)
- INSTA Credit Top-up for Xpress Credit
- Insta Top-up for Pension Loan

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

- Checking of PAPL loan eligibility by sending SMS "PAPL" to 567676 introduced.
- Your Bank is using YONO as well as CLP (GOI) platforms for sourcing of proposals along with in-principle sanctions.

8. NRI BUSINESS

As on 31st March 2020, your Bank has around 37 lakh NRI Customers, who are being catered through 83 dedicated NRI branches in India, foreign offices in 32 countries, 227 Global Banks as Correspondent Banks and tie-ups with 55 exchange houses and six Banks (in the Middle-East) to facilitate remittances.

Your Bank is also the leader in the NRI Banking space of India, with a market share of 22.03% (as of March 2020). The Indian diaspora, spread across the globe, has always reposed immense trust on us. As of March 2020, the NRI deposit base stands at USD 28.77 billion.

Your Bank has launched the following products and services in FY2020 for NRIs:

- Near-real time outward remittance facility (from NRE accounts) to 209 overseas destinations through internet banking in five international currencies viz. USD, EUR, GBP, SGD and AUD with a daily ceiling of ₹ 10 lakh or equivalent.
- For better control and security in the account, customers can lock and unlock their INB access. OTPs for Internet Banking can be delivered through registered mail ID in addition to SMS on Registered Mobile Number.
- SBI Tax Savings Scheme for NRIs (NRO Deposits) up to ₹ 1.5 lakh per annum with 5-year maturity available on Internet Banking, which can be used by the customers to avail Tax benefits under section 80C of Income Tax Act.
- The minimum amount in FCNB Premium Deposit has been reduced to US\$ 10,000, and NRE Sukoon (Current Account) has been reduced to ₹ 3,000.
- The recharge limit has been increased to ₹ 1 lakh in NRI Family Card, which is the easiest and fastest way of sending money to your loved once in India, at anytime from anywhere in the world.

9. PRECIOUS METALS

Sovereign Gold Bonds:

The Sovereign Gold Bond Scheme was introduced by the Government of India during FY2016 to promote Digital Gold instead of Physical Gold for the investors. During FY 2020, your Bank mobilised 647 kgs (₹ 243.91 crore) through SGB to bring the total Gold mobilised since inception to 5,098 kgs (value ₹ 1,561 crore).

Gold Monetisation Scheme:

To mobilise gold lying idle with household and institutions, the Government of India introduced the Gold Monetisation Scheme (GMS) during FY2016. During FY2020, your Bank mobilised Gold amounting to 3,973 kgs, bringing the cumulative mobilisation to 13,212 kgs.

Other Gold Business:

Your Bank is also a primary player in the field of Bullion Banking. It makes available Metal Gold Loan to jewellers engaged in manufacturing of gold ornaments for the domestic and export purposes. During FY2020, your Bank has extended Metal Gold Loan to Jewellers to the extent of 22,255 kgs. Your Bank is also engaged in selling Wholesale Gold to jewellers and traders. During FY2020, your Bank has sold 2,522 kgs under the "Sale of Gold" Scheme.

10. WEALTH MANAGEMENT BUSINESS

In FY2020, SBI Wealth made deep inroads into the premium market segment. Your Bank's Wealth Management Business has shown exponential growth in terms of Client Acquisition and Assets Under Management during the financial year. The number of clients increased by 2.4 times, from 55,502 in March, 2019 to 132,354 in March, 2020 while the AUM grew by 3.6 times, reaching ₹ 109,061 crore against ₹ 30,270 crore during the period.

Your Bank's Wealth Management Business services are delivered through 63 centres with 155 Wealth Hubs, including four e-Wealth Centres and a Global e-Wealth Centre. It added 19 new Centres and 29 new Wealth Hubs during the financial year under review. The Wealth Hubs are managed by a team of knowledgeable Relationship Managers

and Investment Officers, along with Wealth Service Managers and Customer Relationship Executives for operational roles.

Your Bank's Open Investment Platform, with state-of-the-art technology and right selling approach based on Risk Profiling, provides one of the best possible experience to clients. During the year, SBI Wealth strengthened the number of Relationship Managers at all its Wealth Hubs, e-Wealth Centres and Global e-Wealth Centre, to acquire and service more clients. The e-Wealth Centres, with extended banking hours, are equipped with transaction execution facilities over Voice and Video calls. This is in addition

to the 'SBI Wealth Mobile App' enabling investment transactions providing a best in class holistic experience to clients.

During FY2020, your Bank has conducted several 'Annual Investment Conclaves' at important centres. These conclaves are a well-attended and signature event, addressed by experts from the Financial Industry on prevalent market conditions and investment opportunities.

The financial year under review was focused on building the quality of your Bank's Client Engagement and Service Delivery. On the 14th January, it celebrated its anniversary day as 'SBI Wealth Day'.



Shri Rajnish Kumar, Chairman, SBI addressing the Elite SBI Wealth Clients at the Client Engagement Program held at Mumbai to Celebrate 'The Wealth of Relationships' on the occasion of 'SBI Wealth Day', commemorating the 4th Anniversary of SBI Wealth.

B. ANYTIME CHANNELS

C. As on	ATMs	Kiosks	ADWMs	Total
31 st March 2016	42,733	1,231	5,760	49,724
31 st March 2017	42,222	986	6,980	50,188
31 st March 2018*	51,616	#	7,925	59,541
31 st March 2019*	50,757	#	7,658	58,415
31 st March 2020*	45,285	#	13,270	58,555

Kiosks are scrapped and not in use * Merged

1. ATMS/ ADWMS

Your Bank has one of the largest ATM Networks in the world, with 58,555 ATMs, including Automated Deposit and Withdrawal Machines (ADWMs) as on 31st March, 2020. In order to provide 24x7 cash deposit and withdrawal facility, it has installed 13,270 ADWMS.

Nearly, 28% of the financial transactions of your Bank are routed through ATMs / ADWMS. With a market share of 28.35% (as per RBI Data) in ATM Network in India, it transacts 46.04% of the Country's total ATM transactions. On an average, over 1.23 crore transactions per day are routed through your Bank's ATM Network.

In order to strengthen the security of ATM cash withdrawals against skimming, cloning, theft of cards by fraudsters, your Bank has introduced OTP Based Cash Withdrawal Facility for transactions above ₹ 10,000 between 8 PM to 8 AM w.e.f. 01st January, 2020.

With the objective to make the ATMs more secure, your Bank has installed Multi-Vendor Software (MVS) covering implementation of BIOS Password, disabling USB Ports, upgraded Operating System, EMV Card Readers, and anti-skimming devices, amongst other software.

For ensuring safety of ATMs as well as the customers, coverage under electronic surveillance is being enhanced. Your Bank has covered around 15,000 ATMs under e-Surveillance and eventually all ATMs are expected to be covered under e-Surveillance.

2. SWAYAMS: BARCODE BASED PASSBOOK PRINTING KIOSKS

Your Bank has installed around 3,700 SWAYAMs (Barcode Based Passbook Printing Kiosks) during FY2020, taking the total number of SWAYAMs deployed to 17,480. Using these kiosks, the customers can print their own passbooks using barcode technology. More than 3.80 crore transactions per month are taking place on these SWAYAM kiosks. Additionally, your Bank has also deployed "Through the Wall" SWAYAM Kiosks, offering extended working hours for passbook printing.

3. GREEN CHANNEL COUNTER (GCC)

Your Bank has installed GCCs at all its retail branches. The GCCs extend services such as cash withdrawal, cash deposit, funds transfer within State Bank of India, Balance Enquiry, Green PIN generation and PIN Change, and Mini Statement. On an average, 6 lakh transactions are being routed through GCCs per day.

4. GREEN REMIT CARD (GRC)

GRC, especially useful for migrant depositors, is a card through which one can remit money using GCC, CDMs and ADWMS to a specified account of State Bank of India. As a daily average, over 1 lakh transactions are being routed through GRCs.

5. BANKING ON MOBILE

YONO Lite: Your Bank's mobile banking app for retail customers, YONO Lite, has a current userbase of 162 lakh and is now available in 9 regional languages besides English. It offers facilities such as intrabank and interbank funds transfers (NEFT/ RTGS/ IMPS/ UPI), the opening of fixed deposits, e-MOD Accounts, and add or manage beneficiaries, amongst others. Additional value-added services such as Aadhaar linking, e-statement subscription / download, stop/revoke cheque instructions, and facility to submit Form 15G/ 15H online for TDS exemption and a host of other features are also available. YONO Cash, a unique card-less cash withdrawal feature is available for an enhanced customer experience without threat of loss of ATM or debit card. The customers can now open PPF account online through this app.

SBI Anywhere Corporate: Your Bank's mobile banking app for proprietorship firms allows businesses to transfer funds across banks, open and operate fixed deposit accounts, payment to EPFO, view account statements, schedule transactions, and Recharge/bill payment facilities, amongst others. Furthermore, it facilitates large corporate firms with multiple users to operate accounts, transfer funds through NEFT/ RTGS, make bill payments/supplier payments, authorise e-cheques /e-STDR, open and operate fixed deposit accounts, amongst others.

With above 168 lakh registered users, the mobile banking channel has processed transactions volume at 13.82 crore, which is worth ₹ 9,74,434.61 crore, up to March 2020. The fund transfers through digital channels are now free of charge.

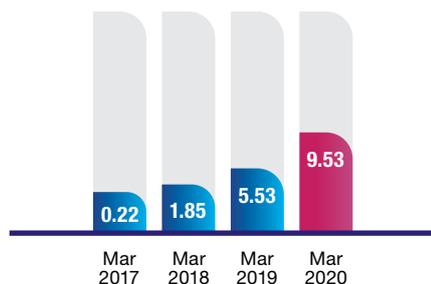
6. SBI PAY (BHIM)

Your Bank's Unified Payments Interface based app is an interoperable offering, which provides the convenience of transferring funds across different bank accounts using Virtual Payment Address (VPA), Bank Account Number + IFSC and scanning a QR Code. Over 824 lakh users have registered and are availing UPI services, resulting in more than 333 crore transactions, amounting to more than ₹ 7.31 lakh crore, processed through the SBIUPI channel during the period 2019-20. Additionally, users have the convenience of making bill payments, travel bookings and ordering food through BHIM SBI Pay making it an all-in-one UPI app. A facility to help donation for noble causes such as PM Cares Fund during COVID-19 and Chief Minister Relief Funds has also been enabled on the app. Your Bank has also made available a hassle free and quick merchant on boarding interface through its branches with instant UPI QR Code facility. Over 3 lakh merchants were successfully allotted UPI QR Codes in the last quarter of the FY2020.

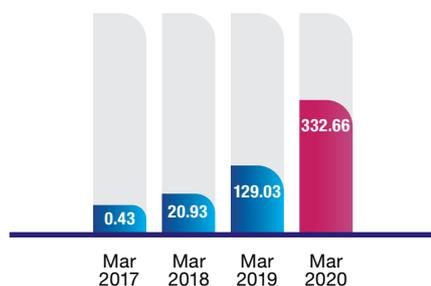
Large multinational corporations such as Google and WhatsApp, amongst others have implemented digital payments bandwagon to help achieve a Less Cash India. State Bank of India has partnered with Google India to offer UPI services to the users of their App – Google Pay under the UPI Multi-Bank Integration Model. Consequently, over 662 lakh Google Pay users have linked their Bank accounts with their @OKSBI handle till 31st March, 2020.

Performance Highlights

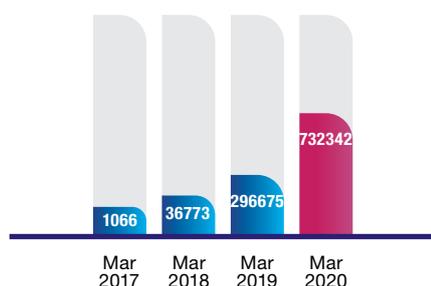
User Base (in Cr.)



Volume (in Cr.)



Value (in Cr.)



SBlePay – Your Bank's Payment Aggregator

SBlePay, started in March 2014, is the first and only bank-based payment aggregator in India. In its essence, SBlePay is a platform for merchants to acquire a bank agnostic large customer base and provides a bouquet of online payment options to the merchant's online customers. During FY2019, SBlePay has witnessed exceptional growth, as a result of an increase in the number of merchants onboarded, which rose from 225 in

FY2019 to 341 in FY2020. Moreover, your Bank has added three new channels to the bouquet of online payment offerings – Cheque and Transfer channel, Paytm and direct integration with INB of COSMOS Bank, Axis Bank and ICICI Corporate Bank amongst others. Your Bank has also integrated with common portal for Recruitment/Conference/Universities and TSPs. This has resulted in a 58% YoY growth in FY 2019-20 in number of transactions. SBlePay has achieved a revenue of ₹ 60.70 crore in FY2020, YoY growth of 22% over FY2019.

7. DIGITAL BANKING

The digital payments landscape in India is evolving at a rapid rate, and your Bank is playing an effective role in building momentum for the digitalisation of the Indian economy. In sync with the focus of the Government of India to create a 'less-cash' economy, your Bank has expanded its digital footprint across the country.

YONO: The flagship digital app for retail customers 'YONO' was launched on 24th November, 2017, and since then, YONO has crossed many milestones. YONO provides both "LifeStyle & Banking" experience with more than 31 products, and over 40 services of 5 JV partners (SBI Life Insurance, SBI Card, SBICAP Securities, SBI General Insurance and SBI Mutual Fund) live on its Financial Superstore. It also offers over 80 merchant partners live on the B2C Market Place platform across 21 categories.

During FY2020, your Bank has achieved significant momentum in the adoption of YONO with higher engagement and growth in business through the YONO app.

Key Performance Highlights of YONO as on March 2020 are as follows :

- **App Adoption:** There has been an increase in the daily registrations from an average of 15,000 per day to 70,000 per day towards the end of FY2020. The total numbers of registered users grew from 7.75 million to 21.2 million by March, 2020. YONO has achieved ~46.4 million downloads as on 31st March, 2020.
- **User Engagement:** The daily active user base on YONO peaked to 6 million logins per day, with an average of 3 million (average 1

million in FY2019). The App's rating on Android is at 4.09 and 2.8 on iOS.

- **Customer Onboarding:** Your Bank observed significant momentum on new customer on-boarding with ~21,000 digital accounts opened per day, which was over 65% of all eligible accounts being opened by your Bank. Approximately, 43.5 lakh Digital Accounts were opened during the FY2020 (71.43 lakh since launch). Around ₹7,859 crore was mobilised through savings bank accounts opened through YONO. Approximately, 90% branches are now YONO activated (minimum one account opened through YONO).
- **Digital lending:** YONO is the fastest growing and a major channel for personal loans. The year saw ₹9,694 crore worth of PAPL disbursements with ~7.34 lakh loans disbursed (cumulative disbursement ₹13,797 crore). Your Bank executed around ₹638crore worth of financial sanction for car loans. The income generated for your Bank was approximately ₹ 830 crore. The effective home loan lead conversion of your Bank during FY2020 is about 9% against that of around 2% as of March, 2019.
- **Online marketplace:** Over 80 merchant partners are live on the B2C marketplace platform across 21 categories, witnessing about ₹320 crore of GMV (6 times growth over FY2019).
- **Cross-selling:** The non-banking financial services product suite, including insurance and mutual funds, are achieving all-time highs on a monthly basis. The bank earned an overall commission income of approximately ₹19 crore through YONO in FY2020. Nearly 1.6 lakh SBI credit cards were sourced during the year through YONO. The Gross SBIMF investments stood at ₹600 crore. Around ₹10.19 crore of Life Insurance premium and nearly ₹13.75 crore of General Insurance premium were achieved during the financial year under review.
- **'YONO Cash':** Cardless and paperless withdrawals at 'YONO cash Points' (ATM) were launched across Pan India in March, 2019. Approximately 8.8 million YONO Cash transactions were carried out

during the year with a maximum of 1.94 lakh transactions in a day. The innovative YONO Cash feature provides cardless, fast, convenient and safe cash withdrawal facility at nearly 2,97,369 customer touchpoints across the country (ATMs – 56,384; POS – 1,93,556; CSP – 47,429).

- YONO Krishi:** YONO Krishi platform envisioned to be the digital partner in our farmers progress was launched in July, 2019. Four Key offerings on YONO Krishi are Khata, Bachat, Mitra and Mandi sections. Khata section caters to Agriculture credit solutions like Agri Gold Loans with 24 X 7 online application availability. Bachat is the Financial Super store for farmers investment & insurance needs. Mitra provides best Agro Advisory services at click of a button. Mandi is the online market place for purchasing agricultural inputs & farm equipments. YONO Krishi has been awarded as one of the best innovation in top banks category by Business Today. YONO Krishi is now available in 10 regional languages in addition to English and Hindi. Over 4.78 lakhs Agri Gold Loans (Rs 5,944 Crore) were sanctioned through YONO Krishi since its launch. Launched to meet the banking and beyond banking needs of the farmer (across agri inputs, insurance, investments, advisory services, amongst others), it has ~ 56% branches activated for YONO Krishi Gold Loans. Customer visits on YONO krishi was at ~ 40.59 lakhs, ~4.7 lakhs on Mitra Section and ~6.1 lakhs on Mandi section. The key products in the pipeline are KCC application, KCC renewal and Pre-approved Agricultural loans.

During FY2020, YONO has achieved an overall growth of 2.6 times on the liabilities side (Digital accounts increased from 27 lakh to 70 lakh), 2.8 times growth on the assets side (Digital lending book size increased from 3,400 crore to 9,600 crore) and 7 times growth in Commission income (₹ 2.7 crore to ₹ 19 crore) earned through the cross-selling of JV products.

Debit Card: Your Bank has focused on shifting the usage of debit cards by customers from ATMs (for cash withdrawals) to PoS terminals and e-Commerce websites. The percentage

of cash to digital transactions used by the card holders improved from 21.99% to 38.10%. The highest one day spends at PoS and e-Commerce of ₹ 1,208 crore was achieved on Dhanteras (25th October, 2019).

Additionally, your Bank has launched various innovations and functionalities around debit cards, such as the launch of NCMC compliant RuPay Card, RuPay JCB (for international conveniences), usage of RuPay Card in Bhutan, the launch of MasterCard World for premier customers. In co-branded debit card, your Bank has launched SBI IOCL Co-branded Debit Card for digitising fuel transactions and tied up with Madurai Kamaraj University for launching Co-branded Combo Debit Card.

Your Bank's topmost priority is to ensure safety of its customers using SBI Debit cards. To this end, your Bank has provided switch on and off facility for enabling and disabling the international, domestic, ATM, PoS and e-commerce transactions through Internet Banking, YONO, YONO Lite and SBI Quick App, amongst others.

These initiatives made State Bank of India, a market leader in terms of share in debit card spends, which is at a high of 29.42% as at 31st March, 2020. With approximately 27.81 crore actively used debit cards as on 31st March, 2020, your Bank continues to lead in debit card issuance in the country.

State Bank Foreign Travel Card: The State Bank Foreign Travel Card (SBFTC), is a chip-based EMV compliant prepaid card providing safety, security, and convenience to outbound travellers (valid worldwide except in India, Nepal and Bhutan).

On VISA, it is available as single currency card in eight currencies – US Dollar, British Pound Sterling, Euro, Canadian Dollar, Australian Dollar, Japanese Yen, Saudi Arab Riyal, and Singapore Dollar. On MasterCard, it is available as a multicurrency card in seven currencies – US Dollar, British Pound Sterling, Euro, Canadian Dollar, Australian Dollar, Singapore Dollar, and UAE Dirham. Your Bank also has corporate variants of SBFTC to cater to varying needs of corporate customers.

Smart City: Your Bank has a dedicated team to capture the payment ecosystem in the 100 identified Smart-Cities in India. The plan is to foray into the transit solution/ integrated ticketing solution for 'One City One Card', which is a payment initiative for the Smart Cities.

Metro and Transit Projects: Your Bank has implemented an end-to-end ticketing solution for the Nagpur Metro Project using the National Common Mobility Card (NCMC) specifications based RuPay Prepaid Card. This is your Bank's second project, after successful implementation of ticketing solution for the Noida Metro project. State Bank of India has also been awarded the Hyderabad metro project for implementation of Open Loop Automatic Fare Collection System based on the NCMC card specifications.

FASTags: Your Bank has issued more than 15 lakh SBI FASTags to customers. Consequently, toll transactions through SBI FASTags have crossed 441 lakh with a total transaction amount of over ₹ 722 crore as on 31st March, 2020 during FY2020. State Bank of India has put on board State Road Transport Corporations in Uttar Pradesh, Punjab, Uttarakhand, Odisha, Tamil Nadu, Karnataka, and West Bengal for FASTag services.

Merchant Acquisition: The digital payments landscape in India is evolving at a rapid rate, and your Bank is playing an effective role in building momentum for transforming India through the digitalisation of the economy. In sync with the focus of the Government of India to create a less-cash economy, your Bank has expanded digital payment acceptance infrastructure across the length and breadth of the country. Your Bank continued to expand its digital footprint across the country and deployed 6.73 lakh PoS terminals, 3.33 lakh Bharat QR code and onboarded 9.53 lakh merchants on BHIM-Aadhaar-SBI. In total, the number of merchant payment acceptance touchpoints crossed 19.59 lakh as on 31st March, 2020. Your Bank has acquired nearly 60 crore transactions as on 31st March, 2020 with 10% increase on YoY basis. In addition to offering essential acquiring services, your Bank is also providing other services such as:

- NFC acceptance on PoS terminals
- DCC-Dynamic Currency Conversion

- EMI
- Cash@POS
- Electronic Toll Collection on National Highways
- YONO Cash and Sale Facility

Your Bank continued the efforts to onboard merchants from premium segments such as OMCs, retail chains, lifestyle stores, and holiday resorts apart from consolidating the existing business. Your Bank has tied up with significant Corporates and Government Departments to migrate their operations from cash to digital mode. This involves the customisation and integration of its systems with those of corporate and Government departments, to ensure seamless flow of digital transactions.

Your Bank has also initiated the development of acceptance infrastructure for NCMC (National Common Mobility Card) on its PoS terminals to push the government initiative of 'One Nation One Card'.

8. CUSTOMER VALUE ENHANCEMENT

Your Bank is focused on enhancing the value for its customers and all stakeholders by delivering multiple financial solutions under one roof. As a financial superstore, your Bank offers financial products such as Mutual Funds, General Insurance, Life Insurance, Credit Cards, National Pension System and Demat Accounts through its branch network spread across the length and breadth of the country.

Your Bank has embarked on the path of Digital Journey for on-boarding of customers for the sale of third-party products. Digitalisation has strengthened need-based selling and improved customers stickiness. In the case of SBIMF and SBI Life 100% and 98% of the sales, respectively, are done digitally. The persistency level of Banca Assurance has improved from 81% in FY2019 to 83% in FY2020. Your Bank has increased its focus on the protection business and has seen improvement in protection share.

The most pivotal role of the insurance business is to provide financial sustainability to your Bank's customers

and their families in case of any unfortunate exigencies. State Bank of India takes pride that since the inception of its life insurance business, it has helped nearly 1.45 lakh families by honouring timely death claims. Similarly, SBI General has settled claims of ₹ 35 crore within a record time during Cyclone Fani in Odisha.

In light of changing investment preference of its customers, your Bank is offering need-based financial products of SBIMF such as Systematic Investment Plans, Systematic Withdrawal Plan, Debt, Equity and Liquid Funds, amongst others to all its customers across the country. Your Bank is maintaining the topmost position in terms of number of SIPs (22.5 lakh SIPs) and Book Value (₹ 417 crore).

With the increasing trend in the use of plastic money, your Bank is meeting the demand of the customers and making credit cards available to them at the remotest of the locations and sourced more than a million cards in FY2020. National Pension System (NPS) is a government scheme aimed at having a stable source of income post-retirement. Your Bank, through its widespread branch network, is opening NPS accounts and continues to be the number 1 player with a total of 2.23 lakh (excluding staff) NPS Accounts.

With a focus on better customer experience and need-based selling, your Bank continues to be a leader in the marketing of all these financial products and has earned revenue of ₹ 2,030.35 crore in FY2020. The revenue contribution of each subsidiary is as under:

(₹ in crore)			
JVs	FY2018-19	FY 2019-20	%Change YOY
SBI LIFE	951.9	1117.65	17%
SBI MF	502.61	376.45	-25%*
SBI GENERAL	270.86	314.53	16%
SBI CARDS	191.69	211.95	11%
SSL	6.7	4.74	-29%**
NPS	4.11	5.03	22%
TOTAL	1926.87	2030.35	5%

* In respect to SBIMF: Negative YoY growth in revenue is on account of regulatory changes in the payment of brokerage.

** Revenue for SBI Cap Sec Ltd. (SSL): Negative YoY growth in revenue is due to lukewarm demand with respect to Demat accounts.

9. INTERNET BANKING AND E-COMMERCE

Your Bank's flagship digital portal 'Onlinesbi' continues its forward journey with the current user base of over 735 lakhs is now available in 8 regional languages, apart from English and Hindi. The channel recorded a transaction volume of over 158 crore valued at ₹ 1,33,62,855 crore during the year. Your 'Onlinesbi' retains its premier position and wider acceptability amongst large corporate houses doing high value transactions. This channel is being continuously upgraded with state-of-art security features and functionalities to bring bank and shop both at your fingertips.

C. SMALL AND MEDIUM ENTERPRISES

Your Bank is a pioneer and market leader in SME financing. With over 10 lakh customers, the SME portfolio of ₹ 2,67,614 crore, as on 31st March, 2020 accounts for nearly 11.05% of your Bank's total advances. State Bank of India has always held SMEs as an important segment, considering the role being played by them in the Indian economy in terms of their contribution to manufacturing output, exports and employment generation. Being committed to providing Simple and Innovative Financial Solutions, your Bank's approach in driving SME growth rests on the following three pillars:

- Customer Convenience,
- Risk Mitigation,
- Technology-based digital offerings and process improvements

1. CUSTOMER CONVENIENCE

To build and sustain the momentum for transforming India, your Bank has created the highest number of touchpoints in terms of branches and other modes. To enhance ease of business for the Small and Medium Enterprises, your Bank has modified its existing delivery model of Small and Medium Enterprises Centre (SMEC) and created Asset Management Teams (AMTs) to maintain an integrated relationship with the customers for loans up to ₹ 50 lakh. The SMECs have also been strengthened in terms of workforce, which has resulted in improvement in the service levels.

2. DIGITAL OFFERINGS

For ensuring Ease of Banking, your Bank is leveraging technology in every aspect of the value proposition from designing products and streamlining processes, to improving delivery and monitoring. Furthermore, it has taken several initiatives to build its SME portfolio in a risk mitigated manner.

Loan Life-Cycle Management

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

Customer Relationship Management (CRM): Your Bank has introduced an integrated CRM platform to engage with customers throughout their lifecycle, to enhance understanding of customer's requirements and to strengthen the customer-centric approach of your Bank. The CRM portal has been designed to generate leads through various channels, improve lead cultivation at multiple stages and enhance business prospects by lowering TAT through a better customer connect.

Loan Origination Software (LOS-SME) and Loan Life Cycle Management System (LLMS): To adopt uniform standards of credit dispensation for ensuring quality and preserving corporate memory, loans

are processed through LOS and LLMS for loans of all sizes.

Contactless Lending Platform

Your Bank is one of the stakeholder's of SIDBI led PSB consortium and your Bank's path-breaking initiative, psbloanin59minutes.com. This portal provides easy access for loans to SMEs registered on the GST and income tax filing platforms. Under this umbrella, your Bank is sourcing leads from ₹ 1,00,000 to ₹ 500 lakh. In FY2020, a total of 15,550 in-principle approved leads have been generated by the portal, out of which 10,243 leads for ₹ 3,837 has been sanctioned.

e-Mudra:

Your Bank developed this web application to facilitate appraisals, sanctions, and disbursements of loans up to ₹ 50,000, while seamlessly complying with all norms of the Mudra loan (Shishu Category). It also reduces TAT, smoothen the loan process and enhances customer experience. For FY2020, 40,555 loans have been sanctioned and disbursed through e-Mudra with an aggregate amount of ₹ 194.24 crore as on 31st March, 2020.

Digitalisation of Services for borrowers:

To facilitate hassle-free submission of financials and other statements, your Bank has made this service available through its Corporate Internet Banking Platform.

Co-origination of Loans

The Reserve Bank of India issued guidelines for the co-origination of loans by banks and non-banking financial companies, or NBFCs, to priority sectors. Under the guidelines, your Bank has already entered into tie-ups with four NBFCs and started booking business.

Project Vivek

Project Vivek heralded a paradigm shift in your Bank's appraisal system from traditional balance sheet based funding, to a more objective appraisal system using cash-flow healthiness and other information sources. It is a promising initiative launched by State Bank of India to implement a new Credit Underwriting Engine (CUE) for the SME segment, thereby bringing objectivity in better risk assessment. Moreover, it reduces TAT, resulting in better customer experience. In FY2020, a total of 33,618 proposals were processed under Project Vivek.

In line with the thrust on addressing the liquidity issues of MSMEs and to facilitate smooth operations, the following products were launched:

a) SLC for MSMEs:

Your Bank has launched a new product 'Standby Line of Credit' for MSMEs having Limits up to ₹ 5 crore to meet temporary liquidity mismatch arising out of the delayed realisation of receivables, receipts of GST Inputs tax credits (including for Exports) and other Business requirements.

b) SME Assist:

Your Bank has also restored 'SME Assist' product to address the issues of the units facing liquidity constraints, wherein WCDL loan is granted against the pending input tax credit claims (GST).

Competitive Rates of Interest

Your Bank has linked all floating rate loans to Micro, Small and Medium Enterprises (MSMEs) to External Benchmark w.e.f 1st October, 2019.

PAML (Pre-Approved Merchant Loan)

Your Bank has designed an end-to-end digital pre-approved loan offer for its Current Account customers, who have a linked SBI PoS terminal. The loan journey is through CINB (Corporate Internet Banking) platform. Through CINB, customers will be able to avail overdraft facility in their Current Accounts within a few clicks.

SBI and QCI sign MoU on Zero Defect Zero Effect (ZED) Certification for MSMEs: Your Bank is the first Bank to sign a Memorandum of Understanding (MoU) with Quality Council of India on the Zero Defect Zero Effect (ZED) Certification Scheme of Ministry of MSME. Under this MoU, your Bank is offering concessions in Pricing/processing charges for MSMEs having better ZED ratings.

Trade Receivables Discounting System (TReDS)

State Bank of India was the first among all PSBs to register as a financier on the TReDS platform. The TReDS platforms are set up to facilitate finance to MSME Sellers who are registered in the TReDS platforms. Your Bank now has its presence on all the three TReDS platforms (RXIL, M1 Exchange and A. TReDS) in the country. Your Bank was actively participating in

the online bidding of the Bills/ Invoices of the MSME Sellers, which are accepted by the Corporate Buyers, on the platform and was offering very competitive rates for the benefit of MSMEs. In FY2020, Bills of MSMEs aggregating to ₹ 282.65 crore were discounted.

Supply Chain Finance

Leveraging its state-of-the-art technology and branch network, your Bank continues to be a major player in Supply Chain Finance by strengthening its relationship with the corporate world, across various sectors. Your Bank has extended supply chain finance to over 27,500 dealers and more than 12,300 vendors with total sanctioned limits of over ₹ 40,130 crore.

During FY2020, your Bank has initiated 37 new tie-ups including corporates such as OPPO Mobile, Bosch Limited, Hero Electric, ITC Limited, Dabur Limited, International Tractors Limited, Ultra Tech Cement, Jindal Stainless Hisar Limited, amongst others. New e-DFS limits of ₹ 4,123 crore were sanctioned to 4,317 dealers up to 31st March, 2020. To ring-fence the supply chain portfolio, your Bank has put in place suitable risk mitigation measures and risk-based pricing for the Supply Chain Portfolio.

3. BUSINESS PARTNERSHIPS AND TIE-UPS

Your Bank is expanding its portfolio of Warehouse Receipt Finance and Supply Chain Finance through business partnerships and tie-ups with collateral managers and industry majors.

Warehouse Receipt Finance:

Your Bank has introduced the Warehouse Receipt Financing scheme (WHR) to extend finance to traders, owners of goods and manufacturers for processing. Financing is provided against Warehouse Receipts issued by collateral managers having a tie-up with the Bank. Further, WHR issued by Central Warehousing Corporation (CWC) and State Warehousing Corporation (SWC) would also be eligible for WHR finance. Your Bank has also tied up with repositories NERL and CCRL for financing against e-NWR and NEML (subsidiary of NCDEX) for e-auctioning of NPA and stresses accounts under the WHR financed.

SBI YONO

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Export service charges cut down from 29 to 4 for export credit customers and 8 for non-export credit customers.

Great benefits without hassles

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- Revision in export related service charges

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SBI takes pride in empowering SME exporters in India through its various products.

Product Offerings for Exporters:

- SBI Exporters' Gold Card Scheme
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 - EPC (Rupee)
 - PCFC (USD, GBP, EUR & JPY)
- Post-shipment Finance
 - Negotiation / Purchase / Discounting of Bills (Rupee)
 - Export Bill Re-discounting (USD, GBP, EUR & JPY)
- Foreign Currency Loans - FCNR(B) - DL/TL
- Hedging
- Digital Offerings: yono Business, E-Forex and E-Trade

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4. RISK MITIGATION

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

Pradhan Mantri Mudra Yojana:

In line with the initiatives of the Government of India, your Bank has laid considerable emphasis on extending credit facilities to eligible units under different variants

of Pradhan Mantri Mudra Yojana and has disbursed ₹ 34,977 crore as on 31st March, 2020 under PMMY, against a target of ₹ 35,700 crore.

Credit Flow to Micro and Small Enterprises under CGTMSE:

Your Bank was a pioneer in supporting MSMEs and Micro and Small business, by extending collateral-free lending up to ₹ 2 crore under the guarantee of CGTMSE. Your Bank has a portfolio of ₹ 9,115 crore under CGTMSE as on 31st March, 2020.

D. RURAL BANKING

1. AGRI BUSINESS

Currently, your Bank is serving more than 1.42 crore farmers through its various Agri advances products.

The focus of your Bank is now on building investment Credit Portfolio, comprising of loans for agricultural activities such as Dairy, Poultry, Fisheries, amongst others, in order to help farmers generate their daily cash flow. The Government of India has also extended the interest subvention facility to farmers for activities related to Animal Husbandry and Fisheries.

The Ground level Credit disbursement to the farmers over the years is as follows:

(₹ in crore)

FLOW OF CREDIT TO AGRICULTURE			
YEAR	TARGET	DISBURSEMENT	% ACHIEVEMENT
FY2016	89,781	1,02,423	114%
FY2017	95,168	1,25,270	132%
FY2018	1,05,741	1,66,819	158%
FY2019	1,16,315	1,56,385	134%
FY2020	1,27,947	1,77,473	139%

2. MICRO CREDIT (SHG-BANK LINKAGE)

Your Bank is catering to more than 1.32 crore Self Help Group (SHG) members through the SHG-Bank linkage programme, of which more than 1.17 crore members are women. Your Bank is continuously in touch with NRLM and SRLM agencies in various states to increase the coverage of SHGs.

Your Bank has been active in buying pools of Agricultural assets from MFIs and NBFs. The number of pool purchases during FY2020 has been about 28, aggregating to about ₹ 9,600 crore, reaching out to 38 lakh beneficiaries.

3. OTHER INITIATIVES

Kisan Melas and Kisan Milans are being organised regularly for felicitating loyal and regular borrowers, and for strengthening “Bonding with Farmers” and financing new farmers. Your Bank has organised four highly participated national level Kisan Melas during the current financial year.

Your Bank has already implemented the Retail Asset Credit Centres (RACCs) for centralised sanction of loan proposals in Rural and Semi Urban (RUSU) branches. Moreover, implementation of FI&MM network to improve credit delivery in the RUSU branches is currently under progress. The digitalisation of Agri products will help your Bank to get more business from the existing customer base. Your Bank has launched ‘YONO-KRISHI’ mobile app for sanctioning of Agri Gold Loans. The utility for new KCC loans and new dairy loans through the link ‘SAFAL’ in YONO-Krishi is under development.

Your Bank has already sanctioned more than 4.70 lakh Agri Gold loans amounting to about ₹ 6,000 crore through YONO-

Krishi platform. More than 12,000 clicks per day are being registered in Mandi & Mitra portal of the YONO-Krishi app. SBI is focusing on migrating all its Agri Gold loans to the YONO platform.

4. FINANCIAL INCLUSION (FI)

Your Bank realises the role it must play as the largest Bank in the country in practicing and promoting FI activities. The spread of digital banking channels and expansion of Business Correspondents (BC) network is giving your Bank the impetus to further grow its FI activities. Thus, to achieve inclusive development and growth, your Bank has worked out strategies and leveraged technology to expand financial services to the door steps of the unbanked with the purpose of bringing them under the ambit of formal banking system.

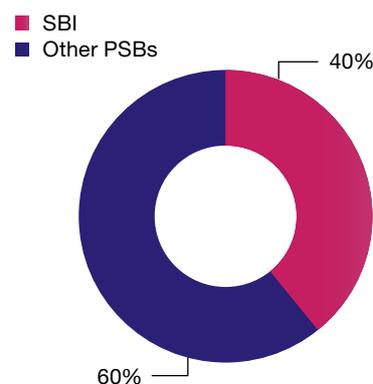
Your Bank has 61,102 operating BCs and 22,141 branches across the country to offer banking services. The BC channel, which provides customers in unbanked areas an access to various banking products and services while reducing footfalls in the branches, has recorded

49.29 crore transactions amounting to ₹2,27,469 crore up to 31.03.2020, translating to more than 18 lakh transactions per day on an average.

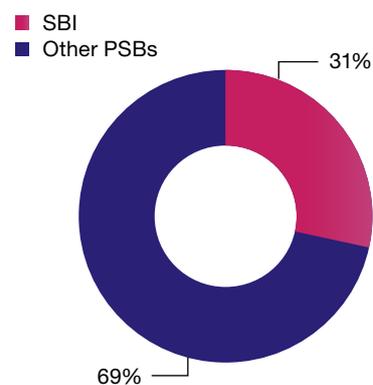
Under the flagship Pradhan Mantri Jan Dhan Yojana (PMJDY) of Government of India, your Bank has paved the way for universal financial access by being a pioneer in implementing the programme. Your Bank has opened 12.05 crore accounts by 31.03.2020 and issued 11.28 crore RuPay debit cards to the eligible customers. These initiatives taken under financial inclusion as part of key economic policy agenda of the Government over the last decade, have ensured access to Bank accounts for the excluded persons.

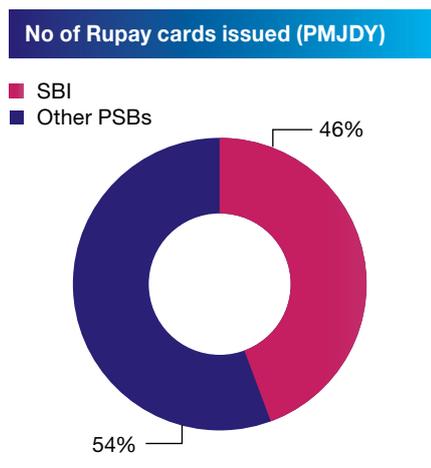
To fulfil the needs of Social Security measures, low cost Micro insurance products (PMJJBY, PMSBY) and pension schemes (APY) are provided to the unorganised sector in a big way, covering around 5 crore customers.

No. of PMJDY Accounts



Deposits Accounts (PMJDY)





Imparting Financial Literacy

With the objective of imparting financial literacy and facilitating effective use of financial services, your Bank has set up around 341 Financial Literacy Centres (FLCs) across the country. In FY 2019-2020, a total of 29,995 financial literacy camps were conducted by these FLCs across the country where 16.82 lakh people participated. As a part of the pilot project implemented by RBI, your Bank has set up 15 Centres for Financial Literacy (CFL) at Block level, five each in the state of Maharashtra, Chhattisgarh and Telangana in association with NGOs identified by RBI.

RSETIs are acting as social change agents, empowering rural youth in achieving sustainable livelihood through skill development & training and helping them to establish their own micro enterprises, thereby creating rural employment and wealth creation. Your Bank has set up 152 RSETIs spread across 26 states and 3 union territories. 152nd RSETI was set up at Kargil in Union Territory of Ladakh during this year. These 152 RSETIs have trained 93009 candidates in FY 2020. Your Bank has been adjudged as the Best Performing Bank in implementation of RSETI initiative by the Ministry of Rural Development (MoRD), Govt of India on 19th December 2019.

E. NBFC ALLIANCES

“Your Bank has created NBFC Alliances Department in October 2018. The Department is holding discussions with various NBFC-ND-SIs for loans under Co-origination model. 7 NBFCs have already been onboarded. Specific new products

have been developed for loans under Co-origination model. An end to end digitized model has also been developed for loans up to ₹1.00 lakh under this model wherein more than 11000 accounts have been sanctioned since October 2019.

Similarly, other NBFCs/ BCs are also being onboarded under Business Associate model and an end to end digitized process is expected to be launched very soon for this model also.”

F. STRATEGY

Several strategic initiatives have been taken up for transforming the vision of the Top Management into reality aimed at enhancing value for Customers, Shareholders and Employees. Few of the projects taken up by CSO during the year include:

(i) Structural Changes – Creation of FI&MM Vertical

Financial Inclusion is a national priority of the Government as it is an enabler for inclusive growth. It provides an avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families in villages besides taking them out of the clutches of unscrupulous money lenders. To give more focus to Financial Inclusion, Bank has planned for the creation of a separate Financial Inclusion & Micro Market (FI&MM) vertical, which is slated for Pan India (excluding Thiruvananthapuram circle) rollout on 1st June, 2020 after a successful pilot in the Chandigarh Circle. The vertical will be headed by DMD (FI&MM) who will be supported by CGM (ABU), CGM (FI&MM), CGM (Operations), FI&MM and GM (NBFC Alliances). The creation of FI&MM Networks within the Circles would involve setting up of the following establishments:

- (a) District Sales Hub (DSH): DSH under Regional Manager (RBO), FI&MM has been created to primarily concentrate on marketing and sales liaison with the local district administration. A DSH will typically cover about 30 branches in a district or 2-3 districts. DSH will primarily be a marketing and sales unit, having a Chief Manager (Branch Channel) and will provide support to the branches in business development efforts and NPA containment. Similarly, a

Chief Manager (FI) at the DSH will take complete ownership of the CSP network and FI business of both FI&MM and R&DB branches in the District(s). Operational and administrative matters will be handled at the RBO level. The RACCs will be co-located with the DSH as independent units.

- (b) Regional Business Office (RBO): The RBO in the FI&MM network would control 3-4 DSHs, that is, 100-125 branches. The RBO will be strengthened adequately in terms of manpower for effective oversight of the larger number of branches.
- (c) GM's Office at the Network level: The FI Network will carry the entire responsibility of Business Correspondents, CSPs and complete FI business of the Circle. A General Manager will head the Circle except in Circles of Bhubaneswar and North-East where it will be led by DGM (FI&MM). A separate dedicated structure has been proposed for Mumbai Metro Circle.

(ii) Revamping of Anytime Channel - creation of separate vertical

A separate Anytime Channel Vertical has been created to minimise ATM downtime and enhance the customer experience. Presently the Circle functionaries and Branches are involved in the day to day activities of Anytime Channels. Creation of this vertical will help the Circle functionaries in concentrating on driving the core business through branches by freeing them from maintaining the uptime and any responsibility of ATMs, Recyclers, Swayam, Passbook Printers, GCC, amongst others except cash-related activity of on-site ATMs. Branches would, therefore, be freed from routine non-operational maintenance issues and focus on business development. Various technology enablers are being developed for enabling this.

Presently the Pilot is being run at Chandigarh and Jaipur Circles and will be rolled out in all Circles.

(iii) Centralised Complaint Resolution Centre at LHOs

To take care of the customers' ever-increasing needs and to ensure better customer service, it is necessary to

handle customer complaints properly. For this, your Bank has created a Centralised Complaint Resolution Centre (CCRC) at LHOs for handling all branch-related complaints of the Circle, obtaining feedback on the resolution of complaints and reopening of closed complaints based on such feedback, contacting customer before the closure of complaints and making it mandatory to record the confirmation of such call in CRM-CMS, sending interim replies to customers and sending updates during various stages of resolution.

All complaints will be centrally marked to this Centre by the CRM for resolution. This will ensure the release of bandwidth at branches and RBOs for providing better Customer Service and business. The quality of resolution will be standardised, monitored and analysed to avoid repeat complaints on the same issue and ensure customer satisfaction. This has been already implemented in Delhi Circle and being implemented in 7 other Circles.

(iv) Uniform Layout of Branches

Improvement in the Branch Ambience to enhance customer interactions and experience at touchpoints. Presently, 1,476 metro and urban branches have already competed.

(v) Floor Coordinators at Branches

The utilisation of SSL executives as floor coordinators was one of the initiatives implemented for enhancing customer service at the branches. Their role involves meeting and greeting customers visiting the branches and directing them to the counters and channels. Presently, around 1,352 SSL executives are present in various branches for sale of '3 in 1' Demat accounts and also working as Floor Coordinators. In Phase I, coverage of 3,111 Metro and Urban branches are proposed by March-end and after that all Metro and Urban branches are to be covered in Phase 2.

(vi) Revamping of Bank's Contact Centre

The under used Registered Mobile Number (RMN) based automated services are being developed and proposed to be rolled out through SBI's Contact Centre shortly. An internal call centre is currently functional at Kolkata on a pilot basis, with access to the CRM 360.

(vii) Market Share improvement plan at Metros

To increase its low market share in Metros, your Bank had conducted a Pilot study at Mumbai Metro, and the Circle has successfully implemented the suggestions for improvements. To carry forward this initiative, your Bank is conducting a study to suggest recommendations for improvement in market share in five other Metro markets, namely Delhi NCR, Bengaluru, Hyderabad, Chennai, and Kolkata.

G. GOVERNMENT BUSINESS

Your Bank is the market leader in Government Business. It has traditionally been the banker of choice to the Government of India (GOI) and is an accredited banker to major Central Government Ministries and Departments. SBI is contributing significantly towards e-governance initiatives taken by the GOI, and is instrumental in the development of e-Solutions for both Central and State Governments. This has facilitated their transition to the online mode, providing greater efficiency and transparency, resulting in ease of doing business and relaxation of living for the citizens.

Your Bank is actively engaged in the implementation of Social Security Schemes of Government of India viz. PM Kisan Samman Nidhi Yojana, Pradhan

Mantri Shram Mandhan Yojna, and Pradhan Mantri Kisan Mandhan Yojna.

Government Turnover and Commission

(₹ crore)		
Particulars	FY 2019	FY 2020
Turnover	57,47,997	52,62,643
Commission	3,974	3,742

Your Bank is an active stakeholder in the Government's latest initiatives and is continuously engaged in developing customised technology solutions such as e-Tendering, e-BG, e-Trade, amongst others. Following initiatives were implemented during the year:

1. GEM (GOVT. E-MARKETPLACE)

Your Bank is the pioneer amongst banks for the financial integration of payments to suppliers for procurement of everyday goods and services through GeM portal. GeM Pool accounts of five states and 105 autonomous bodies have been opened with your Bank.

2. E-TENDERING

12 State Governments have been provided with the product by integrating with SBMOPS. PSUs integrated independently are NTPC and ONGC, which is in the process of completion.

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- No security/margin up to ₹10 lakhs

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Your Bank has also completed pilot testing for the Airports Authority of India (AAI). Integration of National Highway Authority of India (NHAI), DMRC and Chidambaram Port Trust is in process.

3. INDIAN RAILWAYS

Your Bank has migrated salary and vendor payments of all 216 Railway Accounting Units (RAUs) to Centralised and Integrated Payment System (CIPS) on CMP platform in September 2019. SBMOPS is being integrated with Centralised Receipts Portal of Railways for taking care of Railways Receipts through the Portal. Once implemented, this will facilitate complete control over Receipts and Payments business of Railways, which is currently scattered with many banks.

4. DEPARTMENT OF POST

Your Bank is in the process of rolling out the Centralised Integrated Payment System (CIPS), a complete solution for entire postal payments. The pilot phase has been implemented w.e.f. November 2019 for salary payment of Delhi Division of Department of Post.

5. EDUCATIONAL CONSULTANTS INDIA LIMITED (EDCIL)

Your Bank has executed successful integration of EDCIL, a MINI Ratna PSU, conducting recruitment exams for 80 PSUs and ABs, with SB MOPS, for the collection of recruitment fees.

6. DIRECT BENEFIT TRANSFER (DBT)

Your Bank is the sole Banker for processing Direct Benefit Transfer of LPG subsidy (DBTL). The Total number of transactions and amount processed in FY2020, up 31st March, 2020 are as under:

Particulars	No. of Transactions (in Crore)	(₹ crore)
		Amount
DBT	57.26	2,95,045
DBTL	139.01	25,122

7. AUCTION OF ITEMS GIFTED TO HONOURABLE PRIME MINISTER OF INDIA

Your Bank has made its services available for collection of proceeds from the auction of items gifted to Honourable Prime Minister of India at the National Gallery of Modern Arts, New Delhi. The Ministry of Culture organised the event.

8. PENSION PAYMENTS

Your Bank has been administering pension payment to 57.17 lakh pensioners through its 16 CPPCs and made disbursement of total pension amount of more than ₹ 1,64,580 crore in FY2020. New pension accounts of 3.30 lakh pensioners were added in FY2020. Your Bank has also launched Pension Sewa website www.pensionseva.sbi, enabling pensioners to login and view their pension details viz transaction details, generation of pension slips, arrear calculation sheet, amongst others, from the comfort of their home.

9. PM KISAN SAMMAN NIDHI YOJANA

As an accredited Bank to the Ministry of Agriculture and Farmers Welfare, your Bank has facilitated the distribution of ₹ 42,274 crore under the scheme to the

farmers, during the year. Your Bank also facilitated the transfer of over ₹ 12,000 crore to over six crore farmers in just one click by the Honourable Prime Minister of India under the scheme, at an event held on 2nd January, 2020.

10. SMALL SAVINGS SCHEMES

Your Bank services more than 79.18 lakh PPF and 18.24 lakh SSA accounts, making it the highest among all the authorised banks. Additionally, 5.39 lakh PPF accounts and 3.13 lakh SSA accounts were added during FY2020.

11. OTHERS

Your Bank's SBI e-pay aggregator service has been integrated with Chief Minister's Relief Fund Portal, Government of Odisha and Chief Minister's Relief Fund, Government of Karnataka, for collection of donations. State Bank of India has been able to get the accreditation status of Ministry of Animal Husbandry, Dairying and Fisheries – new Ministry carved out of the Ministry of Agriculture.

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12. AWARDS

Government of India awarded your Bank the following Awards:

- First Prize for opening the largest number of Sukanya Samriddhi Accounts amongst all Banks (PAN India). The award was given at National Savings Institute, New Delhi on 30th October, 2019 to celebrate "World Thrift Day".
- Outstanding Performance in Sikkim, as Sponsor Bank, for timely wage payments of MGNREGA. The Ministry of Rural Development gave the award.

H. TRANSACTION BANKING UNIT

Transaction Banking Unit (TBU) leverages technology to provide comprehensive solutions for bulk transaction requirement of clients. This facilitates efficient fund management for its clients along with value-added services such as customised MIS and dedicated single point client support among other areas. The Transaction Banking services facilitate your Bank to maintain a close relationship with its clients and also to assess their other Banking requirements such as Credit, Fund Management and Cross-Selling.

Your Bank offers a wide range of TBU customised products and services to Corporate, Government Departments, Financial Institutions and SME Clients through its large network of over 22,000 branches. Corporate and Government clients, along with SME, continue to be the key focus segment. Your Bank is giving thrust for penetration into the SME sector as well as start-ups. Keeping in line with market trends, your Bank is continuously updating and evolving the bouquet of TBU products and services offered to meet the requirements of clients and has the best of products in the market.

TBU Fee Income increased by 43.38% from ₹ 1,327.08 crore in FY2019 to ₹ 1,902.77 crore in FY2020. A 40% plus annual growth in fee Income has remained consistent in the last few years.

Turnover registered a YoY increase of 60.71% with transactions amounting to ₹ 61,20,331 crore in FY2020 over ₹ 38,08,314 crore in FY2019.

Your Bank received International recognition as the "Best Transaction Bank in India" by The Asian Banker for a record 3 consecutive years. Your Bank was also recognised as the "Best Payment Bank in India" by The Asian Banker and "Best Cash Management House in India" by Corporate Treasurer.

2. GLOBAL BANKING

A. CORPORATE ACCOUNTS GROUP (CAG)

CAG is a dedicated SBU (Strategic Business Unit) of the Bank handling the portfolio of 'high value credit' with a USP of specialized and efficient delivery platform. The CAG SBU has 4 specialized Branches headed by General Managers located in India's top 3 commercial centers viz. Mumbai, Delhi, & Chennai.

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

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

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

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

Client Service Teams at CAG Branches aid customers in selection and delivery of any product/service offered by SBI's associates and subsidiaries as listed below:

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- Get quick weather updates and crop prices
- Order agri inputs and farm equipment online
- Get advice from agri experts

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

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

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

The total loan portfolio of CAG as on 31st March 2020 was ₹ 5.38 lakh crore (fund based - ₹ 3.63 lakh crore and non-fund based - ₹ 1.75 lakh crore) compared to total loan portfolio of ₹ 5.36 lakh crore (fund based - ₹3.61 lakh crore and non-fund based - ₹1.75 lakh crore) as on 31st March 2019.

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

B. TREASURY OPERATIONS

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

1. INTEREST RATE MOVEMENTS AND SLR AND NON-SLR PORTFOLIO OF YOUR BANK

The GMU manages the Investment Portfolio of your Bank and also maintains the regulatory requirements of CRR and SLR. The World Health Organization (WHO) has declared the recent outbreak of the novel coronavirus disease (COVID-19) a pandemic. The impact of COVID-19 was also felt in India. The Prime Minister announced a country-wide lockdown in response to the COVID-19 pandemic.

As a result, an extreme risk aversion was witnessed in emerging market bonds and equities. Additionally, FPI outflows of ₹ 1.21 lakh crore was seen from debt and equity assets. Redemptions from mutual funds and lack of investor demand was also seen. Globally, central banks have slashed policy rates and announced asset purchase programs. The Governments have announced significant fiscal packages to support the economy.

On 27th March 2020, RBI Monetary Policy Committee cut repo rate by 75 bps to 4.40%, while also reducing the reverse repo rate to 4%, thereby widening the interest rate corridor to 65 bps from 50 bps. RBI has also announced a slew of measures to address the stress

in economy. Furthermore, the RBI announced a cut in CRR by 1%, reduced the minimum daily CRR requirement to 80% and a new scheme for Targeted Long Term Repo Operation allowing corporate bonds to be invested out of HTM portfolio. Also, it further announced moratorium on Term Loans, easing of Working Capital financing, and deferment of Interest on Working Capital facilities, amongst others.

On the domestic front, the interest rates continued on the down trend. Benchmark 10Y security (6.45 CG-Sec 2029), touched a peak of 6.80% on 16th December 2019, before touching a low of 6.07% on 09th March 2020. Lower yields have resulted in opportunities for booking profits and also to reduce provisions on investments.

The banking system liquidity, which remained in deficit at the beginning of FY2020, turned surplus by the end of Q1FY2020 on account of Open Market Operations (OMO) by RBI and foreign inflows. Furthermore, lack of credit growth accentuated the situation and the liquidity of the banking system stands at ₹ 4.96 trillion at the end of March 2020.



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2. EQUITY MARKETS

The rapid outbreak of COVID-19 dominated headlines as global risk assets sold off sharply as the spread of the disease outside China led to fears that disruption of the global economy could be more severe than earlier estimated. The COVID-19 shock acted as a trigger for markets to correct. Indian markets witnessed their steepest decline in March with FII outflow of ₹ 62,000 crore during March, 2020. The NIFTY 50 return during FY2020 was (-)26.03%.

However, the market valuations became attractive post this steep correction and with liquidity support from majority of Central Banks across the globe have resulted in equity markets showing signs of recovery. Going forward, evolution of COVID-19, policy response on economic stress and recovery in global as well as domestic economy would be few of the key events that would decide the direction of the markets.

Your Bank has managed the equity portfolio by following the strategy of active rebalancing of based on key global, domestic events. Additionally, your Bank is striving to achieve an optimum portfolio to achieve the desired returns from the risk-reward perspective.

3. PRIVATE EQUITY/ VENTURE CAPITAL FUND

Your Bank has sanctioned an investment of ₹ 1,250 crore in Special Window for Affordable and Mid-Income Housing Investment Fund (SWAMIH Fund-I), which is a special fund launched and sponsored by the Government of India to provide last mile funding to stalled real-estate projects.

Divestment of noncore assets was actively pursued in FY2020 and your Bank has made full exit in Equifax Credit Information Services Private Limited, Petronet MHB Limited and a partial exit in National Stock Exchange of India Limited (NSE).

4. FOREX MARKETS

The GMU handles the foreign exchange business of your Bank, providing solutions to the customers for managing their currency flows and hedging risks through options, swaps and forwards, in addition to providing liquidity to markets. Your Bank is a leading player in Rupee Spot and Rupee Forward markets and has a sufficiently high market share in merchant foreign exchange flows. Your Bank is the leader in providing liquidity in CCIL Fx Clear platform. The volume generated in Currency Futures puts your Bank in the bracket of top three client Banks of exchange houses.

Your Bank is actively onboarding customers on FX-Retail platform rolled out by CCIL through which customers will benefit from transparent and competitive pricing.

Portfolio Management Services

As per RBI's instructions, your Bank has ceased all PMS related activities since 1st April, 2019.




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OPEN A SAVINGS BANK ACCOUNT	ENJOY SHOPPING WITH EXCLUSIVE OFFERS FROM TOP BRANDS
GET INSTANT DISBURSEMENT OF PRE-APPROVED PERSONAL LOANS OF UP TO ₹8 LAKHS	GET INSTANT DECISION ON CREDIT CARD APPLICATION
MAKE INVESTMENTS	BUY INSURANCE
TRANSFER FUNDS	CARRY OUT TRANSACTIONS
AVAIL AGRI GOLD LOANS	PAY BILLS AND RECHARGE ONLINE

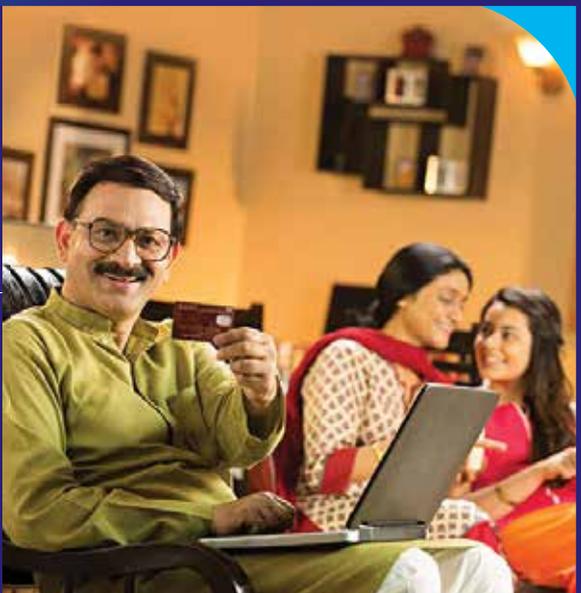






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Your Bank currently deals in Over The Counter (OTC) interest rate and currency derivatives, along with exchange-traded currency derivatives and Interest Rate Futures. The interest rate derivatives traded by your Bank are Rupee interest rate swaps (OIS),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

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

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

The accounting policy for derivatives has been drawn up in accordance with the RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for FY2020.

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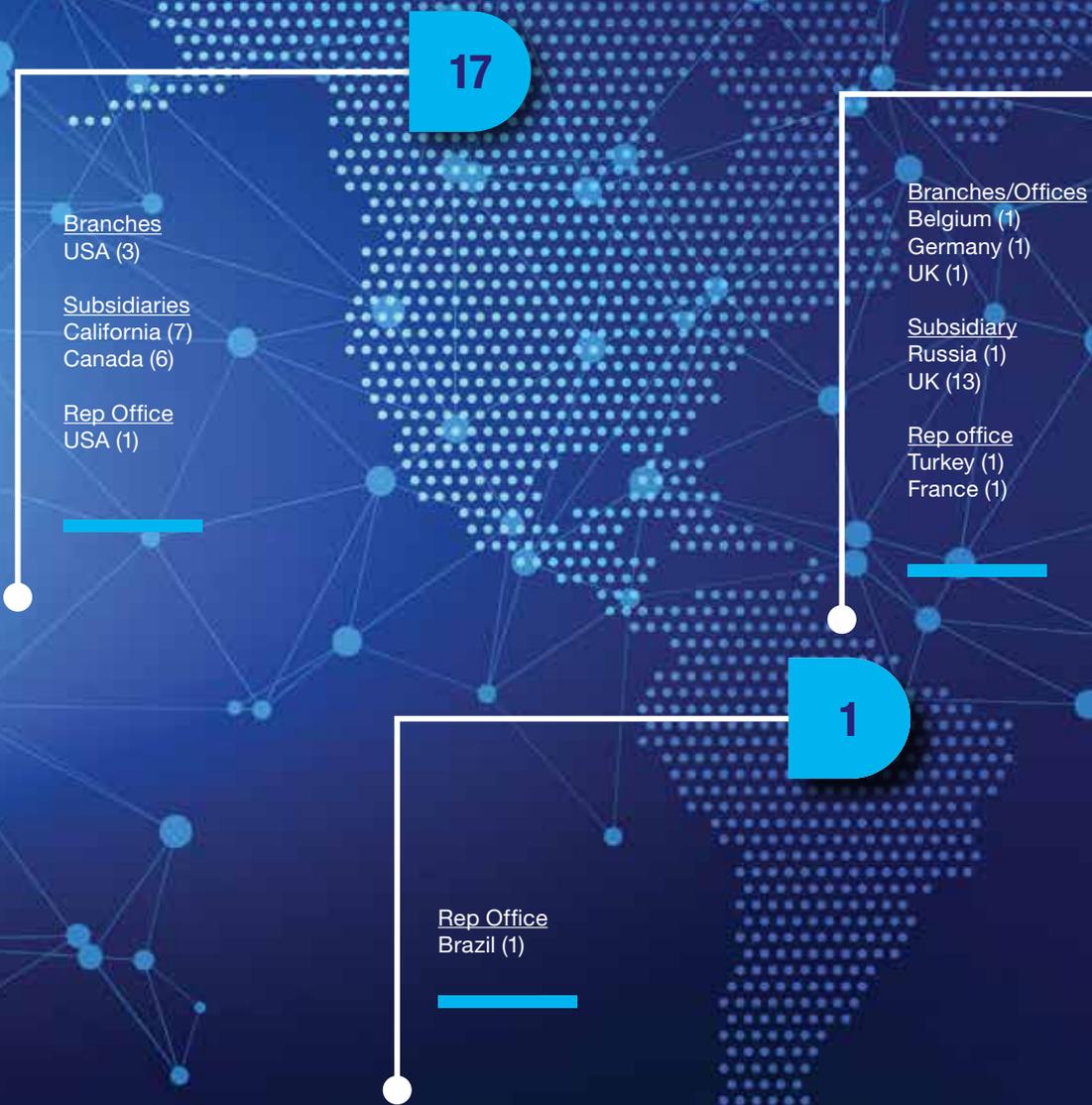
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C. INTERNATIONAL BANKING OPERATIONS



Branches/Sub Offices

China (1)
S. Korea (1)
Japan (2)
India (1)

Branches/Offices

Maldives (4)
Sri Lanka (5)
Bangladesh (18)
Myanmar (1)
Singapore (6)
Hong Kong (1)

Subsidiary

Indonesia (11)
Nepal (108)

Joint Venture

Bhutan (1)

Rep Office

Philippines (1)

19

161

13

20

Branches/Offices

Bahrain (3)
UAE (2)
Oman (1)
Israel (1)

Rep Office

Iran (1)
UAE (2)

Exchange Co.

Oman (2)
UAE (1)

Branches/Offices
S Africa (3)

Subsidiary
Mauritius (15)
Botswana (1)

Investment
Nigeria (1)

2

Branches/Offices
Australia (2)

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

International Operations of your Bank have been guided by the overarching principle of supporting global Indian corporates and Indian diaspora spread across the geographies. However, the focus of the bank has slowly shifted from its reliance on the India based business to claim its place in the overseas local markets, in line with its vision to become a truly International Bank. Consequently, it has a separate Business Unit – International Banking Group (IBG) headed by the Managing Director (GB&S) and supported by the Deputy Managing Director (IBG) for its overseas operations.

GLOBAL PRESENCE

Your Bank's first global footprint was with the branch of Bank of Madras in Colombo, Sri Lanka in July 1864 (First amongst Indian Banks). With a presence across all time zones through 233 offices in 32 countries, your Bank has gradually spread its wings across the globe and has become a pioneer of International Banking among the Indian PSBs. These offices are being managed by the IBG.

During FY2020, your Bank has consolidated its overseas operations to achieve capital conservation, cost efficiencies and synergies in overseas markets. Your Bank has rationalised its overseas operations by closing four branches- Nassau (Bahamas), Paris (France), Jeddah (Saudi Arabia), Tianjin (China) and merged two branches- Gulshan (with Dhaka, Bangladesh) and Verdun Road (With Little India, Singapore). During this period, a Sub-Office was started in Melbourne to increase our share in remittance and Trade Finance business. Representative Office at Paris and an extension counter at Motijheel (Bangladesh) were also operationalized. Also, 6 India Visa Application Centres (IVAACs) were opened in Bangladesh at Thakurgaon, Brahmanbaria, Comilla, Sathkira, Bogura and Naokhali. Further, in line with your Bank's growth strategy in SAARC region, Nepal SBI Bank Limited, a subsidiary of your Bank has opened 22 offices. Thus, 9 foreign offices of SBI and 23 offices of overseas subsidiaries have been added during the FY2020.

The breakup of overseas offices of our Bank:

	Overseas Offices as on 31.03.2019	Offices opened during last 12 months	Offices closed during last 12 months	Overseas Offices as on 31.03.2020	SBI Overseas Branches Business Volume
Branches / Sub-Offices / Other Offices	57	8	7*	58	USD 58,422 Mio
Subsidiaries	(9)	0	0	(9)	
Offices of Subsidiaries	140	23*	0	163	Net Profit USD 471 Mio
Representative Offices	6	1	0	7	
JV/Associates / Managed exchange Cos /Investments	5	0	0	5	
Total	208	32	7	233	

*Includes extension counter shifted to State Bank of India (UK) Ltd. (Subsidiary)

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1. CREDIT CONTRIBUTION: BUSINESS DRIVER

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

Your Bank has sanctioned Foreign Currency loans to the tune of USD 9.2 billion to Indian related corporates and USD 11.35 billion loans to overseas entities. In the field of Energy, your Bank has provided a funding of USD 1.82 billion to oil companies, which have significant strategic importance for India, in terms of augmenting India's Energy Security amid unstable Crude and Forex prices.

2. TRADE FINANCE

SBI provides a slew of Trade Finance products and services to exporters and importers through an extensive, well equipped branch network that operates in all time zones in India and abroad. Global Trade Department (GTD) facilitates and supports our Foreign

Offices (FOs) for an orderly growth of Trade Finance portfolio. GTD formulates policies and innovates new products for FOs as per changing regulatory norms and market demands. It takes a lead in introduction of new technologies to improve service quality in Trade Product offerings viz., LC discounting, Secondary Market Participations in Bank / Corporate Risk, India centric Trade Credit, ECA/ MLA backed Trade Finance, Supply Chain Finance program, Letters of Credit, Bank Guarantees etc. Robust Trade Finance technology solution for back end operations with a customer interface and AML / CFT compliance solution integrated to it is available at all FOs.

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

The department co-ordinates with Ministry of Defense for their Bank Guarantees and other Trade Product services through our FOs.

Trade finance business has a contribution of ~ 27% in the IBG advances portfolio and it contributes ~12% to Non-Interest Income.

SBI has been recently awarded “The Best Trade Finance Provider (India) –2020” for eighth consecutive year by Global Finance Magazine.

3. OVERSEAS TREASURY MANAGEMENT:

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

- Liquidity Management
- Dealing Room Operations
- Investments

TMG-IBG manages overall liquidity portfolio of IBG and also monitors ALM ratios. TMG is the nodal department for raising Long and Medium-Term Funds through Bond Issuance (MTN/ Standalone 144A), Syndicated Loans etc. During the FY, your Bank did not go for



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any public bond issuance/ syndicated loan. TMG has utilized various means of borrowings in small tranches, to keep the cost of resources in check. Further, TMG in its endeavor to optimize the cost of resources has prepaid USD 1.325 Bn borrowings (in four parts) and replaced it with lower cost resources. TMG has issued bonds through private placements of USD 380 Mio in three tranches including USD 100 mio through Green Bonds, which demonstrates bank's ability to adapt to different market conditions and funding requirements.

TMG manages IBG's Investment book, which currently stands at ~ USD 5.70 Bn. These investments are held in highly rated and liquid scrips which provide stable interest income for IBG with low/ medium risk. The department monitors dealing rooms at major centres, in order to facilitate Money Market, Forex and Derivative functions at FOs. Currently there are four major dealing rooms at London, New York, Hong Kong and Bahrain who work on a hub and spoke model to help smaller Foreign Offices in their operations. Dealing operations also provide hedging solutions to balance sheet in optimum manner.

4. FINANCIAL INSTITUTIONS GROUP – CORRESPONDENT RELATIONS

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

- FIG continues to leverage on the Bank's correspondent network of 227 Banks in 56 countries to deliver tailored financial solutions for its global customers.
- FIG adopts data driven approach for enhancing business relationship with the Correspondent Banks with a single-minded proposition to deliver value for the corporates and end customers. It embraces sustainable

technological advancements and evolving risk framework in dealing with the Correspondents.

- FIG strives to make SBI the Correspondent Bank for all Indian Public sector and private sector banks by utilizing its global presence.
- IBG Correspondent Banking policy is refined at regular intervals incorporating the latest trends in Correspondent Banking and based on learnings of adverse operational deficiencies faced by Financial Institutions.
- More than account relationships, FIG product focus areas have widened to Trade Finance, Credit, Treasury, Debt Capital Markets, Forex Business, Transaction Banking, Remittances and Currency Clearing.

5. INTERNATIONAL BANKING-DOMESTIC (IBD)

IBD at IBG serves as a single point of contact between the Domestic Offices and Foreign Offices in areas related to Trade Finance and International Banking. IBD thus contributes to synergize Forex business flows from Domestic Offices to Foreign Offices/ Foreign Correspondent Banks and trading community by acting as a robust link between them and addressing related gaps.

Centralized Co-ordination Cell for processing Inward Foreign Bank Guarantee (CCC-FBG) for processing Inward and outward Foreign Bank Guarantees under IBD provides a one stop solution for Correspondent Banks/ Foreign Offices/ Domestic Banks/ Domestic Offices seeking Foreign Bank Guarantees based on their counter Guarantees.

IBD is instrumental in improving FEMA compliance across the Bank. It ensures timely submission of RBI/FEMA related returns and facilitates system related enhancements and updations with regard to FEMA/ RBI guidelines. IBD is also involved in introducing latest technological tools and product innovations.

6. RETAIL AND REMITTANCES STRATEGY

Your Bank has been a "Window to India" for NRIs residing in different parts of the world through its specialized retail and remittances products. As IT infrastructure is the bedrock for improving customer offerings in Retail & Remittances segment, a detailed IT strategy was put in place for implementation of IT enablers. The highlights of the year are mentioned here under:



Ms. Nirmala Sitharaman, Hon'ble Finance Minister of India, Mr. Randal Quarles, Vice Chair for Supervision- Federal Reserve Board, USA interacting with Mr. Rajnish Kumar, Chairman SBI at the SBI Reception during World Bank/IMF Annual meetings 2019 at Washington DC.

- YONO SBI, one of the most ambitious and secure digital offering of the bank has now been extended to customers at our overseas offices. YONO SBI UK has been successfully launched in September 2019 and has already seen significant acceptance from the customers.
- YONO Global is scheduled to be rolled out across 10+ geographies in 2020.
- Remittance business strategy was re-imagined by focusing on developing various 'area specific Payment and Remittance Corridors', like Mauritius to Bangladesh in BDT (Bangladeshi Taka) and Gulf to Nepal (NPR).
- Open Banking project for opening up of Bank's Customer/Account information through API's to third party service providers has been successfully implemented in four Foreign Offices (UK, Germany, Antwerp and Bahrain) during FY2020.

7. GLOBAL PAYMENTS AND SERVICES

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

- Tie-up with 55 Exchange Companies, one Money Service Business and six Banks for channelizing inward rupee remittances from overseas to India.
- During FY2020, GP&S on behalf of domestic branches handled 64,823 Export bills (in USD and Euro) and 35,454 Foreign Currency Cheque collection aggregating to USD 16.431 billion.
- During the same period, GP&S handled 10.387 million online inward remittance transactions amounting to USD 6.797 billion, received from various global centers.

- 175 Vostro Accounts for different Correspondent Banks/ Exchange Companies/ SBI Foreign Offices are maintained.
- Pan India Nodal Office for handling ACU transactions for SBI.

8. OVERSEAS IT INITIATIVES

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

- For ensuring optimal distribution of excess volume of transactions or traffic seamlessly, the High Availability (HA) project was initiated. HA implementation in Finacle Core and Connect 24 has been rolled out in all FO's. This is expected to enhance the availability of systems and eliminate possibilities of breakdowns.
- Automation of Regulatory reports through Oracle Financial Services Analytical Application (OFSAA) for our Foreign Offices has commenced and this year, the automation of regulatory reports of our South Africa operations has been completed. More FO's are now being taken up under this project for automation of their Regulatory reports.



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- Open Banking project for opening of Bank's customer/account information through API's to third party service providers as per PSD2 directives has been successfully implemented in four FO's namely UK, Germany, Antwerp & Bahrain during 2019-20.
- Automation of the Ind As Financial Statements has been taken up during the year. The gamut of work under the IFRS Ind AS project would include the automation of the Risk Model (For PD/LGD) developed by our Risk department and consolidation of IBG Balance sheets through OFSAA.
- A Centralized Back Office for Foreign Offices is being contemplated as a strategy for optimization of Capital and reducing costs through efficient deployment of Human Resources. The proposed model is to have a BPO in a premised owned/leased by SBI within Bank's network and directly under control of IBG. The BPO will handle the entire transaction life cycle associated with the transaction making/data entry to be handled by outsourced employees and checker/authorizer functions to be handled by Bank's Officials.

3. COMMERCIAL CLIENTS GROUP (CCG)

A. COMMERCIAL CLIENTS

The CCG vertical is headed by a MD and supported by two DMDs, five CGMs and nine CCG Regional offices (CCGROs) headed by GMs. The vertical services the credit needs of select large corporate clients. The very large ones are serviced by CAG. The mandate of the vertical is to cater to all needs of this segment of corporate clients, to manage associated risks and sustain growth. There are 48 CCG branches of which one of them caters to the needs of capital market participants such as brokerage houses and manages IPOs.

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

CCG Mar'19 & Mar'20 Levels are as given below:

Levels	(₹ in crore)	
	FY 2019	FY 2020
Non-food Advances	400,909	409,589
CASA Deposit (%)	24.73	26.12
Avg Business per employee	146.69	153.56
Other Income (excluding income from AUCA recovery)	2,619	2,707
Pre -TPM Operating Profit	32,478	32,699

CCG has launched YONO for business customers. This is designed to provide a best in class, user-friendly digital platform for Corporates for transaction banking as well as Trade Finance Business.

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

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

B. PROJECT FINANCE AND STRUCTURING SBU

Your Bank's Project Finance and Structuring Strategic Business Unit (PF&S SBU) deals with the appraisal and arrangement of funds for large capex-heavy infrastructural projects, such as in Power, Roads, Ports, Railways, and Airports. It also covers other non-infrastructure capex-heavy projects in industrial sectors such as Metals, Fertilisers, Cement, Oil and Gas, amongst others. PF&S SBU also provides support to other verticals in vetting their large ticket term-loan proposals. To strengthen the policy and regulatory framework for financing infrastructure, your Bank

shares its views as a lender with various Ministries of Government of India and the RBI, on subjects relating to new policies, Model Concession Agreements and broader issues faced within the infrastructure finance space.

Recently, there has been stepping up in investment in the infrastructure sector by the Government, along with various sectoral reforms and incentives, which has resulted in an inflow of new projects, particularly in industries such as City Gas Distribution, Roads, Power Renewables among other sectors. The infrastructure space is expected to experience a further fillip with the introduction of the National Infrastructure Pipeline (NIP) being created with an investment of ₹ 102 lakh crore to support around 6,500 infrastructure projects across sectors. The emergence of COVID-19 is undeniably a human tragedy and is expected to have an impact on all the sectors of the economy. Your Bank is closely monitoring all the projects under implementation and expects to tide over its impact in the short to medium term.

Marking a shift towards a 'Originate to Distribute' business model, a Structuring Team was set up at your Bank's Project Finance and Structuring Strategic Business Unit (PF&S SBU). This team is providing customised structuring solutions for financing of projects, while keeping the Return on Equity from the transaction a priority. Experienced professionals are being recruited from different industries to provide Structuring Solutions to your Bank's clients.



Kempegowda International Airport Bengaluru
Financed by your Bank



Hindustan Urvarak and Rasayan Ltd, Sindri Urea Project
Financed by your Bank



Metro Rail Project
Financed by your Bank



Wind Power Project
Financed by your Bank

4. STRESSED ASSETS MANAGEMENT

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

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

*Post-Mergers

2. Over the last few years, there has been a significant rise in the Gross Non-Performing Assets (GNPA) in the Banking Industry. According to the Financial Stability Report of RBI for December 2019, in a sign of possible recovery from the impaired asset load, GNPA ratio of SCBs remained stable at 9.3% as on 30th September 2019 vis-a-vis 31st March 2019. It showed a substantial improvement over GNPA ratio of 10.8% in September 2018. Macro-stress tests for credit risk show that under the baseline scenario, SCBs' GNPA ratio may increase from 9.3 per cent in September 2019 to 9.9 per cent by September 2020 primarily due to change in macroeconomic scenario, marginal increase in slippages and

the denominator effect of declining credit growth.

3. A large spurt in NPA Level during FY2021 was anticipated under the backdrop of COVID19. To counter this, your Bank is taking several pre-emptive measures in extending assistance to its borrowers, so that they can face the current challenges and continue as performing assets. However, the level of NPA by the end of March 2020 significantly declined as a result of the continuous reduction of GNPA through FY2019 and FY2020 due to the following factors:

I. The Insolvency and Bankruptcy Code (IBC) 2016, for the resolution of Stressed assets, has provided your Bank with a time bound, transparent and effective mechanism to tackle stressed assets. The Bank has achieved resolution in some of high value NPA accounts referred to the NCLT under the Code. The cases referred to the NCLT are monitored by a specialised NCLT cell at SARG. A total of 821 cases were referred to the NCLT as on 31st March 2020, out of which 662 cases have been admitted. Your Bank has been able to resolve and recover an amount of ₹12,024 Crore in the account of a single big borrower through the NCLT process. Furthermore, 82 cases have been resolved, including some high-value accounts from RBI's 1st & 2nd reference lists.

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

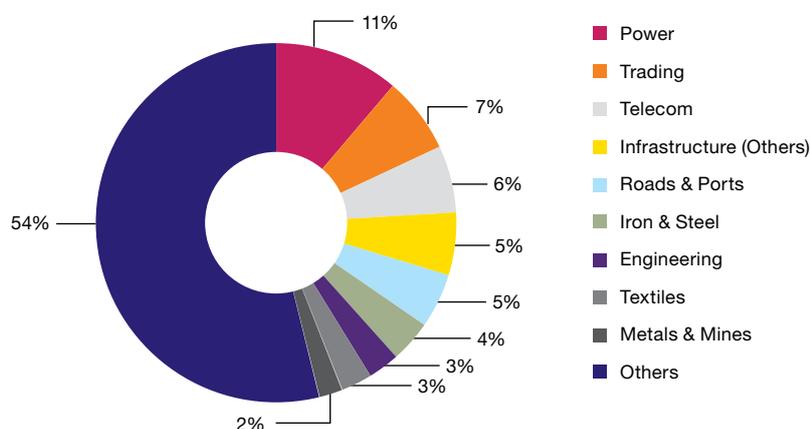
III. In non-NCLT cases, recovery is being actively explored through action under the SARFAESI Act and filing of suits in DRTs and Courts. The sale of mortgaged properties is being explored through the common e-Auction Platform <https://ibapi.in> ("e-भक्रय" - Indian Banks Auction Properties Information) under the aegis of the IBA. The OTS/Compromise route is also being explored for the recovery of sticky loans from eligible cases.

4. In line with Government of India Reforms Agenda for Responsive and Responsible PSBs, SAMG was revamped as Stressed Assets Resolution Group (SARG) for providing focus on resolution of NPAs with sector specific approach. At present, the vertical is headed by Managing Director, supported by Deputy Managing Director and three Chief General Managers

overseeing the sector-wise portfolio. The Account Management Teams functioning under the guidance of seven General Managers. As on March 2020, SARG has 19 Stressed Assets Management Branches (SAMBs) and 53 Stressed Assets Recovery Branches (SARBs) across the country, covering 61.26% and 86.03% of your Bank's NPAs and AUCA, respectively.

Industry wise distribution of the NPA portfolio (as on 31st March, 2020) is represented as under:

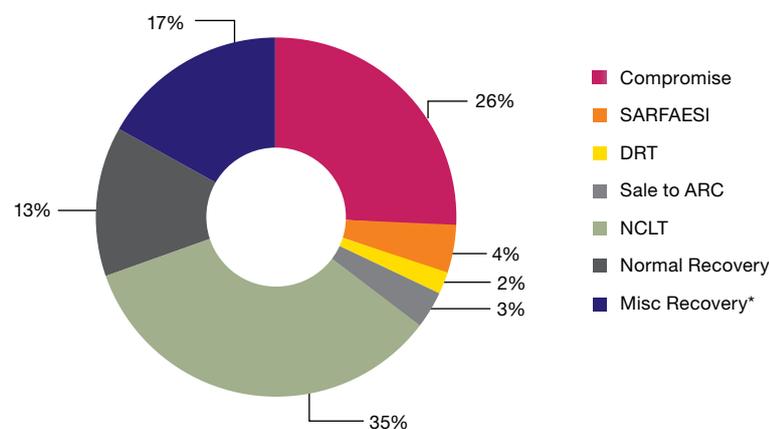
NPAs - Whole Bank



5. A significant portion of the recovery at SARG comes from Compromise and NCLT. The vertical also implements special OTS schemes (Non-discretionary and Non-discriminatory) from time to time.

A team has been set up to look after the sale of Assets to Asset Reconstruction Companies (ARCs) on Cash and/or Security Receipts (SR) basis.

Mode of Recovery - Whole Bank - FY20



6. A Special Situation Team of experts in credit monitoring and resolution has been constituted at SARG for the accounts of ₹ 500 crore and above in SMA2 and above categories. This helps in monitoring and putting in place resolution plan from the very beginning of default and to take proactive resolution measures at an early stage of default.
7. Today, SARG stands as one of the most important verticals of your Bank and the GNPA of your Bank is on course of a downward journey. Resolution of stressed assets by SARG presents the following latent income generating avenues for your Bank:
 - Cash recovery in NPAs and AUCA;
 - Reduction in loan loss provisions;
 - contribute to your Bank's bottom-line.
 - Unlocking the capital for credit extension.
8. SARG introduced certain innovative methods and gave first mover advantage to your Bank in areas such as arranging Mega e-Auction of large number of properties on Pan-India basis and identification of un-encumbered properties of the borrowers / guarantors and arranging for attachment of properties before

judgement. Various new IT initiatives are being introduced including LITMAS (Litigation Management System) for better monitoring of legal recourses undertaken in the stressed account for expediting recovery. A public interface for OTS/Compromise has been developed and rolled out on 28.02.2020 for creation of transparent and robust one-time settlement mechanism. It will further strengthen the transparency and efficiency in the process.




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IV. SUPPORT AND CONTROL OPERATIONS

1. HUMAN RESOURCES AND TRAINING

A. HUMAN RESOURCES

Your Bank believes that its employees are instrumental for achieving all its present and future organisational goals. Human Resources Management of your Bank goes beyond the routine and encompasses all aspects of people management by building a positive work culture that is aligned to the business goals of your Bank. State Bank of India believes that its people are its strength and will be pivotal in helping your Bank face the new challenges on the fronts of knowledge, technology, and changing trends in the national and global economies.

Your Bank is taking full initiatives in effectively designing and implementing various HR policies, procedures, and programmes for developing and managing knowledge, skills, creativity, aptitude, and the optimal use of talent. The HR function is placing focus on the strategic utilisation of employees and the measurable impact of an employee's performance on the business. Your Bank continuously aligns its strategies with the ever-changing aspirations of your Bank's workforce, to increase efficiency and promote a participative work culture in the organisation.

short and eventful journey so far has seen setting up a solid structural ethical framework, recrafting, and internalisation of the values of STEPS and formulation of the Code of Ethics. Firmly believing that the best culture is an ethical culture, your Bank has been running a host of initiatives to percolate ethical values by leveraging technology to touch base with close to 2,00,000 employees on a daily and weekly basis. The idea is to make a positive change by fostering an ethical, inclusive, and empathic environment for all employees and stakeholders at large. Simultaneously, on the Business Conduct and Discipline Management front, your Bank has taken a host of measures to infuse the necessary confidence in its staff to make proper commercial decisions in discharging their duties. It also aims to enhance the level of managerial efficiency and effectiveness in your Bank.

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

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.

To drive a cultural change in your Bank, mid-year online feedback process was launched for all officers. This helped in aligning the achievement and goals for the remaining two quarters of the Financial Year. This will also facilitate the mapping of skill sets of officers.

For a bank with a large footprint and diversified set of roles, specialised skills are very fundamental to drive success. To ensure in-depth domain knowledge and to foster expertise, your Bank has defined career paths for its officers in Scale-II to V as per seven Job Families viz. Credit and Risk, Sales, Marketing and Operations, HR, Finance and Accounts, Treasury and Forex, IT and Analytics.

Your Bank has introduced a 'Special Allowance for Credit Officers', for officials working at specialised positions in high value Corporate and SME credit. It will help your Bank to attract and retain employees for working in the area of credit. It is designed to keep them motivated, and make them focus on the consistent enhancement of skills and will further strengthen the ability of your Bank to create a pipeline of enthusiastic officers for credit roles.

"SBI GEMS" is a mechanism to promote recognition and develop organisational memory of the exceptional performance is in place within your Bank. This helps motivate the performers in your Bank to achieve high benchmarks.

Your Bank has in place a policy on Succession Planning for the Senior Leadership positions to ensure a smooth transition at all the critical executive-level positions. Succession Planning exercise for all DMDs, CGMs, GMs, and critical profiles have been taken up during FY2020.

The summarised HR Profile of your Bank as on 31st March, 2020 is as under:

Category	31.03.2019	31.03.2020
Officers	1,08,113	1,06,361
Associates	1,05,440	1,03,134
Subordinate staff and Others	43,699	39,953
Total	2,57,252	2,49,448

1. VISION, MISSION AND VALUES

It has been three years since your Bank, in a first for the Indian Public Sector and Banking landscape, took the seminal step of establishing an independent Ethics and Business Conduct Vertical headed by a Chief Ethics Officer. The

structure, amongst others. Your Bank has also streamlined its promotion and transfer process, which were 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.

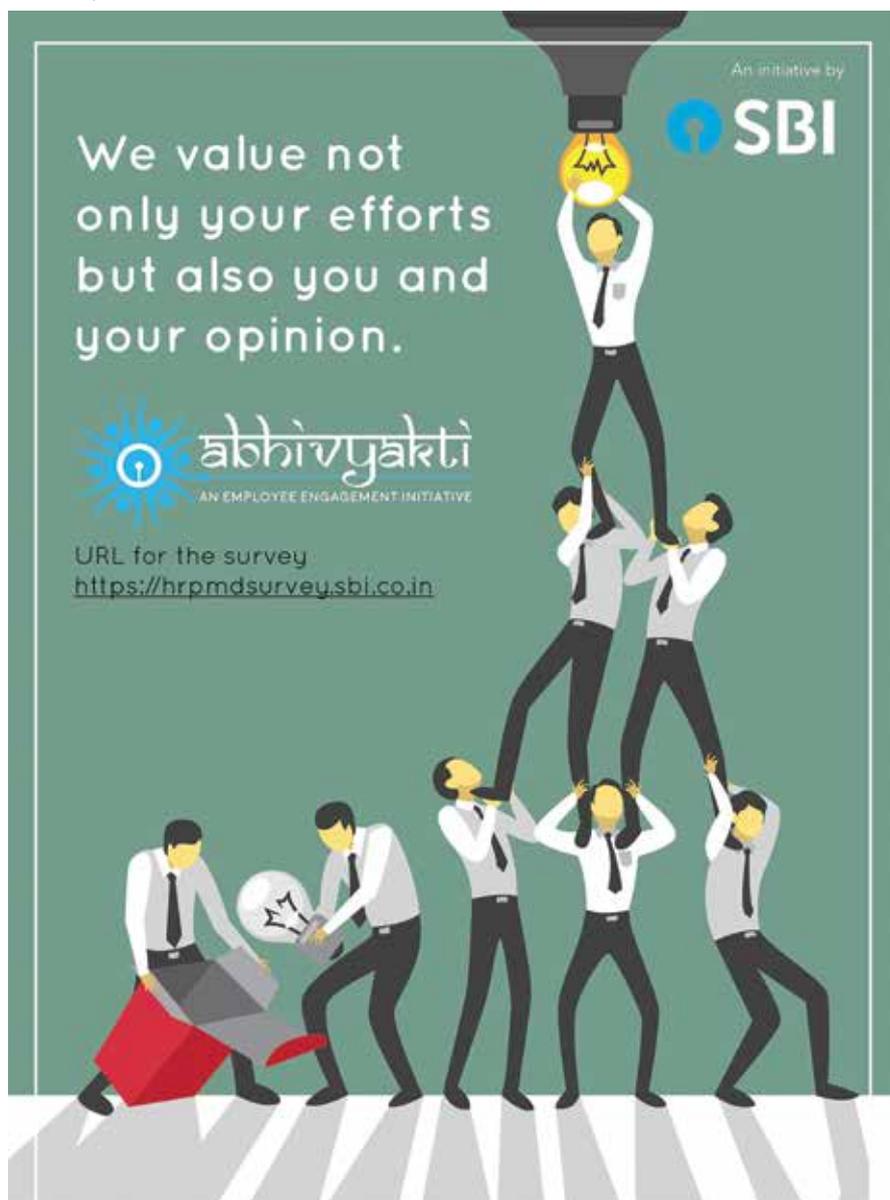
3. RECRUITMENT

Your Bank has streamlined the recruitment process with the implementation of a regular recruitment calendar and by leveraging IT. During FY2020, your Bank has recruited 2,201 Probationary Officers and 8,938 Junior Associates. Your Bank is also actively recruiting specialised talent on lateral and contractual basis in the areas of Wealth Management, IT, Information Security, Risk, Credit, amongst others, 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 to reach out to a broader pool of candidates. Advertisements and recruitment notifications are being published on LinkedIn, Naukari.com, iim.jobs, Facebook and Instagram. The use of social and digital media in your Bank's recruitment process has enabled your Bank to reach out to a larger pool of tech-savvy and aspiring candidates. Your Bank has also tied up with professional bodies such as ICAI to reach out to a good talent pool of candidates for specialist positions.

4. EMPLOYEE ENGAGEMENT INITIATIVES

'Sanjeevani': The 'Sanjeevani' helpline for redressal of Staff grievances launched in January 2018, was extended to Bank pensioners during the 2nd quarter of FY2019. An integrated Sanjeevani portal has been activated in January 2020, to create a more robust Staff Grievance Redressal Mechanism. "Sanjeevani" now also provides counsellor support, a measure expected to bolster employee morale.



"Abhivyakti": Your Bank also conducted the most extensive employee engagement initiative called "Abhivyakti". The purpose of this exercise was to understand the pulse of the employees to find out what drives employees to perform at their best, and what puts them off. The initiative included a record participation of 1,91,881 employees, making the survey one of the

largest in corporate India. It provided your Bank great insights for drawing up an appropriate one-year action plan for implementation up to the grassroots level. This initiative was oriented to enhance the overall engagement level and performance of SBI. Your Bank will continue to take measures to keep employees satisfied and happy, while

motivating them to continually strive towards realising its mission.

5. GENDER DIVERSITY

Gender sensitivity and inclusiveness have always been the cornerstone of your Bank's HR policy. During FY2020, the representation of women out of the total workforce reached 25.28%. Women employees are spread across all geographies and levels of hierarchy. At SBI, women officers today head more than 3,500 branches. Your Bank has taken several proactive steps to provide a safe and conducive work environment for its women employees, and for enabling them to work without fear of prejudice, gender bias or sexual harassment. The mechanisms for dealing with complaints of sexual harassment in an effective and time-bound manner are well established.

6. RESERVATIONS AND EQUAL OPPORTUNITY

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

Representation as on 31st March, 2020

S No	Cadre	Total	SC	ST	OBC	DAPs*
1	Officer	1,06,361	18,930	8,810	21,296	1,973
2	Clerical	1,03,134	16,625	8,418	25,496	2,330
3	Sub-Staff	39,953	9,867	2,506	9,617	251
	Grand Total	2,49,448	45,422	19,734	56,409	4,554

* Differently Abled Persons

7. INDUSTRIAL RELATIONS AND STAFF WELFARE

Your Bank enjoys a harmonious relationship with the Staff and Officers' Federations. It has continuously emphasised a good and healthy work environment, mutual respect and empathy at the workplace, with encouragements for an excellent work-life balance to foster a healthy and happy workforce.

Your Bank took several transformative initiatives during the year in the area of staff welfare. These initiatives are crucial to ensure that your Bank remains at the forefront of banking in India, and its employees are equipped to meet the challenges of tomorrow. To strengthen your Bank's long-term relationship with its employees and to promote a sense of belongingness among them, your Bank is committed to taking care of its employees and their family members. Your Bank has introduced a scheme "ATOOT" to provide for immediate support to the family of a deceased employee. The scheme provides financial support for funeral expenses, and special assistance for the transportation of mortal remains in case the death occurs away at a distant location.

8. CARE FOR RETIRED EMPLOYEES

The well-being of retired employees continues to be important to your Bank, and several measures were initiated during the year for their benefit. Medical Benefit Schemes for retirees were revamped to provide healthcare at an affordable cost. Pension, PF and Gratuity processing and payment for erstwhile Associate Banks' employees were migrated to HRMS, to ensure smooth, efficient, and on-time processing and payment of terminal benefits.

B. STRATEGIC TRAINING UNIT

INCULCATING A LEARNING CULTURE IN THE ORGANISATIONAL PSYCHE

Your Bank has created a macrocosm of training expertise and infrastructure, comprising of six domain-specific Apex Training Institutes (ATIs) and 51 Regional State Bank Institutes of Learning and Development (SBILDs), with a classroom training capacity of 4,200 staff per day.

The domain-specific ATIs design trainings as per the internal business needs and external demand. Their clientele spans several sectors and organisations, including various Government agencies, domestic and international banks and corporates.

In addition to Capacity Building through webinars and classroom trainings, the ATIs also act as think tanks for the Bank and mentors for the SBILDs. They train the Faculty of the SBILDs that, in turn, provide holistic training to approximately 2,00,000 employees annually.

To consolidate and optimise the training resources and make employees future-ready, your Bank has introduced diverse new initiatives and comprehensive changes in the training system in FY2020:

1. DEDICATED CORPORATE COMMUNICATION PROGRAMME:

While the Phase -I of Nayi Disha was focused on employee centricity, Nayi Disha Phase II, introduced in FY2020, concentrated on customer centricity by equipping trainees with the required skillsets for providing excellent customer service at every stage of the service cycle. More than 2,34,000 employees were covered under this programme.

2. SPEARHEADING GOVT INITIATIVE:

Apprenticeship: As the leading Bank in the Country, State Bank of India pioneers in implementing apprenticeship training to lend a thrust to the GOI's Skill India Mission for creating a pool of skilled workforce in BFSI sector. The Pilot scheme was launched in FIMM Vertical of Chandigarh Circle.

High powered Industry engagements: Your Bank organised a conclave of CFOs of premier BFSI organisations, National Conference on Inclusive growth and MSME Conclave for GOI, CII, SIDBI, amongst others, for increased interface with external organisations, cross-pollination of ideas and a two-way exchange of policy and practices.

Customised programmes for BFSI professionals: Your Bank has opened up its training system to outside institutions

including Public, Private Sector and Foreign Banks and Government departments against a nomination fee. A revenue of ₹ 9.60 crore was generated through customised program offerings during the FY2020.

3. CREATING TRAINING JOURNEYS FOR RECRUITS

Developing Probationary and Trainee Officers: The whole Training Curricula and Assessment Process for Probationary Officers and Trainee Officers have been modified for providing a holistic perspective with particular emphasis on credit domain. In addition to classroom training, the emphasis was also on grooming and orientation recruits to the organisation culture. The mentorship policy was revisited to ensure a closer connect and support during probation.

Onboarding of Clerical Staff (Junior Associates): Training curricula and Approach for Junior Associates has been revamped to a two-stage institutional training. The curricula for these programmes incorporate Basic Banking with greater emphasis on developing a digital mindset. A Standard Operating Procedure (SOP) has been instituted for their training beyond classroom activities, much in line with that for Probationary Officers and Trainee Officers.

Induction of System Officials: Your Bank employs specialists having diverse technical skills for IT-related bank tasks. Accordingly, a policy on 'induction cum training' of System Officials has been formulated and put in place for enabling their seamless onboarding.

4. CAPACITY BUILDING FOR MIDDLE MANAGEMENT

Role relevant Certifications: The basket of Role-Based Certification programs has been increased to 59 in-house and 41 external certifications. Collaborative accreditations were designed and launched for niche areas like Digital Banking and Leadership. Around 95% of the officers and 93% of Award staff have completed role relevant certification in FY2020.

Mandatory e-Lessons: e-lessons on the domains of KYC/AML, Ethics, Compliance and CRM were prescribed to all employees up to AGM levels for promoting a compliance culture and ethically sound business practices.

Acquisition of External Credentials: The basket of external courses in technical domains was increased to 41 to enhance the professional expertise of officers handling niche areas.

Supplementary Certification: A course on "Digital Transformation & Leadership Development" was created to hone the skills of all Officials due for promotion in Scale III to Scale V. Nearly 75% of the eligible employees underwent this certification.

5. BUILDING A STRONG EXECUTIVE TEAM:

Online Assessment Centre (OAC): An Online Assessment Centre has been created for competency assessment of Top Executives. A Personalised Managerial and Leadership development Plan, that is, Individual Development Plans charting areas of strength and development have been made available to each participant. Total of 174 newly promoted DGMs have undergone online competency test.

Succession Planning: Specialised programmes have been introduced to deliver high-end training to the identified potential successors for Senior Positions to create a pool of future leaders. Five domains were identified for delivery of trainings, namely High Value Credit and Risk, Human Resources, Digital Banking and IT, International Banking and Global Markets, Retail Business and Operations. Your Bank has identified 318 officials and training in the respective domain have been imparted.

Mandatory Learning for TEG Officials: A basket of 125 edX certifications have been made available to them in addition to other internal and external certifications. These certifications help your Bank to keep the top executives abreast of emerging concepts that are relevant to Business Analytics, Soft Skills, Project Management, Leadership, Digital, Economic and Finance, amongst others.

External Training: Senior functionaries have been exposed to high end and focused external training. Such exposures are critical because their management views, approach and ethos have a significant impact on Policymaking in your Bank and large sections of employees.



Chairman, SBI receiving 'The Best Bank - India' Award at Global Finance Magazine Award function - 2019 at Washington DC.

6. NURTURING LATENT LEADERSHIP SKILLS:

Grooming of Officers for leadership positions starts at the inception. The Officers are trained in different leadership skills at different stages of their career path. In FY2020, your Bank groomed its young leaders through a Management Development Programme for Junior Officers. Operational Leadership Training was imparted to first time Regional Managers. All newly promoted DGMs and GMs were given Business and Strategic Leadership training.

7. REINFORCEMENT OF LEARNING:

'Just in Time Learning' askSBI:

With increasing banking complexity, frontline functionaries face new problems every day. Their essential knowledge requirement has been addressed by enhancing features and knowledge bank of the real-time search engine askSBI. Furthermore, for improved accessibility, knowledge repository has been made available on mobile through EMM platform. In FY2020, 85% of branches have utilised the facility.

Social Learning "Online Case Study Discussion Board":

For building a virtual community of domain experts and promote peer group learning among employees, State Bank of India has launched a Discussion Board platform based on real-life case studies. The Discussion Board has been made platform agnostic with accessibility through multiple devices. More than 36,000 employees have accessed the forum within four months of its launch with >350,000 site visits.

Gamification of Learning:

Daily Quiz capsule "My Quest Today": A regular quiz platform has been launched as brief knowledge refreshers on credit, emerging areas and Bank's guidelines. The number of participation hits in 'My Quest' has crossed 31,000 within two months of its launch.

Play2Learn App: A quizzing app was launched in FY2020 for a better experience and enhanced retention. A knowledge bank of 21,250 questions has been created for "Play2Learn", and the number of registrations has crossed the milestone of 10,000.

Doorstep Training: "Visiting Faculty Scheme": VFS has been enhanced to minimise workplace disruption. The faculty of SBILDs now participate in review meetings of Regional Business Offices (RBOs) to address the day to day operational doubts of customer-facing operations.

8. EMBRACING DIGITAL FOR EFFECTIVE OUTREACH

Webinar: All ATIs were equipped to conduct online Webinars on niche topics for upskilling of employees without causing workplace disruption.

Certification leveraging Mobile

Phones: An App on the mobile platform has been launched for content delivery, and assessment - learners are assigned learning "Milestones" followed by quizzes for evaluation. It has proved hugely successful with employees due to optimal time utilisation.

Cloud-Based LMS: All e-content was migrated to cloud-based LMS-Meghdoot having user-friendly features for facilitating anywhere, self-paced learning.

Digital Library: A digital repository of 754 e-lessons, 477 e-capsules and 739 mobile nuggets together with a question Bank for self-assessment has been created. Employees can access all

e-lessons on new cloud-based learning management system 'Meghdoot', with user-friendly features for knowledge enhancement.

e-Repositories:

Case Studies: A total of 1,329 thought-provoking case studies have been developed in-house and made available to employees for gaining practical inputs. The case studies are based on real-life banking scenarios and account experiences. They have been curated by a Content Vetting Committee for topicality, utility, interest engagement and data accuracy prior to making them available for employee use.

Booklets: 713 booklets with guidelines on diverse banking activities for the frontline staff have been hosted on the intranet. **e-Publications:** All the ATIs publish in-house journals and magazines for employee use. For example, Banking Briefs has been a prized publication, which is invariably sought by different layers of management as the best-in-class publication for a quick round-up of wide-ranging banking and finance topics.

9. INCLUSIVE TRAINING

New content on "Handling PWD employees" is being developed to promote inclusiveness at operating units. Specialised training was provided to 237 Visually Impaired and 73 Hearing

WITH
SUCCESS
COMES
PRIORITY.

DEDICATED RELATIONSHIP
MANAGER FOR OUR
WEALTH CLIENTS.

SBI Wealth

For more details visit: bank.sbi
Email us: wealth@sbi.co.in or
SBS Wealth Name City to 567676 Follow us on

Impaired employees in co-ordination with Centre of Excellence, SBI Foundation.

10. BUILDING THE RESEARCH QUOTIENT

Creating Domain Specialist Research Wings: Domain specialist Research Wings have been created at all ATIs to address business-related concerns. More than 65 investigative studies were carried out by the Research Officers in FY2020, and 102 recommendations made in these studies were accepted for implementation by BUs.

Post-Doctoral Research Fellows: PDRFs have been recruited for innovative and high-end academic research activities relevant to the BFSI sector. The PDRFs have shared their research findings in National and International conferences. They have published their research works in leading journals to establish State Bank of India's footprint in the domain of BFSI research.

Fine-tuning Summer Internship Policy: The summer internship policy was revisited during the year and fine-tuned to engage students in business-relevant projects. Total of 305 students pursuing various educational courses in all top-level UGC/AICTE approved private, and Government institutes were engaged under the Summer Internship programme.

11. KEEPING THE MOMENTUM

Even though COVID-19 struck at the end of FY2020, your Bank's virtual learning tools ensured that continuity of training programmes were kept intact. A seamless transition to anytime learning and on-demand webinar classes were adopted extensively.

2. INFORMATION TECHNOLOGY

A. NETWORK, ARCHITECTURE AND INFRASTRUCTURE

To ensure reduced downtime and seamless stable connectivity, your Bank onboarded two additional Telecom Service Providers (TSPs), taking its total TSP partners to eleven.

To have a single point of control and monitoring of Network, your Bank also established a Network Security Policy Manager (NSPM) during the year.

Using a comprehensive approach for the successful development and execution of IT strategy, your Bank also started an Enterprise Architecture (EA) journey for conducting enterprise analysis, design, planning, and implementation. Today, with strategically driven planning, analysis, design, and execution, your Bank has the best tools in the industry to support its enterprise architects, business and IT stakeholders,

"Meghdoot", your Bank's private cloud, which was commissioned in 2014, has been successfully delivering IAAS for 1000+ applications. It has the capacity to host 15,000 Virtual Servers with a scalable architecture to provide infra on demand and is on its journey towards establishing its PAAS (Platform-as-a-Service). Your Bank has its own first "State of the Art", "TIER- 3" Data Centre at a safe seismic zone (Zone2) in Hyderabad, equipped with nine layers of security.

Your Bank is rapidly consolidating all its physical servers located at 22,100+ SBI's Branches, to a central location with Data Centre Security in the virtual environment, resulting in power saving and thus reduced greenhouse gases.

Your Bank proudly holds the world's largest Oracle databases and has successfully upgraded to Oracle DB version 12c.

B. PRODUCTIVITY AND EFFICIENCY

Enterprise Mobility Management (EMM): To increase the internal productivity, your Bank has adopted an EMM solution, which provides an 'office-on-the-go' tool for facilitating work from anywhere or anytime, enhancing employee productivity and efficiency.

OFFICE 365: Office365 provides a productivity suite of applications for the employees of your Bank. It is a platform for hosting internal application/workflows, which are helping your Bank to achieve a paperless work environment by providing automation of workflows.

IT Service Management (ITSM): It is another tool to monitor IT services for end-users providing Proactive Monitoring of IT Infrastructure by generating critical alerts to be resolved on a priority basis.

SMS Seva- Appliance Based SMS gateway: Your Bank has Single integrated system capable of handling 50,000 SMSs per second and 40 crore SMSs per day against the existing capacity of handling 5,000 SMSs per second and 12 crore SMSs per day, ensuring that customers gets their SMS alerts for critical transactions.

User Experience Design Centre (UXDC): Your Bank has state-of-the-art UXDC, the first of its kind in Public Sector Banking Industry. It aims to provide meaningful and relevant experiences to users. This involves the design of the entire process of acquiring and integrating the product, including aspects of branding, design, usability, and function. It ensures that your Bank's processes and products truly delight its customers, and keep on improving with time. Your Bank is also embarking in the field of augmented and virtual reality (AR/VR), to make more immersive designs for enhancing customer experience.

Application Testing: Your Bank ensures that each application undergoes a host of tests. Your Bank conducts rigorous performance testing to ensure that a new application meets the stated parameters in terms of responsiveness, scalability, reliability, resource usage and stability under high volume workload. As your Bank's network is spread across length and breadth of the country, it therefore experiences varying bandwidth availability at a different location. You Bank introduced throttle tests to determine whether applications perform well under varying network speeds. These tests can be used for developing lightweight applications that can perform well on low network bandwidth.

Robotic Process Automation (RPA) Tool: Your Bank also uses an RPA tool, which allows the configuring computer software, or a "robot" to emulate and integrate the actions of a human interacting within digital systems. RPA robots utilize the user interface to capture data and manipulate applications just like humans do. It communicates with other

systems to perform a variety of repetitive tasks. Your Bank is using UiPath for Automated Regression testing of various applications. This tool is 20-30% faster as compared to traditional automation testing tools. It does not require specialised automation engineers, thereby, saving significant cost in terms of times and money in the long run.

Mobile Automated Testing (MAT) Tool: Your Bank uses Appium, an open-source tool for automated testing of mobile apps on mobile devices such as (Android and iOS), tablets and iPads, amongst others. Appium makes mobile app regression easy as and when they are updated with new features and functionalities.

C. YONO

During FY2020, the all-in-one digital platform YONO has been bolted with numerous additional feature-rich products, such as:

- Pre-approved paperless personal loan is offered online without the need to visit the branch
- Convenient fund transfer through BHIM UPI and QR Code
- YONO Cash that enables cardless cash withdrawals from ATMs and PoS as well as cashless shopping at multiple PoS
- 'Tap and Go' payments using wearables and smartwatch
- Online purchase of various financial products of your Bank's Joint Venture Companies (SBI Life, SBI Caps, SBI Cards, SBI Mutual Fund and SBI General Insurance) on a single platform. For example, customers can instantly avail life insurance cover up to ₹ 20 lakh

D. ANALYTICS, AI AND MACHINE LEARNING

Addressing the critical pain points within the system, your Bank's Analytics Department is committed to deliver on its vision of becoming the Centre of Excellence and a Prominent Value Creative Department, by developing multiple Predictive AI/ML based Models. Over the last five years, the Analytics Team has matured and delivered various value creative models using the latest tools and algorithms in almost all the

areas of your Bank. During the past two years, 30+ Machine Learning Models have been developed in-house. A few examples of such products and models are:

Business Areas: Recommendation Engine for leads in various P-Segment Loans, Propensity Based end-to-end digital "Pre-Approved Personal Loan (PAPL)", 4-click SME Loan Product "Pre-Approved Merchant Loan (PAML)"

Fraud and Risk Areas: Models developed to detect suspicious ATM Fraudsters, Possible Money Laundering Activities in SB accounts

Credit Risk Areas: Models developed to identify Early Warning Stress Signals in both SME and P Segment loans

Other Areas: Models to identify Income Leakage, Cross-Sell and Up-Sell

Your Bank is also entering into new territories of developing AI and ML based models, such as digital lending to SME customers through the "Pre-Approved Business Loan (PABL)", Loans to BSBD customers, amongst others.

Your Bank's adoption of AI and ML is in alignment with the Gartner Hype Cycle, an industry-recognised tool that shows global technology trends in AI and ML. As directed, your Bank has outlined a "Board Approved Three Year Roadmap on the Adoption of AI and ML" in your Bank.

E. BUSINESS INTELLIGENCE

Business Intelligence is the precursor to advanced analytics. Keeping this in mind, your Bank is introducing high value creative dashboards with visualisations, graphics, built-in intelligence, amongst others, that provides insights from the top to the grass-root level in all areas, facilitating quality decisions. The dashboards are designed to be available on all platforms, such as intranet, internet, iPad, Mobile, amongst others. The department is well on its way in its journey towards becoming the Single Source of Truth for your Bank. In this pursuit, it has developed several Master Dashboards and automated maximum number of data points to minimise data quality issues, meet RBI's stipulation of Element Based Reporting and various compliance and risk needs, thereby improving the

reputation of your Bank. The Department has also been instrumental in coming up with the Roop Rekha dashboard in alignment with the Government's vision of a US\$ Five Trillion Economy.

F. CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Your Bank has implemented a State-of-The-Art CRM Solution for the integrated management of Sales, Service and Marketing activities. It captures customer interactions across systems and channels and provides a 360° view. It has built-in campaign management modules and ensures the timely delivery of service. The CRM solution has been widely used across your Bank with user logins crossing 30 lakh per month, covering more than 65% of users.

G. DATA WAREHOUSE (DWH)

Over the last 10 years, your Bank's DWH has been instrumental in providing data across your Bank on a T+1 basis, connecting 71+ source systems. The DWH is equipped to meet the RBI's new direction with regard to "Element Based Reporting", by acting as a Central Data Repository of your Bank.

With the explosion of data, especially from the ever-expanding digital ecosystem, your Bank plans to set up a "Next-Gen Data-Warehouse" with state-of-the-art Architecture by December 2020 to provide Data on Demand and to address Data Quality and Data Integrity issues. This should strengthen the maturity of your Bank's Analytics Team in delivering increasingly innovative solutions in the future.

H. DATA MANAGEMENT OFFICE (DMO)

Your Bank has become a pioneer in the Indian BFSI sector by establishing a robust Data Governance Structure and has set up the Data Management Office under the Chief Data Management Officer. The Data Governance Framework is being driven through an Apex-Level Data Governance Council (ADGC), supported by the Data Governance Council (DGC). This structured approach will reduce complexity and ensure data quality and security across your Bank, thereby enabling better utilisation of its Data Assets.

I. ANALYTICAL PLATFORM FOR REPORTING, RISK AND COMPLIANCE

To optimise financial reporting and enable its risk and finance functions, your Bank has adopted a state-of-the-art financial analytics solution. This ensures data accuracy and provides insights into Profitability, ALM and Regulatory Compliance. It also optimises analytical business functions such as Economic Capital, FTP and Regulatory Capital. Your Bank is in readiness to adopt the IND-AS standard, expected to be effective from April 2020.

J. EFFICIENCY

To reduce vendor concentration risk in its IT ecosystem and the related vendor dependence, your Bank has developed a number of in-house IT applications. These applications are expected to bring significant efficiency to your Bank. Some examples of such applications are:

- Budgeting and Expenditure Tracking Application (BETA)
- Partner Relations Management Software (PRMS)
- Generic Reconciliation Software
- CRIMMAR (Central Repository of Information and Monitoring-tool for Automation of Regulatory Reports)

K. PAYMENT AGGREGATOR AND PAYMENT GATEWAY (E-PAY & PG)

Your Bank provides indigenous, unique, PCIDSS certified secured platform for facilitating seamless e-Commerce transactions between Business, Merchants, Customers and Financial Institutions, for various kinds of payment modes. The platform is provided through your Bank's Payment Aggregator (SBI e-Pay) and Payment Gateway (SBIPG) applications by integrating with thousands of Merchants on the one end and a large number of Payment Channels such as Banks, Wallets and Cards at the other end. SBIPG processes all debit and credit card transactions of Payment Aggregators, SB Collect, SBI-MOPS and YONO.

L. PAYMENT SYSTEM (PS) AND CASH MANAGEMENT PRODUCT

Your Bank holds a major share in NEFT outward remittances with 25.73 crore transactions* with over 9.38% market share. In RTGS, 1.79 crore outward transactions were effected during FY2020, implying a market share of over 11.95%. Your Bank, now, provides 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.

Your Bank has emerged as a Technology-Driven Platform for straight-through processing of bulk transactions of Corporates and Governments. During the year, your Bank has onboarded prestigious clients such as Railways, Department of Post, State Government such as Madhya Pradesh and Chhattisgarh. It has also taken mandates from clients such as India Bulls, Religare, Tech process, Bajaj Finserv, amongst others, to earn fee income and reduce the workload on branches.

M. ALTERNATE DELIVERY CHANNELS

To provide seamless online experience, your Bank offers diverse digital banking services to ~681 lakh retails users, ~26 lakh corporate users, ~54 crore debit card customers and providing mobile app in nine regional languages (Gujarati, Marathi, Telugu, Tamil, Kannada, Malayalam, Punjabi, Odiya and Bangla).

Your Bank has introduced many new services such as:

- Real-Time Demand Loan for e-Commerce Transactions, OTP over email to Resident Indians added to RINB portal
- Pre-Approved Merchant Loan, Debit card authenticated onboarding for Saral customers and Account opening facility for non-individual accounts through CINB
- Online e-Mandate creation for payment of EMIs
- Integration with Merchants in the UPI Platform for providing financial services through online and QR Applications
- EMI@POS functionality
- National Common Mobility Rupay Cards on qSparc specification to ensures seamless mobility to commuters across the country



N. CYBER SAFE

Your Bank is a vanguard in protecting customers conducting online and offline transactions. It achieves this by using enhanced measures such as Captcha at Login (image and voice) and the provision to Lock and Unlock INB access. It also helps customers to enable and disable UPI functionality through various channels such as CBS, Customer Request and Complaint Form, Internet Banking and YONO Lite, and Prepaid cardholders to set a limit as per their requirements. In addition to this, OTP based card withdrawal functionality has been introduced for Cash withdrawal transaction of above ₹ 10,000 from 8 PM to 8 AM. Your Bank's MVS-EPS-OMS is a solution to provide Uniform Customer Interface to implement standardised and regulated security policies at ATM endpoints and to expedite resolution. Your Bank has digitised the Parliament Canteens by providing Prepaid Cards to Members of Parliament.

O. FOREIGN OFFICE AND TREASURY SUPPORT SERVICES

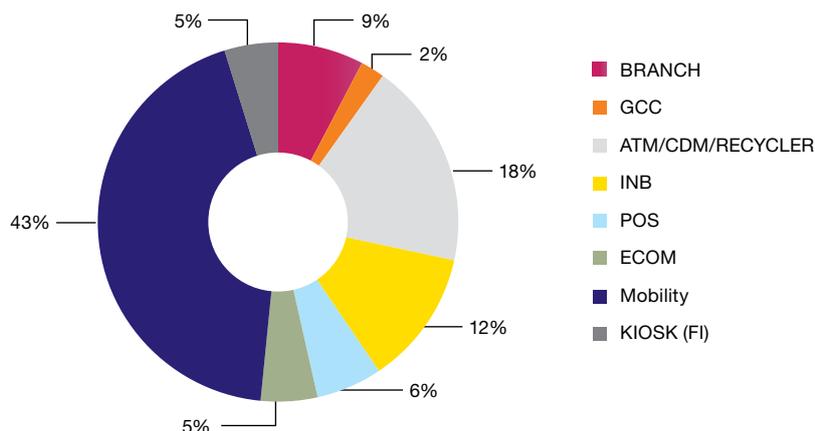
Your Bank has established an active High Availability Environment for applications viz. Finacle Core, Treasury and Connect 24, which ensures enhanced reliability, efficiency, productivity, security and scalability of applications, and seamless customer experience. It has also set up a BCP site for the dealing room, equipped with the latest infrastructure to ensure continuity in operations during disaster situations.

YONO SBI Global, a comprehensive mobile banking application with various attractive features, has been launched in the UK and Mauritius.

Your Bank has implemented Open Banking in UK, Germany, Belgium, and Bahrain in FY2019. Furthermore, the Internet Banking facility for corporate users has been launched in Sri Lanka and Germany.

Your Bank has extended the facility to integrate a corporate's forex business on the YONO platform along with the Exim Bills, where the entire documents management and workflows have been automated.

% Share of Alt Channels Apr '19-Mar '20



Number of Transaction (in Crore)

Branch	GCC	ATM/CDM/ RECYCLER	INB	POS	ECOM	MOBILITY	KIOSK (FI)
106.32	24.88	246.53	158.16	77.62	67.10	578.00	63.13

P. MERCHANT ACQUIRING BUSINESS-OPERATION (MAB-OPS)

During the year MAB-IT Op executed customer centric projects like YONO Cash@PoS and YONO Sale@PoS, Metro projects for enhanced customer delight in affecting payments to the merchants and EMI on SBI debit cards on Pinelabs managed terminal etc. to name few. As

per RBI, Your Bank is number 3 in terms of POS terminals deployed in the country with 6.73 lacs terminals (13.43% market share) as on 31-03-2020.

Q. SPECIAL PROJECTS

Your Bank is working on several special projects to bring an enhanced banking experience to its customer. Some key initiatives include:

KARO SAPNO KO TICK WITH JUST 4-CLICKS.

Avail your Pre-approved Personal Loan with just 4-clicks only on yono.

SAY YO TO BENEFITS:

- Instant loan disbursement
- Hassle-free & 4-clicks process
- 24 X 7 availability
- No branch visit
- No documentation

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 Download & Register now
 sbiyono.sbi

To know your PAPL eligibility SMS
 PAPL -space> Last 4 Digits of SB Account Number to 567676

Website: Your Bank has revamped its corporate website and launched its Hindi version for better customer experience. Additionally, a sustainability website was launched to showcase your Bank's sustainability initiatives.

GST Tax Engine: A centralised solution was introduced to meet customers' requirements with respect to GST, for example, the filing of GSTR1, GSTR7, GSTR3B, returns, matching of GST2A with purchase data, generation of Consolidated GSTIN wise invoice, Real-time invoice, and E-Way Bill generation.

NPS (National Pension System): Your Bank has launched a pan-India Centralised Application for serving the National Pension System.

CKYC: Approximately 1.23 crore CKYC numbers were generated, and 12 lakh CKYC records were updated using C-KYC application.

SBI Wealth: A personalised service offering of diversified banking products and services was introduced, topped up with best-in-class lifestyle benefits to your Bank's premium customers. In addition to this, a Global NRI e-Wealth Centre was started.

STP (Straight Through Processing) Implementation in APY (Atal Pension Yojana): Your Bank facilitated the automated uploading of subscriber registration and contribution files into the NSDL CRA system.

R. CORPORATE AND SME LOANS

Through the Loan Life Cycle Management System (LLMS), an in house developed application, the entire life cycle of the credit process has been automated, leading to the standardisation of the credit process by enhanced risk management, leading to an enhanced user experience by improving the TAT.

e-Mudra: Available to common man 24X7, digitising the entire Mudra loan journey from applying/processing to disbursement without any manual intervention.

NBFC Co-origination: Your Bank has increased its Priority Sector Advance portfolio by introducing an automatic process of Integration with NBFC for co-origination of demand and term loans of the leads sourced by NBFC. The State Bank of India disburses the loans in a predefined ratio, while the NBFCs carries out the necessary follow-ups and recoveries.

CPM analytical tool (PSM): New functionality has been launched by analysing the Data for effective Post sanction monitoring.

Advanced PACE Tool: Consolidating all bank transactions of a customer and categorising it based on logic inbuilt, to arrive at net business turnover by netting off all non-business transactions.

S. RETAIL LOANS (RLMS)

Your Bank caters to Retail Loan underwriting and follows up at the entire Bank-level by providing end to end credit journey through five applications, that is, LOS (PB), LOS (Agri), OCAS, OPAS and LCS.

LOS PB: It links over 21,000 branches, RACPCs, RASMECCs, RBOs and more than 1,00,000 users. In FY2020, a total of 30,36,112 loan accounts amounting to ₹ 2,66,449 crore have been sanctioned in LOS PB.

LOS Agri: It links more than 21,000 branches, RACCs, RBOs and more than 1,49,000 users. In FY2020, total 41,77,068 loan accounts amounting to ₹ 62,976.54 crore were sanctioned.

AGRI Gold Loan: A loan scheme that reduces the entire loan journey from applying loan to disbursement to seven minutes was introduced in FY2020.

CLP for Auto Loan: A contactless module in CLP for real-time in-principle sanction through machine-based analytics and credit decision was introduced in FY2020.

T. FINANCIAL INCLUSION AND GOVERNMENT SCHEMES (FI&GS)

To enhance Financial Inclusion and add customer convenience following new facilities were introduced during FY2020:

Bill Payment through FI channel (BBPS): An additional avenue for customers to pay utility bills at CSP outlets.

YONO Cash: FI and Non-FI Customers can withdraw cash through YONO App using MATM at CSP outlets, without using ATM cards.

Aadhaar Data Vault in BC channel: Regulatory requirement of Aadhaar data vault in BC channel implemented to reduce the footprint of Aadhaar in the ecosystem.

Doorstep Banking: New application where customers can initiate a request for cash pick up, cash delivery, cheque pick up from his home and workplace.

Aadhaar Data Vault: Aadhaar Data Vault was envisaged as a major initiative in your Bank to protect the privacy of Aadhaar Number holders in accordance with the guidelines laid down by UIDAI for enhancing the security of Aadhaar authentication ecosystem. It not only reduces the footprint of Aadhaar numbers but also ensures only trusted and authorised access to Aadhaar numbers.

U. INNOVATION CELL

Your Bank has a state-of-the-art dedicate Cell that looks into innovative ideas in the field of Banking. Experimenting with many ideas, it selects and implements those that make sense for your Bank. Some key exciting initiatives currently undertaken are:

Start-Ups Engagement Programme: To procure innovative products and solutions from Fintech Start-ups, which are based on the emerging and niche technologies with a high potential for employment generation or wealth creation, and those that are useful for your Bank.

Hackathon and Crowd Sourcing: The objective is to promote an outcome-based technology culture amongst start-ups and in-house developers, with the focus on developing cutting edge solution for your Bank in an agile manner.

Intrapreneurship Scheme: This scheme aims at collaborating with and incubating strong ideas from its employees in a focussed and directed way.

V. CUSTOMER SERVICE

Your Bank has implemented a robust state-of-the-art CRM solution with a comprehensive Complaint Management System (CMS) as an integral feature of the system. The CRM solution helps your Bank's stakeholders with a 360° view of customers for an enhanced engagement. The CMS helps customers to lodge their complaints and receive their feedback, suggestions, and queries through its various channels such as Contact Centre, Website, SMS, Email as well as your Bank's Branches and Offices. State Bank of India's round-the-clock contact centres operate 24*7*365 from four different geographical locations, servicing its customers in Hindi, English and 10 major regional languages.

For improving the quality of resolution of customer grievances, your Bank has established dedicated Centralised Complaints Resolution Centres at the Local Head Office level. Proper and timely resolution of customer grievances is the priority. Towards this end, your Bank has introduced a system for seeking feedback from customers on how well it resolved their complaints. You Bank has also put in place a system of incognito visits to branches, for assessing the level of customer service and initiating corrective action if required. Furthermore, it conducts Root Cause Analysis across major areas of complaints on a continuous basis and carry out the required product and process improvements to reduce future complaints.

Your Bank has been aggressively embarking on digital banking and have earmarked several more processes for digitisation in the near future. Its CRM tool, backed by data analytics and artificial intelligence, is transforming customer experience and satisfaction for the better.

Your Bank conducted several outreach programmes such as Mega Customer Meets, and Customer Town Hall Meets during the year. It had also conducted Customer Service Surveys during the year and is utilising the results of these surveys for bringing about improvements. Your Bank has also conducted various campaigns for a reduction in complaints during the year, with encouraging results.

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 to minimise the 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 to creating an environment of increased risk awareness at all levels. It also aims at continually upgrading the appropriate security measures, including cybersecurity measures, to ensure avoidance or mitigation of various risks.

Your Bank has policies and procedures in place to measure, assess, monitor, and manage these risks systematically across all its portfolios, which makes it amongst the leaders to undertake the implementation of the advanced approaches under credit, market, and operational risk. With a view to adopt global best practices, State Bank of India has also initiated the enterprise and group risk management projects, which are being implemented with support from external consultants.

RBI Guidelines on Basel III Capital Regulations were implemented, and your Bank is adequately capitalised as per the current requirements under Basel III. An independent Risk Governance Structure, in line with international best practices, was put in place, in the context of separation of duties and ensuring the 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 State bank of India Group are monitored and reviewed through the Executive Level Committees and the Risk Management Committee of the Board (RMCB), which meets regularly. Risk Management Committees at Operational unit and Business unit level are also in place.

1. CREDIT RISK MITIGATION MEASURES

Your Bank has put in robust credit appraisal and risk management frameworks in place 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 each of the identified 39 industries and sectors, which constitute about 72% 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 events such as Supreme Court Ruling on License Fees and Spectrum Usage Charges in Telecom Sector, liquidity risk management framework for NBFC, export subsidy in Sugar industry, falling prices and rising imports from FTA countries in Steel sector, to name a few, were analysed and appropriate responses to these situations were strategised by your Bank to mitigate possible risks. Exposure to sensitive and stressed sectors such as Real Estate and Telecom are being reviewed at half-yearly intervals. Sectors such as Power, Telecom, Iron and Steel, 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 make informed credit decisions. Knowledge sharing sessions are conducted for the benefit of the operating staff at various levels.

Credit rating thresholds for each industry are decided based on the outlook. 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. Bank also has in place 'Dynamic Review of Internal Rating' framework, which facilitates early identification of stress and mitigation mechanism.

It 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.

Risk-Adjusted Return on Capital (RAROC) framework is in place. The Customer level RAROC calculation has also been digitised. Further, behavioural models for monitoring and scoring the retail borrower performance were developed and hosted on Credit Risk Data Mart. Your Bank has procured the ORACLE "OFSAA" platform for the Credit Risk Management System, and the implementation of the system is being done in phases.

State Bank of India has put an improved mechanism in place to manage Credit Concentration Risk, by way of risk-sensitive Internal Prudential Exposure Limits framework for single as well as group borrowers. These limits are fixed based on the internal risk rating of the borrower.

This framework is one step ahead of the regulatory prescription of Prudential Exposure norms, which is 'one size fits all' in nature. These exposure norms are monitored regularly at defined periods.

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 the movement of NPAs, a quarterly review of loan sanction, time-to-default, amongst others, to keep track of the quality of asset portfolio regularly.

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 a 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 Datamart for computation of IRB capital.

A new role of Portfolio management was created under the Risk Management Department. Credit Portfolio Management function will focus on both profitability and risk view while performing portfolio management activities. The key functions comprise portfolio risk appetite and target definition, portfolio packaging, risk assessment and review, and portfolio optimisation, amongst others.

2. MARKET RISK MITIGATION MEASURES

Market risk is managed through a well-defined Board-approved Investment Policy, Trading Policy and Market Risk Policy that caps risk in different trading desks or various securities through trading risk limits/triggers. 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, Options Greeks and are monitored on an end-of-day basis. Besides, forex gap limits are computed and monitored on an intraday basis.

Value at Risk (VaR) is a tool used for monitoring risk in your Bank's trading portfolio. Enterprise-level VaR of your Bank is calculated daily and backtested 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 of your Bank is computed using the Standardised Measurement Method (SMM) applying the regulatory factors.

Your 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 external events. Key elements of your



Risk Awareness Day Pledge Being Administered by the Chairman

Bank's Operational Risk Management include timely incident reporting and ongoing review of Systems and Controls, enhancing of risk awareness through Risk & Control Self-Assessment (RCSA) and Risk Awareness Workshops (RAW), 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. The BCP has enabled us to ensure minimum business disruption during natural disasters, which occurred during the year, such as the spread of COVID -19 disease. During this pandemic, your Bank has not only taken steps to prevent the staff from this disease but help the society by providing uninterrupted essential Banking services to the customers. Also, your Bank ensured availability of ATMs round the clock and smooth functioning of Net Banking, YONO, Mobile Banking, amongst others.

All these components minimise your Bank's Operational Risk in various products and processes besides ensuring compliance with regulatory requirements.

For FY2020, your Bank has allocated capital for Operational Risk as per Basic Indicator Approach (BIA).

Additionally, your Bank observes Risk Awareness Day on 1st September annually to improve risk culture in your Bank. As part of Sensitisation, Risk awareness day pledge was administered, and an online quiz contest was conducted for your Bank employees. Furthermore, risk awareness is also being embedded through the training system at all levels. Your Bank organised a training for CFOs of the circle, DGM (Risk) of Business units and Circle ORMs, where not only the DMD(CRO) and DMD (COO) addressed the participants but also a presentation was made by the outside consultant on the new and emerging risks.

4. ENTERPRISE RISK MITIGATION MEASURES

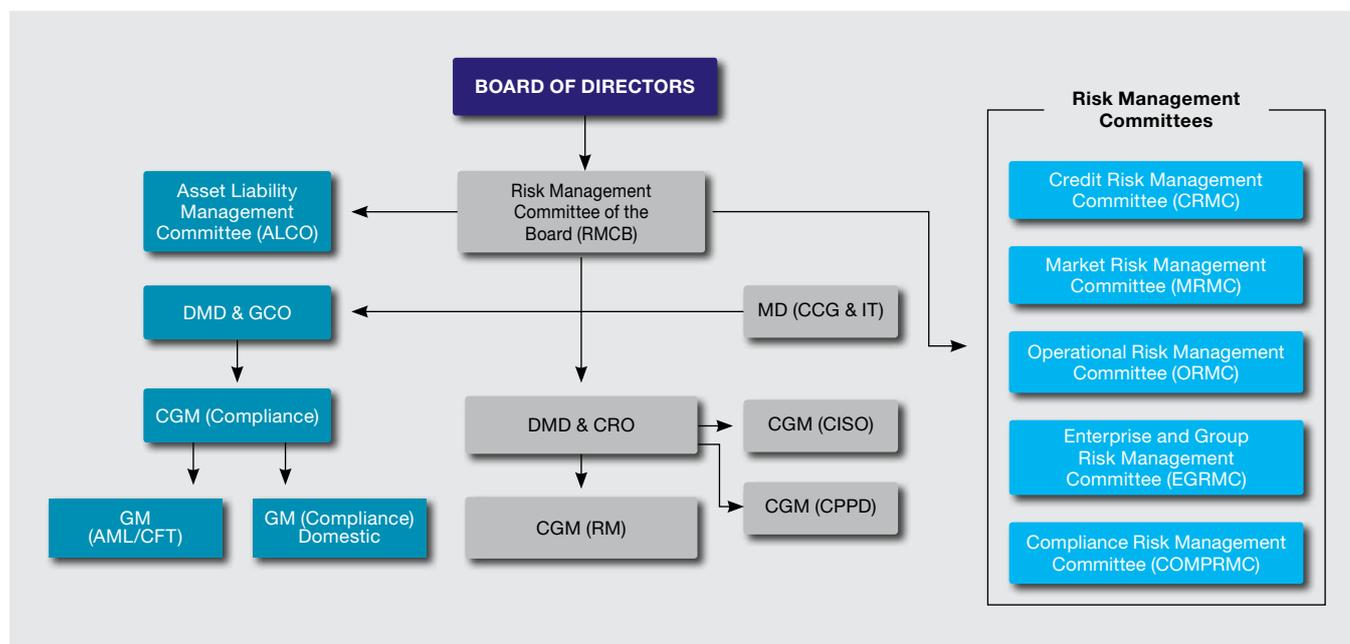
Enterprise Risk Management aims to put in place a comprehensive framework to manage and align risk with strategy at the whole Bank level. It encompasses global best practices such as Risk Appetite, Material Risk Assessment and Risk Aggregation, amongst others.

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.

With an objective of maintaining a sound risk profile, your Bank has developed a Risk Appetite Framework incorporating limits for major risk metrics. For the promotion of a strong risk culture in your Bank, Risk Culture Framework is being operationalised in a phased manner. As a 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 every year with respect to the adequacy of Capital under normal and stressed conditions. 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 if required. New and emerging risks are identified and discussed in the ICAAP.

Risk Management Structure:



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), Arm's Length and Intra Group Transactions and Exposures are in place.

Monitoring of consolidated Prudential Exposures and Group Risk components is being done regularly. The Group Internal Capital Adequacy Assessment Process (Group ICAAP) document includes an assessment of identified risks by Group entities, internal controls and mitigation measures, and capital assessment, under normal and stressed conditions. All Group entities where State Bank of India 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

Your Bank is identified as D-SIB by the Regulator and is required to keep additional Common Equity Tier 1 (CET1) of 0.60% of RWAs applicable from 1st April, 2016 in a phased manner. It has become fully effective from 1st April, 2019. Additionally, it has also started maintaining Capital Conservation Buffer (CCB) in a phased manner and has to reach level of 2.5% as on 30th September, 2020.

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 compliant 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 & 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 banks 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 three groups (Group 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.

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During FY2020, IA Department has audited around 12,803 domestic branches & BPR entities and 1,837 branches / outfits under Trigger Based Offsite Audit under the RFIA as on 31.03.2020.

Credit Audit

Credit Audit aims at achieving continuous improvement in the quality of commercial credit portfolio of your Bank, through critically examining individual large commercial loans with exposures of above ₹20 crore annually.

The Credit Audit system provides feedback to the business units, about the quality of advance portfolio in the unit and suggests remedial measures.

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. 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-TFPCPC are subjected to FEMA audit. Branches with high credit exposures as well as the centralised trade finance processing centres are subjected to audit under FEMA at least once every year. Other AD branches are audited as per their risk profile within a maximum period of 21 months. During FY2020, around 386 auditee units were covered under FEMA Audit.

Information System and Cyber Security Audit

State Bank of India'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 centralized IT establishments is also carried out by a team of qualified officials, which includes IS auditors appointed through lateral recruitment. During the period from 1st April 2019 to 31st

March 2020, IS Audits of 87 centralized IT establishments were completed. In addition, a cyber-security audit of your Bank is also executed annually, as per the Cybersecurity Policy of your Bank.

Foreign Offices Audit

During FY2019-20, Foreign Office Audit was carried out at 20 Foreign Offices including Gift City and Management Audit was conducted at two Subsidiaries, four Representative Offices and one Country Head/Regional Head Office.

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/units, categorized as per the risk matrix prescribed by RBI are covered under CAS. 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 45 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. 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. Legal Audit was carried out for 12,300 accounts upto the end of FY 2020.

Audit of Outsourced Activities

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. Audit of Outsourced activities is therefore 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.



Launch of One Nation. One card.

Audit of outsourced activities in your Bank covers audits of vendors 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 amongst others.

Your Bank has engaged the services of 57,728 individual BCs and CSPs under financial inclusion plan, of which 28,864 units were audited during FY2020.

RFIA of Corporate Centre departments

Your Bank has taken an initiative to create a new audit wing at IAD to assess the aggregate risk and maintain an audit oversight at macro level. It audits your bank's adherence to various Regulatory Compliances and risk mitigating measures undertaken to keep your bank safe & secure.

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 the Regulatory and Statutory compliances. Towards this end, your Bank has completely revamped its compliance architecture to ensure a sharper focus for tracking areas that are increasing the compliance risks and for taking quick remedial steps.

A deep-rooted compliance culture is crucial for your Bank to manage its compliance risk effectively, and this is being strengthened through various forms of communication and interactions across the organisation.

To forestall any compliance risk, all products, processes, and policies are vetted from the Regulatory perspective before they are operationalised. 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. 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.

AML CFT Deptt of the Bank takes care of ongoing due diligence through transaction monitoring. Bank follows a risk-based approach wherein Customers are categorized as low, medium and high risk, based on the assessment and risk perception. Bank takes care of filing of obligatory reports to Financial Intelligence Unit-India (FIU-IND). Suitable reports are also filed on priority in cases of accounts, suspected of having terrorist links.

Several initiatives are put in place to bring greater awareness amongst the staff. Ongoing employee training programmes are conducted by the Bank so that the members of staff are adequately trained

in AML/CFT policy. AML-CFT Day is being observed on 2nd November every year wherein pledge is taken on that day at all branches/processing centers and Administrative Offices. Similarly, 1st August is observed as KYC Compliance and Fraud Prevention Day.

E. INSURANCE

State Bank of India has set up an Insurance Cell for covering your Bank's assets and other risks, by proper procurement of insurance coverage. Additionally, insurance Policy to cover cyber risks for US\$100 million is obtained. Similarly, insurance cover for Debit Card and Electronic Banking transactions are taken for covering the risk/cost of your Bank. RBI's instructions on limiting customer's liability on Debit Card Electronic Banking transactions are complied with.

4. OFFICIAL LANGUAGE

Innovative initiatives are taken by State Bank of India to propagate the use of the official language

State Bank of India is present all over the world through its more than 22,000 branches, over 58 thousand ATMs, about 200 foreign offices and various banking channels. About 2,06,000 staff members of your Bank (except subordinate staff) are committed to propagating the use of official language in the banking industry through all the channels established by your Bank.

Efforts made for the entire banking industry

- On the direction of the Department of Financial Services, the IT Committee headed by State Bank of India was formulated, and its first meeting was held at the State Bank Building, Corporate Centre, Mumbai wherein General Managers (IT) of all banks participated. The 16 items to be implemented in all the PSU banks relating to customer service, the website of banks, amongst others were finalised. On this, all PSU banks have made systematic efforts, and positive results are now visible in this sector.
- Your Bank recently developed an account opening form for all banks on behalf of IBA on the direction of Department of Financial Services,

which has been made available in a bilingual form (Basic Savings Bank and Current Account Opening Form).

- The customer request form has been devised in Hindi for excellence in customer service.
- A workshop on leadership development for executives and senior officers of all banks was organised by State Bank of India Leadership Institute, Kolkata under the aegis of the Department of Financial Services.
- With the innovative vision of your Bank, an audio version of the renowned banking magazine 'PRAYAS' released. The Department of Official Language, Ministry of Home Affairs, Government of India has uploaded it in 'exemplary works' on its website.

Innovative Steps on Technical Platform

Your Bank has continuously developed a digital platform as per the expectations of an increasingly digital India. Its various products are being made available in various Indian languages along with Hindi.

- The monthly performance reporting system of Rajbhasha Officers has been developed in the CDS system of your Bank
- Bank's revamped website 'BANK. SBI' is launched in Hindi and English both the languages
- BHIM Pay SBI made available in Hindi, Tamil and English
- The YONO Krishi App has been made available in four Indian languages, that is, Hindi, Tamil, Telugu and Malayalam
- The call centres are currently providing solutions in 13 languages, with more than 80 % of the queries are being made in Indian languages
- State Bank of India has made a useful adjustment of Hindi with CBS. Customers have been given the option of Hindi and English. On the same basis, SMS is sent to them in the required language. The loan agreement forms are available in CBS in Hindi. It is adjusted with the original database whether it is home loans, car loans, SME loans, amongst others.

- The ATM screen required by the Department of Financial Services and its slip has the option of Hindi and local language. Also, passbook printing, net banking, Statement of account, amongst others, are being provided in Hindi.

Development of Banking Literature in Hindi

Your Bank is publishing banking literature in Hindi and is also being made available online, names of some of the important publications are given below:

- The Code of Ethics, the Right to Information Act (updated up to 1st March, 2019), Marketing Manual Section 2, Pradhan Mantri Fasal Bima Yojana, Standard operating Guidelines, Official Language Manual, Code for Fair Lending Practices, 'VYAVSAAY HAMAARA-SAATH AAPKA' book for SME customers have been published
- Forms and procedural literature of all government schemes have been provided in the official language

Various Programs for Dissemination of OL

The Official Language Fortnight and World Hindi Day were also organised by foreign offices along with offices located in the country. Hindi quiz competition for colleges at Mumbai held in September 2019. Official Language Officers' Conference held in Kolkata in June, 2019. First power talk in Hindi on Office 365 organised, which was addressed by eminent scholar and Microsoft's Director (Localisation) Shri Balendu Sharma Dadhich.

- All India Conferences on Indian Poetry held in Guwahati and Bhubaneswar in October, 2019
- 417 Hindi workshops held across the country

Separate Vertical for Rajbhasha Officers

A separate vertical has been set up for Rajbhasha Officers including specialist officers up to the level of Deputy General Manager-cum-Chief Rajbhasha Officer as per the instructions of the Department of Financial Services, Ministry of Finance, Government of India.

Recognition and Awards

As a result of the above remarkable performance, your Bank received the following awards and recognition from the Government of India, the Reserve Bank of India and other institutions:

1. First Prize for Best Official Language Implementation from DFS, Min of Fin, Gol
2. TOLIC, Bhubaneswar, convened by your Bank ranked 2nd in Rajbhasha Kirti Awards by MHA, Gol
3. Your Bank's Jabalpur AO ranked 1st, and TOLICs set up in the convenorship of its Surat, Jammu, Nizamabad AOs ranked 3rd in Regional Rajbhasha Awards by MHA, Gol
4. First, second and two incentive awards in RBI Hindi essay competition
5. Aashirwad First Prize for Best Official Language Implementation, Rajbhasha Ratna Award and PRAYAS Magazine best house magazine award
6. PRAYAS magazine audio version first in the country ranked in exemplary work on the website of Gol, MHA

5. MARKETING AND COMMUNICATION

The Marketing and Communications (M&C) Department is responsible for driving your Bank's brand and marketing initiatives to be your Bank of choice for the transforming India by providing financial solutions catering to the needs of every individual through our widest network across the country. With the objective of optimising our efforts in promoting the products and services, we have adopted an integrated marketing approach to give impetus to the digital initiatives by connecting with the youth.

The focus has been to promote its flagship product YONO for driving high download rates and increased usage of YONO. Various marketing initiatives has been devised for YONO:

- YONO Shopping Festival (YSF), a first of its kind shopping festival ever organised by any Bank across the country.

- 360-degree marketing campaign has been planned to promote YONO Cash for cardless withdrawal of cash from ATMs and merchant outlets.
- The second edition of Numero YONO, which is an inter-college quiz competition for college students, was conducted in 17 cities & 3,040 teams participated across all circles.

One of the important initiatives, which your Bank launched was Green Rewards Point - A unique sustainability initiative to promote the usage of YONO & digital products and to prompt customer to contribute towards Greener environment.

Major marketing campaigns has been planned and executed for Home Loans, Personal Loans, Current Account, NRI Services and Digital Products. The Department also initiated an integrated approach to drive consideration and preference for the range of retail loan products using different media vehicles with focussed targeting.

For accentuating your Bank's commitment to sustainability, the team worked on building SBI Green Marathon property by organizing Marathon events in six cities during FY2019 and in FY 2020 it was taken to 15 cities including Bhubaneswar, Trivandrum, Bhopal, Jaipur, Kolkata, Lucknow, Patna and Guwahati.

Amidst an unpredicted crisis the world has been facing due to the COVID 19 outbreak, the M&C is fully geared up to address sensitive times by enhancing customer engagement through means of objective and mindful marketing. The activities are being mobilise through Digital, Social Media, and TV platforms to promote and drive adoption of SBI's digital products and solutions. Last-mile communication to the customers by most use of SBI owned platforms – Website, Emailers, Social Media, In-App Notifications, ATMs and through the vast network of our Circles & Branches. Also, almost instant dissemination of essential information, announcements to the National media.

The endeavour of the bank is to continue its increased usage of digital, social media and SBI owned platform along with other mediums of communciation. Thus, the thrust of the department is to stay ahead of the competition and develop

brand "State Bank of India" into a more vibrant and competitive brand.

6. VIGILANCE MECHANISM

There are three aspects to the vigilance function- Preventive, Punitive and Participative. During FY2020, the Vigilance Awareness Week was observed from 28th October to 2nd November, 2019, with the theme "INTEGRITY-A WAY OF LIFE". As a part of the observance of Vigilance Awareness Week, "Integrity Pledge" has been administered to staffs and the public at large through various channels viz. Alternate Channels, IVR, Social Media, through Walkathons, Street plays, Radio Gingles and various other programmes. To create awareness, the Integrity Pledge has also been administered in various Gram Sabhas across the Country. Your Bank has published a "Vigilance Bulletin" incorporating case studies and other relevant guidelines to raise the awareness amongst employees. Furthermore, during this period, an updated vigilance manual 2019 was launched.

During the financial under review, the following measures were initiated in order to improve the effectiveness of the vigilance mechanism.

1. The Central Vigilance Commission has constituted the Advisory Board for Banking and Financial Frauds (ABBFF). The Board would function as the first level of examination of all the significant fraud cases of ₹ 50 crore and above involving the level of an officer to General Manager and above before recommendations/ references are made to the investigating agencies, that is, CBI. This would prevent the fears of any undesirable hardships to decision-taking Senior Executive of PSBs, in connection with the investigation by the enforcement agencies.
2. Disciplinary and Vigilance Cases Review Committee (DVCRC) has been formed to review the progress of the pending disciplinary and internal vigilance cases, as decided in the meeting of PSBs Chiefs held on 28th December, 2019 under the Chairmanship of Finance Minister. DVCRC is having eight permanent members, which is headed by MD (R & DB). The Chief Vigilance Officer and Chief Ethics Officer are permanent invitees. The Committee shall meet at bi-monthly intervals.
3. Post amendment of the Prevention of Corruption Act, 1988, determination of vigilance angle in a disciplinary case has assumed critical

importance in the contexts of staff side action. Though CVC guidelines provide a clear prescription for determination of vigilance angle or otherwise, yet it is observed that, at times, the same is not understood and acted upon correctly by related functionaries. Therefore, a need is felt for appropriate operational clarity in the area to ensure correct implementation of the guidelines in letter and spirit. With these aims, a Standard Operating Procedure (SOP) is put in place for determination of Vigilance angle strictly based on CVC guidelines.

4. In terms of the existing guidelines of CVC, Internal Advisory Committees (IAC) have been constituted to scrutinise the disciplinary cases with a mandate to determine the existence of Vigilance angle or otherwise therein and extend their correspondence advice to the CVO. At present, a two-tier structure of IACs exists in your Bank, that is, one IAC at Corporate Centre, which scrutinises the disciplinary cases related to all officers of TEGS-VI and above and cases relating to CCG/CAG/IBG/PFSBU and the other IAC each at every Circle to scrutinises the cases related to the officers up to scale-V and award staff at Circles. As IACs are spread across the geographies in your Bank, it is observed at times that interpretive divergences figure and incongruent views arise on the discernibility of vigilance angle even where the lapses under consideration are of similar gravity. In light of this, IACs are centralised at Corporate Centre so that any element of bias in the categorisation of cases as Vigilance or Non-Vigilance could be prevented. An independent and centralised set-up will bring in more objectivity in decision-making and will also impart singular focus in handling the cases that ultimately leads to improved timelines.
5. Vigilance Department has conducted 214 preventive vigilance programmes and trained 4,005 officers. Suo-Motu investigations have been conducted in 764 branches to ensure preventive measures are made effective.

6. During the FY2020, your Bank has introduced a technology-based VCTS (Vigilance Case Tracking System). VCTS application will be able to generate MIS for timely closure of cases. It will also capture the history of cases for analysis of Vigilance matter and to effectively monitor the cases.
7. During the FY2020, a total of 1,993 cases (including 1,278 new cases) were taken up for examination, out of which 1,185 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. The ALM aims to strengthen the balance sheet by proactively reviewing the market dynamics, capturing the signals emanating from there and assessing the regulatory requirements to ensure value creation.

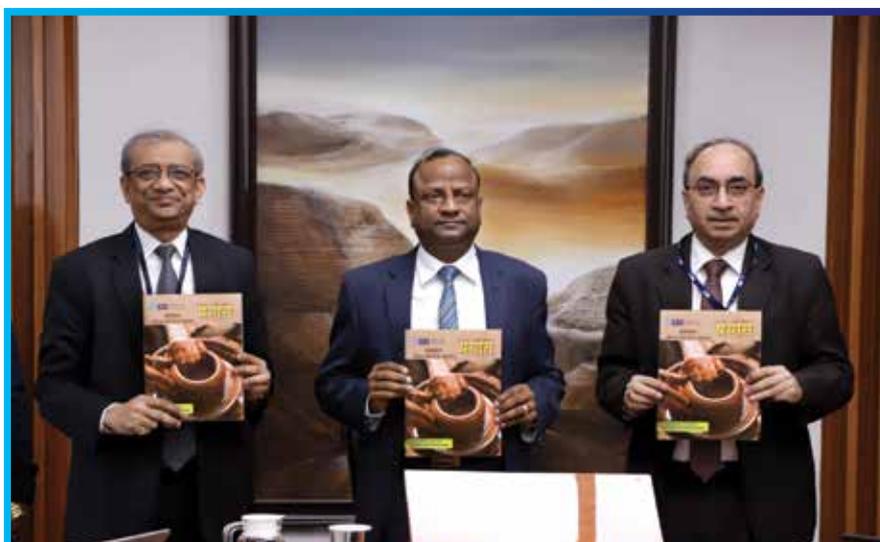
As part of sound risk management practices, your Bank has been continuously reviewing its internal policies on 'Deposits', 'Asset and Liability Management', 'Stress Test on Liquidity and Interest Rate Risks', 'Contingency Funding Plan' and adapting changes in

the market conditions. Your 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 behavioural pattern of customers (embedded options available to customers) to give proper treatment to the non-contractual items of assets and liabilities while determining liquidity position. Behavioural analysis is also carried out to ensure accurate positioning of outflows and inflows on account of off-balance sheet exposures, the impact of probable loan losses, amongst others, for reporting of liquidity and interest rate sensitivity statements. The prevailing assumptions relating to non-contractual items of assets and liabilities are periodically updated based on the outcomes of the latest studies.

The stock of High-Quality Liquid Assets (HQLA) and cash outflows are effectively monitored daily under dynamic market environment to ensure the 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 your Bank in terms of liquidity, which is coming into force effective 1st April, 2020.



“कुभकार जीवन को देता आकार” विषय पर बैंक की तिमाही हिंदी गृहपत्रिका “प्रयास” के कुभकार विशेषांक का श्री रजनीश कुमार, अध्यक्ष, स्टेट बैंक समूह तथा प्रबंध निदेशक गण द्वारा विमोचन।

Your Bank has adopted an advanced approach for assessing the impact on Earnings at Risk (EaR) and Market Value of Equity (MVE) with pre-defined tolerance limits that determine the risks associated with them. Also, it enables the Management to initiate appropriate preventive steps in a likely scenario of erosion in Net Interest Income.

To encourage branches to garner stable funds and assess your Bank implemented their profitability based on the cost of funds, a matched maturity-based Funds Transfer Pricing.

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, among other things, reviews the interest rate scenarios, the 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.

To address the inherent rigidities in the balance sheet structure and the issue of quick transmission of changes in RBI's policy rates, effective from 1st May, 2019, your Bank took the lead in linking its pricing of Savings Bank Deposits (with balances above ₹1 lakh) and Short Term Loans (Cash Credit accounts and Overdrafts with limits above ₹1 lakh) to an external benchmark, that is, the policy Repo Rate.

Subsequent to the RBI guidelines on External benchmark-based lending rate, effective from 1st October, 2019, pricing of all floating rate Retail and MSME loans are linked to the external benchmark, that is, the policy repo rate. However, the repo rate linkage of SB deposit rates continues.

The Regulatory Reports/ Returns pertaining to the area of Asset-Liability Management (Domestic Position) have since been automated through OFSAA, and the Whole Bank position is expected to be in place shortly.

8. ETHICS AND BUSINESS CONDUCT

Since the inception of the Ethics and Business Conduct vertical, your Bank has been carrying out a host of initiatives and programs, attuned to permeate and percolate the ethical values and exalted behavioural norms across all levels. Whether it is formulating the basic foundational guiding principles such as the Vision, Mission and Values Statements and the Code of Ethics, or finetuning the existing operational guidelines in the domains of Consequence Management, Prevention of Sexual Harassment (POSH) or the Social Media, to name a few, the core working philosophy of your Bank has always been to be aware, alert and in harmony with the surroundings, both immediate and far. Furthermore, multiple enablers have been being put in place to shape a robust ethical infrastructure in your Bank for greater moral strength. With each passing year, a well thought out strategy to become future-ready has seen a steady and seamless integration of the latest technology platforms in the ongoing programmes and operational processes. This has, in turn, lent a massive impetus to the scope, size and the reach of the various ongoing and proposed ethical outreach initiatives within your Bank.

In FY2020, a comprehensive Ethics and Business Conduct website was developed and made functional to provide a one-stop platform for hosting the vast array of considerably curated ethical resources to facilitate easy accessibility for the benefit of the employees at large. To further encourage the proficiency and efficacy of the Discipline Management Function, several new initiatives and enablers were introduced to increase the efficiency of discipline management ecosystem in your Bank. In was in this context, that real-time and all comprehensive Business Conduct and Discipline Management Online Processing Portal and Dashboard was conceived, designed and operationalised in your Bank. To further augment and supplement the level of knowledge and for providing guidance, a wide array of training programmes, each tailored explicitly for officials working in a particular functional domain of the Discipline Management Framework, were regularly conducted throughout

the year. Reiterating your Bank's zero-tolerance policy in the matters of sexual harassment at workplace and its commitment towards fostering a gender-inclusive and safe work environment, your Bank rearticulated its policy and processes under the Prevention of Sexual Harassment of Women at Workplace as – GARIMA. Furthermore, to streamline and simplify the entire process flow of raising concerns in this regard, a real-time online complaint portal GARIMA was also ideated and operationalised along with the sustained skill-building of the process-owners.

For an organisation of the size and spread of your Bank, imbibing ethical values and building a complementing resonant culture is a long-term work-in-process. However, in its brief journey of three years so far, the honest intents followed with unflinching intensity, have already started yielding visible positive results, which are growing with each passing step and bolstering our brand equity day in and day out.

9. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is deeply ingrained into the culture of State Bank of India. Your Bank has been actively involved in CSR activities since 1973. The primary purpose of your Bank's CSR philosophy is to make a meaningful and measurable impact to the lives of economically, physically, and socially challenged communities of the country. Your Bank's CSR activities touch the lives of millions of the poor and needy across the length and breadth of the country.

The focus areas of your Bank's CSR activities include Healthcare, Education, Livelihood, Skill Development, Environment Protection of National Heritage, Empowerment of Women, youth, and senior citizens, amongst others.

CSR activities in project mode are implemented through the SBI Foundation, the CSR wing of State Bank of India established in 2015 with a vision of becoming a premier CSR institution in India through your Bank's tradition of "Service Beyond Banking". During the last four years of its existence, SBI

Foundation has been committed to identifying and supporting programs aimed at bringing a positive difference to those at the bottom of the pyramid.

As per the guidelines and mandate of Reserve Bank of India, State Bank of India is required to spend 1% of its profits on CSR. The offices of your Bank all across India have been carrying out various CSR activities to live up to the ethos of giving back to the society with the active engagement of its employees.

CSR spend during FY2020

In FY2019, the net profit of your Bank stood at ₹ 862 crore and 1% of the profit, that is, ₹ 8.62 crore has been budgeted as CSR fund of your Bank for FY2020. With the approval of RBI, your Bank contributed a total of ₹27.47 crore for various initiatives under its CSR commitments.

S. No.	Description	(₹ In Crore)
1	National Donations (Chief Minister Relief Fund of various States)	9.00
2	Normal Donations & other c direct activities including RSETIs (for capex expenditure)	6.09
3	SBI Foundation	12.38
	Total CSR spend	27.47

Additionally, a Dialysis Machine has also been donated for treating poor patients suffering from kidney problems. Similarly, a donation has been made to Bangalore Kidney Foundation for meeting the cost of free dialysis and Ramakrishna Ashram in Ahmedabad to support mentally challenged children.

Skill Development

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 considered as one of the most important factors in the economic development of the country. State Bank of India has undertaken skill development initiatives as a focus area to support the supply of trained manpower. Your Bank has set up 152 Rural Self Employment Training Institutes (RSETIs) across the country to help and mitigate the unemployment and underemployment problems of youth in the country. During FY2020, your Bank allocated an amount of ₹1 crore for capital expenditure of two RSETIs.

Empowerment of Women and Senior Citizens

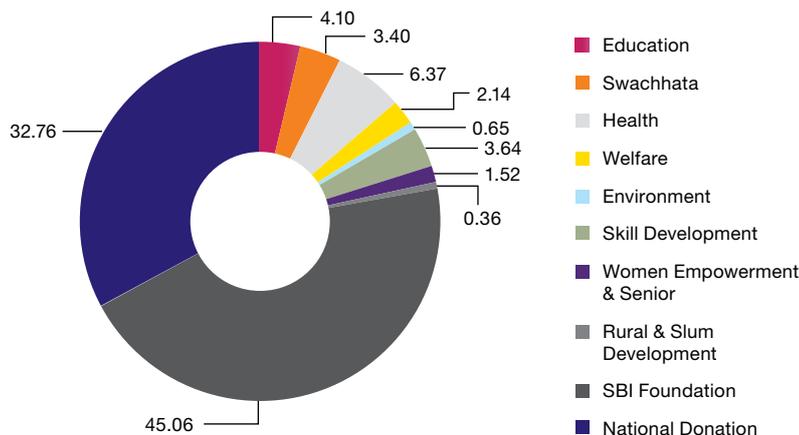
During FY2020, an amount of ₹0.42 crore was spent towards the empowerment of women and senior citizen. The major initiatives undertaken are as follows:

- Donation of 13-seater TATA Winger vehicle to the Society of Sisters of the Destitute Santhisadan, Oramanjhi, Ranchi
- Donation of a bus for senior citizen pilgrims to Sri Varaha Lakshmi Narasimha Swamy Temple.

Swachhata, Environment Protection and Sanitisation

State Bank of India 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. All the initiatives under environment protection positively contribute to reduce the carbon footprint. During FY2020, an amount of ₹1.10 crore has been spent towards environment protection and sanitation. In addition to this, your Bank has arranged installation of smart crushing bins for

Focus Area wise spend 2019-20 (in %)



Education

Bank always strives to support education to weaker sections of society in remote, unreachable, and underdeveloped areas. An amount of ₹1.13 crore has been spent to support education and details are provided below:

- Six school buses worth ₹52.57 lakh were donated for various schools of disadvantaged children
- Distribution of Laptops, Projectors, benches, Tables, chairs, and library cabinet, amongst others for underprivileged students at schools

- Provided water purifiers to schools at backward places to enable drinking water facility to children

Healthcare

In Healthcare, State Bank of India provides basic infrastructure to Hospitals and NGOs to improve the medical facilities of underprivileged and economically weaker sections of the society. To deliver quality healthcare services, an amount of ₹1.75 crore has been spent. Your Bank has donated nine ambulances to different Hospitals, NGOs, and trusts.

collection of single use plastic bottles for recycling at different places in India. Furthermore, major Tree plantation initiatives have been undertaken and over four lakh trees have been planted across India.

SBI Children's Welfare Fund

With the concept of "Charity begins at home", State Bank of India had established a Trust named SBI Children's Welfare Fund in 1983, as an initiative by its staff members. The Trust receives funds from the voluntary contribution of your Bank's staff towards the betterment of the underprivileged and orphan children. The interest earned on the corpus of the fund is utilised to extend grants to Institutions engaged in the welfare of underprivileged children viz. orphans, differently abled, destitute, and deprived, amongst others.

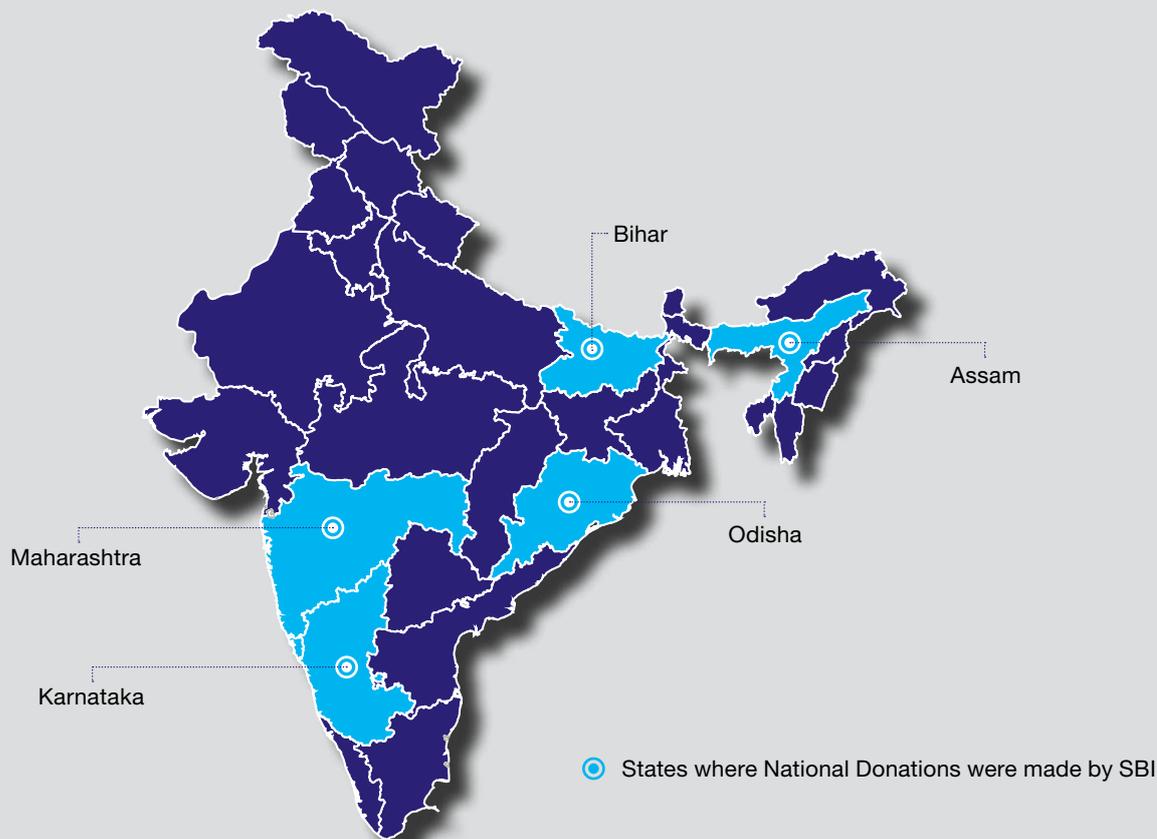
During FY2020, a total contribution of ₹0.45 crore has been received from the staff and your Bank has donated an amount of ₹ 0.53 crore to six organisations. These institutions are present across the country and work towards the welfare of the marginalised and downtrodden children including PwDs.

National Donation

Many parts of India have recently been devastated by the Cyclone and Floods, causing large scale destruction of property and infrastructure. In FY2020, ₹9.00 Crore was utilised as National Donation for donation to various Chief Minister's Relief Fund.

S. No.	Description	(₹ In Crore)
1	Assam	1.00
2	Bihar	1.00
3	Odisha	5.00
4	Maharashtra	1.00
5	Karnataka	1.00
Total National Donation		9.00

National Donations by SBI



10. SUSTAINABILITY AT STATE BANK OF INDIA

Your Bank has been performing on the sustainability front through a multi fold approach viz. management of social and environmental risks in strategic decision making, lending, and developing innovative products and services. To enhance sustainability practices in your Bank, in a formalised manner, has put in a place a Board approved "Sustainability and Business Responsibility" (BR) Policy. The Policy is placed in Public domain on your Bank's website. State Bank of India has taken up a host of measures to scale up its performance on Environment-Social-Governance (ESG) parameters.

Your Bank has entrusted the Deputy Managing Director (HR) and Corporate Development Officer to oversee your Bank's overall sustainability vision. The execution of your Bank's Environmental and Social goals and targets are monitored by the Corporate Centre Sustainability Committee (CCSC) that comprises business and functional Heads from various Departments. The CCSC meets periodically to deliberate and draw a road map for effective sustainability management at the Bank level.

Your Bank has been doing Non-financial disclosure through an Annual Sustainability Report which is being published since FY2016. For FY2017 and onwards, your Bank has been publishing its Sustainability Report as per Global Reporting Initiative (GRI) framework. The Sustainability Reports are also placed on SBI's website. Your Bank is also a member signatory of the CDP and disclosing its performance since 2012.

SUSTAINABILITY INITIATIVES OF STATE BANK OF INDIA

Some of the key initiatives already undertaken and in contemplation inter-alia includes:

- Recognising the concerns of climate change as a Corporate Social obligation, your Bank has charted a Carbon Neutrality strategy with an intention to achieve the status of Carbon Neutral organisation over a period in a phased manner. An approach paper is in place where your Bank envisages achieving the "Carbon Neutral" status by the year 2030. Initiative of Remote monitoring based Solar Power System at Branches (Rural/Semi-Urban) in lieu of Generator sets is being taken. Your Bank is also installing Solar systems at Branches throughout the country to scale up its captive RE power capacity. Your Bank's RE capacity for captive use at present is approximately 35 MWp.
- Your Bank has installed of Solar ATMs, Solar Roof Top projects at its premises. Energy efficient lighting and Air conditioning system at your Bank's premises in addition to installation of Motion activated lighting. Your Bank has established a Branch Server Consolidation (BSC) project for doing away with Branch servers and keeping data on a secured virtual environment. It has also installed of Power Management Utility on each desktop for power saving.
- Seven of your Bank's premises are rated as "Green Premises/Projects" by Indian Green Building Council (IGBC) under different categories (Platinum/Gold/Silver).
- For all its digital channel customers, your Bank is offering Green Reward Points, which can be redeemed for credit to SBI GREEN FUND, the proceeds of which will be utilised for sustainable activities.
- Integration of Environment and Social Management Systems (ESMS) in your Bank's Credit assessment process and business decisions have assumed critical importance. During the reporting period, your Bank issued additional Green Bonds of US\$ 100 million, which adds up to the aggregate Green Bond size of your Bank at US\$ 800 million.
- Your Bank is also in the process to map its product and services to the 17 United Nations Sustainable Development Goals (SDGs). Your Bank's Eight (8) products have been mapped to SDGs, which include the two flagship loan products- Home Loan and Car Loan. On the theme of Integrating SDGs in Business Practices, an industry wide Round table discussion was organised to foster peer partnership and capacity building.
- SBI Green Marathon is your Bank's landmark novel initiative for creating awareness on environmental care. The initiative has entered its 3rd edition this year. It has earned remarkable publicity and participation over the years and positioned itself as an innovative property with significant brand value.
- During the year, your Bank introduced a dedicated online tutorial "ASTITVA" for its employees on basic Sustainability issues pertaining to your bank's Internal Sustainability measures and UN Sustainable Development goals. Additionally, a quarterly E-Newsletter "SUSTAIN ON" introduced and being mailed to all employees to sensitise them on sustainability related issues and news.

V. SUBSIDIARIES

1. SBI CAPITAL MARKETS LIMITED (SBICAP)

(₹ crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) for FY2020
SBI CAPITAL MARKETS LTD.	58.03	100%	215.42
SBICAP SECURITIES LIMITED (SSL)	NOT APPLICABLE		84.94
SBICAP VENTURES LIMITED (SVL)			11.01
SBICAP (UK) LIMITED (SUL)			(2.57)
SBICAP (SINGAPORE) LIMITED (SSGL)			0.46
SBICAP TRUSTEE CO. LIMITED (STCL)			20.51

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, Hybrid Capital raising, Inv IT advisory, REIT advisory and COC advisory (Committee of Creditors). On a standalone basis, SBICAPs posted a PBT of ₹275.56 crore during FY 20 as against ₹242.60 crore during FY19 and a PAT of ₹215.42 crore for FY 20 as against ₹168.19 crore in FY19. On a consolidated basis it has posted a profit of ₹334.04 crore as against ₹236.38 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 sales and distribution of other financial products such as Mutual Funds, Tax Free Bonds, Home Loan, Auto Loan, amongst others.

SSL has over 100 branches and offers Demat, e-broking, e-IPO, and e-MF services to both retail and institutional clients. SSL currently has over 20 lakh clients. The Company has booked gross revenue of ₹495.95 crore during FY 20 as against ₹404.52 crore in FY 19.

B. SBICAP VENTURES LIMITED (SVL)

SVL is a wholly owned subsidiary of SBI Capital Markets Limited. SVL is acting as the Asset Management Company. SVL is presently actively managing three funds – Neev Fund, SWAMIH Investment Fund I and SVL-SME fund.

NEEV FUND

Neev Fund, an AIF Cat I Infrastructure Fund had its final close on 31st March 2019 and is now fully invested with its capital of ₹430.23 crores deployed over 10 portfolio companies.

SWAMIH INVESTMENT FUND I

On September 14, 2019, the Honourable Finance Minister announced the setting up of a special window to provide last mile finance to complete stalled affordable / mid-income housing projects. SBICAP Ventures as the Investment Manager to the first AIF set-up under this window completed the registration of the SWAMIH Investment Fund I ("Fund") as a category II AIF under SEBI regulations.

The AIF has a target size of INR 12,500 crore with a green shoe option of INR 12,500 crore. The Fund has achieved its first closing on 6th Dec, 2019 at ₹10,037.50 crores with Government of India, SBI, LIC, HDFC Ltd and all major public sector banks as investors in the Fund. SWAMIH fund team has already held a series of meeting across the major cities to meet developers and provide information on the Fund.

SME FUND

SME fund was also launched on 19-11-2018, legal & tax advisors and trustee for SME fund have been appointed, and it is in process of drafting Investment Management Agreement and Contribution Agreement. The trust is registered and SEBI registration for the fund was received on 25-Sep-2019. The company is in process of meeting potential investors for investing in SME fund.

C. SBICAP (UK) LIMITED (SUL)

SUL, a wholly owned subsidiary of SBI Capital Markets Limited, is a relationship outfit for SBI Capital Markets Limited in UK and Europe. It has built relationships with FIs, Financial Institutions, Law Firms, Accounting Firms, amongst others, to market the business products of SBICAP. SBI London has also requisite regulatory approval to carry out the activities carried out by SUL. To improve the operational efficiency and minimize the cost, it has been decided to wind up SUL and carry out the business handled by SUL through SBI London.

D. SBICAP (SINGAPORE) LIMITED (SSGL)

SSGL, is a wholly owned subsidiary of SBI Capital Markets Limited. It commenced business in December 2012. It has built relationships with FIs, Financial Institutions, Law Firms, Accounting Firms, amongst others, to market the business products of SBICAP. It is specialized in marketing of Foreign Currency Bonds and securing clients for SBICAP SEC.

E. SBICAP TRUSTEE CO. LIMITED (STCL)

SBICAP Trustee Co Limited (STCL), is a wholly owned subsidiary of SBI Capital Markets Limited. STCL commenced security trustee business with effect from 1st August 2008. STCL posted Net Profit

of ₹20.51 Crores during FY 20 as against ₹14.90 Crores in FY 19. STCL plays an active role in providing Security Trustee Services to High Value lending to Infra Projects, Large and Medium Corporates and is the No.1 Security Trustee in the industry. They also have significant presence as Debenture Trustee in the Debenture/Bond market.

STCL have launched the Virtual Data Room (VDR) platform which will help in disseminating information by ARCs and Lenders to prospective buyers of Stressed Assets.

2. SBI DFHI LIMITED (SBI DFHI)

(₹ crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) for FY2020
SBI DFHI Limited	131.52	69.04%	₹ 176.34

SBI DFHI Limited is one of the largest standalone Primary Dealers (PD) with a pan India presence. As a Primary Dealer (PD) it is mandated to support the book building process in primary auctions and provide depth and liquidity to secondary markets in G-Sec. Besides Government

securities, it also deals in money market instruments, non G-Sec debt instruments, amongst others. As a PD, its business activities are regulated by RBI.

State Bank of India group holds 72.17% (SBI - 69.04% & SBI Capital Market Ltd-

3.13%) share in the Company, which posted a Net Profit of ₹176.34 crore as on 31st March 2020 as against ₹76.85 crore as on 31st March 2019. Total balance sheet size was ₹11,383.36 crore as on 31st March 2020 as against ₹7,357.25 crore as on 31st March 2019.

3. SBI CARDS & PAYMENT SERVICES LTD (SBICPSL) (FORMERLY SBI CARDS & PAYMENT SERVICES PVT LTD)

(₹ crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	PAT FY2020
SBI Cards and Payment Services Limited	652.63	69.51%	1,245 (EX COVID 1,662)

Note: Ex COVID: After excluding COVID impacts of ₹ 489 Cr towards additional credit provisions and ₹ 90 Cr towards late fee reversals in Q4 FY20 and adjusted for tax

SBI Cards and Payment Services Limited (SBICPSL) is a subsidiary of State Bank of India wherein State Bank of India holds 69.51% stake. SBI Cards and Payment Services Limited (formerly known as SBI Cards and Payment Services Private Limited) ("SBI Card") is a non-banking financial company that offer extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel & fuel and banking partnerships cards along with corporate cards covering all major cardholders' segments in terms of income profile and lifestyle. It has diversified customer acquisition network that enables to engage prospective customers across multiple channels. SBI Card is a technology driven company.

Furthermore, the IPO of SBI Cards, led to significant value discovery and is a strong indication of the Bank's ability to incubate



and nurture future industry leaders with a strong potential for value creation in the times ahead. During the quarter ended March 31, 2020, the Company had come up with an Initial Public Offering (IPO) of 137,149,314 Equity Shares of face value of ₹10 each comprising of a Fresh Issue of 6,622,516 Equity Shares and an Offer for Sale of 130,526,798 Equity Shares aggregating to ₹1,034,078.82 lakhs (Selling Shareholders ₹ 984,146.35 lakhs and ₹ 49,932.47 lakhs of the Company). The equity shares of the Company were listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on March 16, 2020.

The company delivered Profit after Tax (PAT) of ₹ 1,245 Crore in FY20 as compared to ₹865 crore in FY19 at YoY growth of 44%. (Ex COVID PAT ₹ 1,662 Cr in FY20 at YoY growth of 92%).

Performance Highlights (FY20)

- PAT grew by 44% to ₹1,245 Crore (Ex COVID ₹1,662 Crore; up 92%).
- ROAA up by 64bps at 5.5% (Ex COVID at 7.2%)
- ROAE at 27.4% (FY19: 28.4%; FY20 Ex COVID at 35.0%)
- Capital Adequacy Ratio (CAR) at 22.4% (FY19: 20.1%); Tier 1 at 17.7% (FY19: 14.9%)

Key Metrics

- Cards grew by 28% to 1.05 Cr, Spends grew by 27% to ₹130,915 Crore, Receivables grew by 30% to ₹24,141 Crore
- Market share - Cards at 18.2%, up 68bps; Spends at 17.9%, up 77bps (Till Jan'20)
- Cost to Income ratio improved by 388bps to 56.6%
- GNPA improves by 43bps to 2.01%

Significant Awards received during FY20:

- Most Effective Arrangements: Financial Crime & Sanctions Compliance award at the Global 'Compliance Register Platinum Awards 2019' at London.
- Golden Bridge Awards in the categories of customer service department of year in 2019 at San Francisco

- Stevie (Gold Award) for customer service executive of year in 2019 and Stevie (Silver Award) for the customer service department of the year in 2019 by the International Business Awards at Vienna
- Champion Security Award for the South Asia region at Visa Security Summit 2019 held in Shanghai China.

4. SBI LIFE INSURANCE COMPANY LIMITED (SBILIFE)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	(₹ crore)
			Net Profit (Losses) FY2020
SBI Life Insurance Company Ltd.	575.99	57.60	1,422

SBI Life Insurance Co. Ltd. is one of the leading listed Life Insurance Company in India. Established in 2001, the Company offers a wide range of individual and group insurance solutions that meet various life stage needs of customers. The products include Savings, Protection, Pension, Health, etc. As on March 31, 2020 the promoters viz. State Bank of India and BNP Paribas Cardif holds 57.6% and 5.2% of the equity share capital respectively. The equity shares of the Company are listed on National Stock Exchange of India Limited ('NSE') and Bombay Stock Exchange Limited ('BSE').

SBI Life has a multi-channel distribution network comprising an expansive bancassurance channel, including State Bank, the largest bancassurance partner in India, a large and productive individual agent network comprising 130,418 agents as of March 31, 2020, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries.

During the year ended March 31, 2020, the Company operated in sound and stable manner, with its sole objective of increasing insurance penetration and concentrating on individual regular business through an active and prudent strategy, sales team maintaining the quality as well as quantity and established a firmer market position. The Company has proven its market leadership in the

year ended March 31, 2020 with numero-uno position in Individual New Business Premium among private insurers.

Individual business has always been a part of core strategy of the Company. The company witnessed a 17% growth in Individual New Business Premium (NBP) vis-à-vis the industry growth of 4%. The market share of SBI Life Retail New Business Premium (NBP) among all private players as on 31st March 2020 is 22.4%. Total New Business of the Company for the year ended FY2020 stands at ₹ 16,592 crore; growth of 20%.

The Company continues to maintain the leadership position amongst private players in number of policies issued, which reflects mass coverage and strong market acceptance across geographies amongst life insurer. During the year, total 15,51,862 individual new policies were issued and registered growth of 2%.

SBI Life witnessed a PAT of ₹1,422 crore in FY2020 against ₹1,327 crore in FY2019, growth of 7%. Largest Asset Under Management amongst private life insurers. AUM of the Company recorded a growth of 14% at ₹1,60,363 crore as on 31st March 2020 as compared to ₹1,41,024 crore as on 31st March 2019. Operating return on embedded value of 20.5% as on 31st March 2020, one of the best amongst the peers.

Leveraging wider reach achieved through its network of 937 offices, SBI Life has systematically brought large rural areas under insurance reach.

Awards and recognitions received during the year include:

1. 'Best Life Insurance Company' Award at ICC Emerging Asia Insurance Conclave & Awards 2019.
2. Won Gold award - Life Insurance Provider of the Year 2019 (Private Sector) at Outlook Money Conclave and Awards 2019
3. Won a "SMART Life Insurance Award" in large category at ET Insurance Summit 2019
4. Won a Gold shield for "Excellence in Financial Reporting" at the ICAI Awards 2019
5. Received the Company Performance Award, 2019 under the category 'India's Leading Life Insurance Company - Private' at the BFSI Summit & Awards by Dun & Bradstreet

5. SBI FUNDS MANAGEMENT PRIVATE LIMITED (SBIFMPL)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI Funds Management Pvt. Ltd.	31.50	63%	603.45
SBI Mutual Fund Trustee Company Pvt. Ltd.	0.10	100%	1.95
SBI Funds Management (International) Pvt. Ltd.	100% by SBI Funds Management Private Limited	63%	2.41

SBIFMPL is a Joint Venture between SBI and AMUNDI (France), one of the world's leading fund management companies. The Asset Management Company of SBIFMPL, is amongst the fastest growing AMCs with a growth of over 31.5% against the industry average of 10.4% in 2019-20. In the last three years, SBIFMPL has achieved a CAGR of 33.4% against the industry average of around 13.9%.

As on quarter ended 31st March the fund house became the largest Mutual Fund manager in India with Quarterly Average Asset Under Management (QAAUM) of ₹3,73,537 crores moving up with 2

ranks in the financial year. Over all assets managed and advised by SBIFMPL was ₹10,33,663 crores as on 31st March 2020.

SBIFMPL has one of largest investor base of around 109 lakh investors with 13 Lac new customers added during the year. The Company has 14.5 Lakh direct investors and over 2.5 Lakh institutional investors including 1236 retirement funds. SBIFMPL is the Largest ETF manager in the country.

SBIFMPL posted a PAT of ₹603.45 crores during the period ended March 2020 as against ₹427.54 crores earned during

the year ended March 2019 under Indian Accounting Standard (Ind AS). The average "Assets Under Management" (AUM) of the Company during the quarter ended March 2020 were ₹3,73,537 crores with a market share of 13.82% as against the average assets under management of ₹2,83,807 crores with a market share of 11.59% during the quarter ended March, 2019. The Company has a fully owned foreign subsidiary viz. SBI Funds Management (International) Private Limited, which is based at Mauritius and manages Off-shore Fund. SBIFMPL also provides Portfolio Management services (PMS) and Alternative Investment Funds (AIF).

6. SBI GLOBAL FACTORS LIMITED (SBIGFL)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI Global Factors Ltd.	137.79	86.18%	16.77

SBIGFL is a leading provider of factoring services for domestic and international trade. SBI holds 86.18% share in the Company. The Company's services are especially suitable for MSME clients for freeing up resources locked in book debts. By virtue of its membership of Factors Chain International (FCI), the Company is able to ameliorate credit risk from export receivables under the 2-factor model.

The Company reported a PBT of ₹40.28 crore during the period ended Mar 2020 against previous period ended Mar 2019 PBT of ₹4.28 crore. It's PAT during the period ended March 2020 is ₹16.77 crore against previous period ended Mar 2019 PAT of ₹1.68 crore (under IND AS). Turnover for 12 months ended FY2020 is ₹4,394 crore as compared to turnover of ₹4,387 crore in previous year. Funds in use (FIU) as on 31st Mar 2020 is ₹1,317

crore as compared to ₹1,374 crore as on 31st Mar 2019. However, the average FIU increased to ₹1305 crores in FY 2019-20 as compared to ₹1211 crores during previous year. The total income of the Company also increased to ₹118.65 crores in FY 2019-20 as against ₹108.64 crores last year.

7. SBI GENERAL INSURANCE COMPANY LIMITED (SBIGIC)

(₹ Crore)

Name of the subsidiary company	Ownership (Share capital - SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI General Insurance Company Ltd.	151	70%	412

SBI General Insurance Company Limited was originally a joint venture between State Bank of India (SBI) and IAG International Pty Limited, a subsidiary of Insurance Australia Group Limited. After a small divestment in mid-2018, SBI now owns 70% of the total capital, whereas IAG, the erstwhile JV partner of 26%, has made a complete exit in March 2020, thereby divesting its entire stake. While SBI's divested equity of 4% is held by PI Opportunities Fund - I (2.35%) and Axis New Opportunities- AIF-I (1.65%), IAG's stake of 26% has been bought by Napean Opportunities LLP (16.01%), and Honey Wheat Investments Ltd (9.99%). SBI General Insurance became the first non-life insurance company in India to cross ₹6,000 Crores in a decade of operations.

The company has continued to focus on profitable growth in bancassurance channel along with other distribution channels and line of businesses that meet our business objectives and drive profitable growth. SBI General has been focused on a rigorous business continuity plan and have built capabilities to handle disruption due to COVID 19 in FY2020. The Company defined strategies to target profitable growth, efficient expenses management and business continuity plan that has resulted in significant profits in FY2020.

SBI General has registered Gross Written Premium (GWP) of ₹6,840 with a growth of 45% compared to the industry growth of 12% in FY2020.

SBI General has achieved a profit of ₹412 crore in FY20. The Company recorded 20% growth in its profit before tax to ₹564 crore in FY2020 from ₹470 Crore in FY2019.

The overall market share of the company among all general insurance companies stands at 3.59% in FY2020 as against 2.77% in corresponding period of FY2019. In terms of market ranking in the Industry, SBI General is at 8th among private insurers and at 13th in the industry. SBI General remains one of the market

leaders "Personal Accident" and "Fire" insurance segment amongst private insurers in FY2020.

SBI General has retained iAAA rating by ICRA for highest claims paying ability for the 4th consecutive year. The Company won the 'Silver Award' in the category 'Non-Life Insurance Provider of the Year 2019' at Outlook Money Awards, won the Smart GI Compact, in the insurance segment at the 2nd Insurance Awards during the 6th ET Insurance Summit. In addition to the mentioned awards The Company received various prestigious recognitions across functions during FY2020.

8. SBI SG GLOBAL SECURITIES SERVICES PRIVATE LIMITED (SBI-SG)

SBI-SG, a joint venture between State Bank of India and Societe Generale with 65% holding by SBI. The Company was set up to offer high quality custodial and fund administration services to complete the bouquet of premier financial services offered by the SBI Group. SBI- SG commenced commercial operations in 2010. The Company's Net Profit was ₹61.96 Crore as on 31st March 2020 as against ₹34.45 crore as on 31st March 2019. Accumulated profit is ₹141.86 crore.

Assets Under Custody as on 31st March 2020 rose to ₹7,33,983 crore from ₹5,40,919 crore as on 31st March 2019, while the Average Assets Under Administration were at ₹5,43,697 crore in 31st March 2020 as against ₹3,18,198 crore in 31st March 2019.

(₹ Crore)

Name of the subsidiary company	Ownership (Share Capital- SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI SG Global Securities Services Pvt. Ltd.	52	65%	61.96

9. SBI PENSION FUNDS PRIVATE LIMITED (SBIPF)

Name of the subsidiary company	(₹ Crore)		
	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI Pension Funds Pvt. Ltd.*	18	60%	2.28

*SBI Capital Markets and SBI Funds Management are holding 20% equity each in the Company.

SBIPFPL has been appointed as the Pension Fund Manager (PFM) along with six others to manage the pension corpus under National Pension System (NPS). SBIPFPL is one of the three PFMs appointed by the Pension Fund Regulatory & Development Authority (PFRDA) for management of Pension Funds under the NPS for Central Government (except Armed Forces) and State Government employees and one of the seven PFMs appointed for management of Pension Funds under the Private Sector. The total Assets Under Management (AUM) of the company as on 31st March 2020 was ₹1,60,491 crore (YoY growth of 32%) against ₹1,21,959 crore on 31st March 2019.

The Company maintained lead position amongst PFMs in terms of AUM in both Government and Private Sectors. The overall AUM market share in Private Sector was 58%, while in the Government Sector it was 35%.

The Company was awarded 'Pension Fund House-2019' in Silver Category by Outlook Money. Outlook money Awards has been received by the company for 5th consecutive time in a row.

The company had obtained license from Regulator (PFRDA) to act as a Point of Presence (PoP) under NPS. In connection with this, the company had developed digital POP platform and it is fully functional from March 2020. Company has successfully registered its first corporate client

10. SBI INFRA MANAGEMENT SOLUTIONS PRIVATE LIMITED (SBIIMS)

SBIIMS is a wholly owned subsidiary incorporated on 17th June, 2016. The Company is operating on PAN India with 17 Circle Offices located at all SBI LHO Centres. The Company aims to provide

specialised services on premises and estate related matters to State Bank of India and to relieve State Bank of India officials from dealing with non-core activities.

SBIIMS has taken over all ongoing projects from your Bank as is where is basis and is executing them efficiently. SBIIMS has also successfully completed "Uniform Signage Project" by replacing old State Bank of India signage across India, which has resulted in the unique brand identity of State Bank of India. SBIIMS has also taken the challenge of completing your bank's ambitious "Uniform Branch Ambience Project" in time, which shall enable refined and delighted ambience of branches of State Bank of India.

11. SBI FOUNDATION

SBI Foundation was established by State Bank of India in 2015 as a Section VIII company under Companies Act (2013) to undertake the CSR activities of SBI and its Subsidiaries in a planned and focused manner.

To give back to the society by working towards the socio-economic well-being of the marginalised and vulnerable communities, your Bank is actively working towards the upliftment of underprivileged sections of the society with a vision to provide 'Service Beyond Banking'.

SBI Foundation has undertaken multiple initiatives to build momentum for a transforming India by creating an inclusive development paradigm that serves all Indians without any discrimination based on region, language, caste, creed, religion amongst others. For FY2020, the total CSR spend of SBI Foundation was ₹ 14.65 crore. The grants received from Bank and its subsidiaries amounted to ₹ 27.81 crore. The remaining/unspent funds are earmarked to various ongoing CSR projects and shall be utilised in subsequent months.

The focus areas of activities undertaken by SBIF are illustrated below:

- **Flagship Programs:** SBIF has three flagship programs:
 - i) SBI Youth for India – a 13month rural fellowship program connecting India's best young minds to work for rural communities
 - ii) Centre of Excellence for Persons with Disabilities – a program with an objective to be a centralised support Centre to empower PwDs
 - iii) SBI Gram Seva – the program aims at working towards holistic development of villages covering 50 villages across six states in India. Nearly, 55% of the allocated amount to SBIF was spent for the flagship programs.
- **Project under Education:** Education is one of the most powerful and proven tools to bring about transformational change in the social development landscape. Towards this end, State Bank of India aims to address the major hindrances in the education sector of India. To do so, your Bank undertakes initiatives such as enhancing access to quality education to slum children of Ahmedabad, strengthening quality of education in 3,000 Anganwadi Centers of Meghalaya, benefitting 60,000 children and Personal Safety Education and Child Sexual Abuse prevention trainings to children and caregivers. For Education projects, 11% of fund was spent for the FY2020.
- **Projects under Healthcare:** SBIF is committed to making a positive contribution to the lives of the unprivileged sections of the society by providing free access to quality healthcare through various initiatives such as Organ Donation, Home-based hospice and palliative care services, Cochlear Implants for children having hearing loss,

Medical-aid to cancer patients, Primary Healthcare services on four-wheelers, and Mitigating the damages of sickle cell anaemia by supporting sickling tests. For healthcare projects, 13% of fund was spent for the FY2020.

- Launch of Flagship Program on Healthcare:** Considering the enormity of the challenge posed by Covid-19 and its adverse impact on the health sector, the Foundation has launched a new flagship program on healthcare. The program is aimed to identify and implement possible areas of collaborative interventions for defeating COVID-19 in India in association with likeminded organisations upgrading Health infrastructure and Diagnostics Facilities, Patient Management, Capacity Building of Health Staff and Creating General Awareness for Public.

RRBs Sponsored by SBI

With 2/3rds of our country's population living in Rural, it presents a huge yet under tapped opportunity for the Indian Banking Sector. Our large network of sponsored Regional Rural Banks (RRBs) is well placed, to play a larger role and have a great potential to address this scenario. Regional Rural Banks have a distinct competitive advantage, due to their large account base and decades of trust-earning service tradition, resulting in close proximity to the rural customers.

- The State Bank has sponsored (15) Regional Rural Banks operating at regional levels in (15) different States. These RRBs have a combined branch strength of (5,318) spread across (226) Districts. (as on 31st March 2020).

- State Bank of India holds 35% stake in each of them except Ellquai Dehati Bank (36.27%), Madhyanchal Gramin Bank (35.46%) and Utkal Gramin Bank (36.51%) as on 31st March 2020 with the Government of India holding 50% and the respective State Governments holding the remaining 15% stakes.
- The Sponsored RRBs of SBI are on CBS platform and offer banking services on par with any other commercial Banks operating in the country. The Banks have adopted the best practices and are well placed to handle the ever-evolving demands of customers, particularly in Rural and Semi-urban space, through their customer centric approach.

12.REGIONAL RURAL BANKS (RRBS)

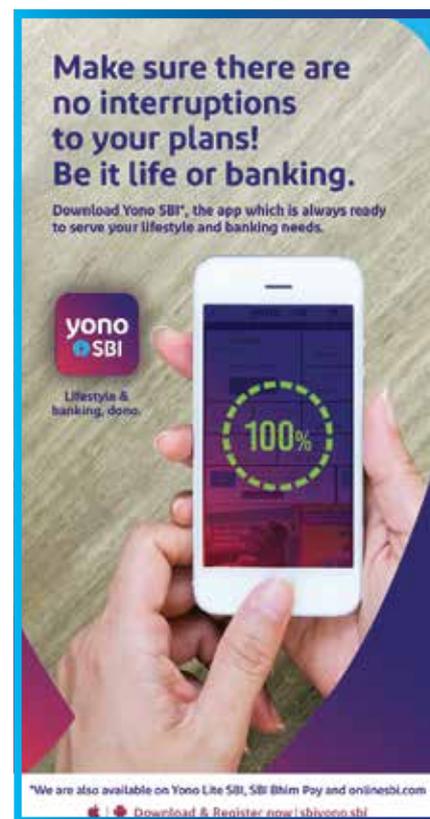
OWNERSHIP PERCENTAGE OF SBI IN RRBS SPONSORED BY SBI

Sr. No.	Name of RRBs	%
1	Andhra Pradesh Grameena Vikas Bank	35.00%
2	Arunachal Pradesh Rural Bank	35.00%
3	Chhattisgarh Rajya Gramin Bank	35.00%
4	Ellaquai Dehati Bank \$\$	36.27%
5	Jharkhand Rajya Gramin Bank	35.00%
6	Madhyanchal Gramin Bank ##	35.46%
7	Meghalaya Rural Bank	35.00%
8	Mizoram Rural Bank	35.00%
9	Nagaland Rural Bank	35.00%
10	Purvanchal Bank	35.00%
11	Rajasthan Marudhara Gramin Bank	35.00%
12	Saurashtra Gramin Bank	35.00%
13	Telangana Grameena Bank	35.00%
14	Utkal Grameen Bank **	36.51%
15	Uttarakhand Gramin Bank	35.00%

\$\$ Sponsor Bank and State Govt have infused their part of ₹5.48 crore and ₹2.35 crore respectively of approved fresh infusion of Share Capital. As Central Govt is yet to infuse their part of share capital of ₹7.83 crore. On infusion of remaining capital of Central Govt, our share will be at 35%.

Sponsor Bank and GOI have infused their part of ₹8.91 crore and ₹12.73 crore respectively of approved fresh infusion of Share Capital. As Govt of MP is yet to infuse their proportionate part of share capital of ₹3.82 crore. On infusion of remaining capital by Govt of MP, our share will be at 35%.

** Sponsor Bank and GOI have infused their part of ₹93.856 crore and ₹134.08 crore respectively of approved fresh infusion of Share Capital. As the Government of Odisha is yet to infuse their proportionate part of share capital of ₹40.22 crore. On infusion of remaining capital by the Government of Odisha, our share will be at 35%.



Business Highlights of FY 2020:

- The aggregate deposits and advances of the (15) RRBs (sponsored by the Bank) as on (31st March 2020) stood at (1,07,539 crore) and (62,469 crore) respectively.
- During the year under review, despite the persistently challenging macroeconomic environment, the Bank improved its business, with Deposits growing by (11.59%) and Advances by (11.65%) on YoY. As a planned strategy to diversify to the portfolio, RRBs expanded their Housing Loan exposure by 30.84% (YoY) to take the portfolio to 7,492.21 crore.
- During FY2020, the RRBs together have posted a Net-Profit (₹260.29 crore) despite substantial provision of Pension ₹1,589.63 crore. The Banks continue to focus on improving earnings from their core banking business, strengthening the fee income streams and maintaining control on operating costs.
- The combined Gross Non-Performing Assets ratio of the RRBs has decreased to (6.37%) in current Financial year as against 6.97% in FY2019 due to focused approach for reduction of NPA. The Net NPA stands at (2.78%) as against (3.32%) in FY2019.
- Business per employee during FY2020 improved to (₹8.44 crore) (as on 31st March 2020) as against ₹7.35 crore in FY2019.

Major Developments in FY 2020:

The year under review witnessed several significant events, some of which are listed below:

- In January 2019, in line with a Government of India decision to amalgamate all RRBs operating in the state of Jharkhand, "Vananchal Gramin Bank" sponsored by SBI was amalgamated with Jharkhand Gramin Bank sponsored by Bank of India through a scheme of arrangements as facilitated by Ministry of Finance, Govt of India as new RRB "Jharkhand Rajya Gramin Bank" under the sponsorship of SBI w.e.f. 1st April 2019.

- In accordance with notification dated 26th November 2019 issued by the Government of India, Purvanchal Bank sponsored by us will be amalgamated with Baroda U.P. Bank under the sponsorship of Bank of Baroda w.e.f. 1st April 2020.
- The 14 RRBs with 4,718 Branch network, are expected to work more efficiently in the upcoming years, thanks to the introduction of Asset Management Hubs (AMHs) - a Centralised Credit Processing system.

Schedule V, Part B - Management: Discussion and Analysis:

In terms of compliance with the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations 2018, following ratios have changed by more than 25%, as per details given below:

(in %)	Mar 19	Mar 20	Variation (bps)	% Change
Net Profit Margin	0.31	4.79	448	1453.11
Return on Net Worth	0.48	7.74	725	1495.77

Net Profit Margin:

The Net Profit has registered YoY growth of 1580.31% (from a profit of ₹ 862 Cr in FY19 to Net Profit of ₹ 14,488 Cr during FY20) as against YoY growth of only 8.19% in Total Income (from ₹ 2,79,644 Cr in FY19 to ₹ 3,02,545 Cr in FY20).

Return on Net worth:

The Net Profit has registered YoY growth of 1580.31% (from a profit of ₹ 862 Cr in FY19 to Net Profit of ₹ 14,488 Cr during FY20) as against YoY growth of only 9.79% in Net worth of the Bank (from ₹1,78,552 Cr in FY19 to ₹1,96,037 Cr in FY20).



Bank's Board of Directors and Other Senior Officials at the Annual Strategy Meet

VI. RESPONSIBILITY STATEMENT

THE BOARD OF DIRECTORS HEREBY STATES:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that they have selected such accounting policies and applied them consistently and made judgements and estimates as are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Bank as on the 31st March 2020, and of the profit and loss of Your Bank for the year ended on that date;
- iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 and State Bank of India Act, 1955 for safeguarding the assets of your Bank and preventing and detecting frauds and other irregularities;
- iv. that they have prepared the annual accounts on a going concern basis;
- v. that the internal financial controls had been laid down, to be followed by your Bank and that such internal financial controls are adequate and were operating effectively; and
- vi. that proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VII. ACKNOWLEDGMENT

During the year, Shri Debasish Panda was nominated as Director on the Board u/s 19 (e) of SBI Act 1955 w.e.f. 24th January 2020 vice Shri Ravi Mital, who was nominated as Director w.e.f. 08th August 2019 vice Shri Rajiv Kumar. Shri Sanjeev Maheshwari was nominated as Director on the Board u/s 19 (d) of SBI Act 1955 w.e.f. 20th December 2019. Shri Challa Sreenivasulu Setty was appointed as Managing Director on the Board w.e.f. 20th January 2020.

Smt Anshula Kant, Managing Director resigned from the Board w.e.f. 31st August 2019 and Shri P K Gupta, Managing Director superannuated on 31st March 2020. The term of Dr Girish Ahuja, Director appointed by GOI u/s 19 (d) ended on 05th February 2020. Dr Pushpendra Rai has been renominated by GOI as Director u/s 19 (d) of the SBI Act, 1955 w.e.f. 6th February 2020 for a period of two years.

The Directors place on record their appreciation for the contributions made by the outgoing Managing Director, Smt Anshula Kant and Directors, Shri Rajiv Kumar, Shri Ravi Mital and Dr Girish Ahuja to the deliberations of the Board. The Directors welcomed the new Directors, Shri Sanjeev Maheshwari, Shri Debasish Panda and Managing Director, Shri Challa Sreenivasulu Setty on the Board.

The Directors also express their gratitude for the guidance and co-operation received from the Government of India, RBI, SEBI, IRDA and other government and regulatory agencies.

The Directors also thank all the valued clients, shareholders, Banks and financial institutions, stock exchanges, rating agencies and other stakeholders for their patronage and support and take this opportunity to express their appreciation for the dedicated and committed team of employees of the Bank.

For and on behalf of the
Central Board of Directors

Chairman

Date: 05 June, 2020

CORPORATE GOVERNANCE

THE BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

State Bank of India is committed to the best practices in the area of Corporate Governance, in letter and in spirit. The Bank believes that good Corporate Governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the Bank to maintain a high level of business ethics and to optimise the value for all its stakeholders. The objectives can be summarised as:

- To protect and enhance shareholder value.
- To protect the interest of all other stakeholders such as customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and customer service and to achieve excellence at all levels.
- To provide corporate leadership of highest standard for others to emulate.

THE BANK IS COMMITTED TO:

- Ensuring that the Bank's Board of Directors meets regularly, provides effective leadership and insights in business and functional matters and monitors Bank's performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advices and resources as are necessary to enable it to carry out its role effectively.

- Ensuring that the Chairman has the responsibility for all aspects of executive management and is accountable to the Board for the ultimate performance of the Bank and implementation of the policies laid down by the Board. The role of the Chairman and the Board of Directors are also guided by the SBI Act, 1955 with all relevant amendments.
- Ensuring that a senior executive is made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board, and reports deviations, if any.

The Bank has complied with the provisions of Corporate Governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendments Regulations, 2018 with the Stock Exchanges except where the provisions of these regulations are not in conformity with SBI Act and SBI General Regulations, 1955 and the directives issued by RBI/GOI. A report on the implementation of these provisions of Corporate Governance in the Bank is furnished below:

CENTRAL BOARD: ROLE AND COMPOSITION

State Bank of India was formed in 1955 by an Act of the Parliament, i.e., The State Bank of India Act, 1955 (Act). A Central Board of Directors was constituted according to the Act.

The Bank's Central Board draws its powers from and carries out its functions in compliance with the provisions of SBI Act & Regulations 1955. Its major roles include, among others,

- Overseeing the risk profile of the Bank;
- Monitoring the integrity of its business and control mechanisms;
- Ensuring expert management, and
- Maximizing the interests of its stakeholders.

The Central Board is headed by the Chairman, appointed under section 19(a) of SBI Act; four Managing Directors are also appointed members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are Whole Time Directors. As on 31st March 2020, there were nine other directors on the Board who are eminent professionals representing Technology, Accountancy, Finance, Economics and Academics. The composition of the Central Board, as on 31st March 2020, was as under:

- Chairman appointed by the Central Government in consultation with the RBI u/s 19(a)
- Four Managing Directors, appointed by the Central Government in consultation with the RBI u/s 19(b)
- Four Directors, elected by the Shareholders under Section 19(c),
- Three Directors*, nominated by the Central Government under Section 19(d),
- One Director (official from the Govt. of India), nominated by the Central Government under Section 19(e), and
- One Director (official from the Reserve Bank of India), nominated by the Central Government under Section 19(f) on the recommendations of the RBI.

*One of the Directors, Dr. Pushpendra Rai was re-nominated by GOI vide notification no. F.No.6/19/2019-BO-I dated 29.04.2020 for a period of two years beyond 05.02.2020, or until further orders, whichever is earlier.

The composition of the Board complies with provisions laid down in Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent that they don't violate the provisions provided u/s 19 of SBI Act, 1955. There is no inter-se relationship between Directors.

A brief resume of each of the Non-Executive Directors is given in Annexure I. Particulars of the directorships/memberships held by all the Directors in various Boards/Committees are given in Annexure II and the details of their Shareholding in the Bank are mentioned in Annexure III.

MEETINGS OF THE CENTRAL BOARD

The Bank's Central Board has to meet a minimum of six times in a year. During the year 2019-20, sixteen Central Board Meetings were held. The dates of the meetings and attendance of the directors are as under:

DATES & ATTENDANCE OF DIRECTORS AT BOARD MEETINGS DURING 2019-20

No. of Meetings held	: 16	
Dates of the Meetings	: 24.04.2019, 10.05.2019, 29.05.2019, 20.06.2019, 01.07.2019, 24.07.2019, 02.08.2019, 04.09.2019, 25.10.2019, 27.11.2019, 18.12.2019, 08.01.2020, 31.01.2020, 18.02.2020, 05.03.2020, 27.03.2020	
Name of the Director	No. of Meetings held after nomination/ election /during incumbency	No. of Meetings attended
Shri Rajnish Kumar, Chairman	16	16
Shri P. K. Gupta, MD - R&DB (upto 31.03.2020)	16	16
Shri Dinesh Kumar Khara, MD - GB&S	16	16
Shri Arijit Basu, MD - CCG&IT	16	15
Smt Anshula Kant - MD - SARC (upto 31.08.2019)	07	06
Shri Challa Sreenivasulu Setty (w.e.f. 20.01.2020)	04	04
Shri Sanjiv Malhotra	16	16
Shri Bhaskar Pramanik	16	13
Shri Basant Seth	16	16
Shri B. Venugopal	16	12
Dr. Girish K. Ahuja (upto 05.02.2020)	13	10
Dr. Pushpendra Rai (upto 05.02.2020) *	13	13
Dr. Purnima Gupta	16	16
Shri Sanjeev Maheshwari (w.e.f. 20.12.2019)	05	05
Shri Rajiv Kumar (upto 08.08.2019)	07	00
Shri Ravi Mital (w.e.f. 08.08.2019 & upto 24.01.2020)	05	01
Shri Debasish Panda (w.e.f. 24.01.2020)	04	01
Shri Chandan Sinha	16	13

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

EXECUTIVE COMMITTEE OF THE CENTRAL BOARD

The Executive Committee of the Central Board (ECCB) is constituted in terms of Section 30 of the SBI Act, 1955. The State Bank of India General Regulations (46 & 47) provide that, subject to the general or

special directions of the Central Board, ECCB may deal with any matter within the competence of the Central Board. ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(f) of the SBI Act (Reserve Bank of India nominee), and all or any of the other Directors who are normally

residents, or may, for the time being, be present at any place within India where the meeting is held. The ECCB meetings are held once every week. The details of attendance of ECCB Meetings during the year 2019-20 are as under:

ATTENDANCE OF DIRECTORS AT ECCB MEETINGS DURING 2019-20

S. No. of Meetings held : 52		No.	
Directors	No. of Meetings held after nomination/ election/ during incumbency	No. of Meetings attended	
1	Shri Rajnish Kumar, Chairman	52	50
2	Shri P. K. Gupta, MD - R&DB (upto 31.03.2020)	52	43
3	Shri Dinesh Kumar Khara, MD - GB&S	52	46
4	Shri Arijit Basu, MD - CCG&IT	52	48
5	Smt Anshula Kant - MD - SARC (upto 31.08.2019)	22	16
6	Shri Challa Sreenivasulu Setty (w.e.f. 20.01.2020)	09	08
7	Shri Sanjiv Malhotra	52	40
8	Shri B. Venugopal	52	37
9	Shri Sanjeev Maheshwari (w.e.f. 20.12.2019)	14	09
10	Shri Chandan Sinha	52	34
Directors who are normally not residents of the place of Meetings but were present on the day at the place where the meeting was held / participated through Video-conferencing:			
11	Shri Bhaskar Pramanik	-	29
12	Shri Basant Seth	-	05
13	Dr. Pushpendra Rai	-	17
14	Dr. Purnima Gupta	-	14

OTHER BOARD LEVEL COMMITTEES:

In terms of the provisions of SBI Act and General Regulations, 1955 and Govt./RBI/SEBI guidelines, the Central Board has constituted other ten Board Level Committees viz. Audit Committee of the Board, Risk Management Committee of the Board, Stakeholders Relationship Committee, Special Committee of the Board for Monitoring of Large Value Frauds, Customer Service Committee of the Board, IT Strategy Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee of the Board, Board Committee to Monitor Recovery and Committee to Review the Identification of Wilful Defaulters/Non-Co-operative Borrowers. These Committees provide effective professional support in Board Oversight in key areas like Audit & Accounts, Risk Management, resolution of Shareholders'/Investors' grievances, Fraud Review and Control, Review of customer service and redressal of customer grievances, Technology Management, Corporate Social Responsibilities, Payment of Incentives to Executive Directors, Oversight on Recovery of Loans and Advances, Review

of identification of Wilful Defaulters/Non-Co-operative Borrowers and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors. While the Nomination & Remuneration Committee meets at least once a year, the other Committees meet periodically, once in a quarter generally, to deliberate on policy issues and/or review domain performance, as per the calendar of reviews approved by the Central Board. The Committees also call external specialists, besides drawing upon the services of top executives from the Bank, as and when needed. The Nomination & Remuneration Committee is constituted to carry out necessary due diligence and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by shareholders. The Nomination & Remuneration Committee also approves payment of incentives to Whole Time Directors, based on Govt. of India guidelines. The minutes and proceedings containing brief reports on the discussions held at the meetings of the Committees are placed before the Central Board.

AUDIT COMMITTEE OF THE BOARD

The Audit Committee of the Board (ACB) was constituted on 27th July 1994 and last re-constituted on the 18th February 2020. The ACB functions as per RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendment Regulation 2018 to the extent that they do not violate the directives/guidelines issued by RBI.

FUNCTIONS OF ACB

- ACB provides direction as also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/external audit, compliance of RBI inspection. It also appoints Statutory Auditors of the Bank and reviews their performance from time to time.
- ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.

- c. ACB reviews the internal inspection/ audit plan and functions in the Bank – the system, its quality and effectiveness in terms of follow-up. It also, especially, focuses on the follow up of :
- KYC-AML guidelines;
 - Major areas of housekeeping;
 - Compliance of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; The terms of reference and role of the Audit Committee was reviewed by the Central Board at its meeting held on 06.03.2019 in line with the SEBI (LODR) Amendments Regulations, 2018.
- d. It obtains and reviews reports from the Compliance Department in the Bank.
- e. ACB follows up on all the issues raised in RBI's Risk Based Supervision under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors before the finalisation of the annual/ quarterly financial accounts and reports. A formal 'Audit Charter' or 'Terms of Reference' of the Audit Committee has been approved by the Central Board and a calendar of Reviews to be submitted to the Audit Committee is also in place, which is updated periodically, the last revision effected from 18th December 2014.

COMPOSITION & ATTENDANCE DURING 2019-20

The ACB has eight members of the Board of Directors as on 31.03.2020, including two whole time Directors, two official Directors (nominees of GOI and RBI) and four non-official, non-executive Directors. Meetings of the ACB are chaired by a Non-Official, Non-Executive Director (Chartered Accountant). The constitution and quorum requirements, as per RBI guidelines, are complied with meticulously. During the year, thirteen meetings of ACB were held to review the various matters connected with the internal control, systems and procedures and other aspects as required in terms of RBI guidelines.

DATES OF MEETINGS OF ACB HELD & ATTENDANCE OF DIRECTORS DURING 2019-20

No. of Meetings held	: 13		
Dates of the Meetings	: 10.04.2019, 09.05.2019, 04.06.2019, 17.07.2019, 01.08.2019, 26.09.2019, 10.10.2019, 24.10.2019, 20.11.2019, 27.12.2019, 30.01.2020, 27.02.2020, 18.03.2020		
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended	
Shri Basant Seth - Chairman of the Committee w.e.f. 18.02.2020	13	12	
Dr. Girish K. Ahuja - Chairman of the Committee (upto 05.02.2020)	11	08	
Shri P. K. Gupta, MD - R&DB (upto 31.03.2020)	13	10	
Shri Dinesh Kumar Khara, MD - GB&S (as alternate member)	-	03	
Shri Dinesh Kumar Khara, MD - GB&S (w.e.f. 25.10.2019)	05	04	
Shri Arijit Basu – MD (CCG & IT) (as alternate member)	-	04	
Smt Anshula Kant - MD - SARC (upto 31.08.2019)	05	05	
Shri Bhaskar Pramanik	13	08	
Shri B. Venugopal	13	12	
Dr. Purnima Gupta (w.e.f. 29.05.2019 & upto 18.02.2020)	09	05	
Shri Sanjeev Maheshwari (w.e.f. 18.02.2020)	02	01	
Shri Rajiv Kumar (upto 08.08.2019)	05	00	
Shri Ravi Mital (w.e.f. 08.08.2019 & upto 24.01.2020)	05	01	
Shri Debasish Panda (w.e.f. 24.01.2020)	03	01	
Shri Chandan Sinha	13	12	

RISK MANAGEMENT COMMITTEE OF THE BOARD

The Risk Management Committee of the Board (RMCB) was constituted on the 23rd March 2004, to oversee the policy and

strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on the 18th February 2020 and has seven members. The Non-Executive Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter.

During 2019-20, seven meetings of the RMCB were held. The terms of reference and role of RMCB was reviewed by the Central Board on 06.03.2019 in line with the SEBI (LODR) Amendments Regulations, 2018 which were effective from 1st April, 2019.

DATES OF MEETINGS OF RMCB HELD & ATTENDANCE OF DIRECTORS DURING 2019-20

No. of Meetings held	: 7	
Dates of the Meetings	: 12.06.2019, 18.06.2019, 11.09.2019, 15.11.2019, 26.12.2019, 17.02.2020, 26.03.2020	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Sanjiv Malhotra - Chairman of the Committee	07	07
Shri P. K. Gupta, MD - R&DB (upto 31.03.2020)	07	05
Shri Dinesh Kumar Khara, MD - GB&S (as alternate member)	-	03
Shri Arijit Basu – MD (CCG & IT) (as alternate member)	-	01
Shri Arijit Basu – MD (CCG & IT) (w.e.f. 25.10.2019)	04	04
Smt Anshula Kant - MD - SARC (upto 31.08.2019)	02	01
Shri Bhaskar Pramanik	07	05
Shri Basant Seth	07	06
Shri B. Venugopal	07	07
Dr. Pushpendra Rai (upto 05.02.2020) *	05	05
Dr. Purnima Gupta (w.e.f. 18.02.2020)	01	00

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

In pursuance of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Stakeholders Relationship Committee (SRC) [earlier known as Shareholders'/

Investors' Grievance Committee of the Board (SIGCB), formed on the 30th January 2001] was formed to look into the redressal of Shareholders' and Investors' complaints regarding transfer of shares, non-receipt of annual report, non-receipt of interest on bonds/declared dividends, etc. The Committee was last reconstituted on 18th February 2020 and has, six members and is chaired by a Non-

Executive Director. The composition of the Committee and its role complies with the SEBI Regulations. The Committee met three times during 2019-20 and reviewed the position of complaints. The terms of reference and role of the SRC was changed on 06.03.2019 in terms of SEBI (LODR) Amendments Regulations, 2018 applicable from 1st April, 2019.

DATES OF MEETINGS OF SRC HELD & ATTENDANCE OF DIRECTORS DURING 2019-20

No. of Meetings held	: 3	
Dates of the Meetings	: 18.04.2019, 17.07.2019, 16.10.2019	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Sanjiv Malhotra, Chairman of the Committee w.e.f. 18.02.2020	03	03
Dr. Pushpendra Rai, Chairman of the Committee upto 05.02.2020 *	03	03
Shri P. K. Gupta, MD - R&DB (upto 31.03.2020)	03	03
Shri Dinesh Kumar Khara, MD - GB&S (w.e.f. 25.10.2019 & upto 18.02.2020)	00	00
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	--	01
Smt Anshula Kant - MD - SARC (upto 31.08.2019)	02	02
Shri Challa Sreenivasulu Setty, MD - SA (w.e.f. 18.02.2020)	00	00
Shri B. Venugopal	03	02
Dr. Girish K. Ahuja (upto 05.02.2020)	03	02
Dr. Purnima Gupta	03	02
Shri Sanjeev Maheshwari (w.e.f. 18.02.2020)	00	00

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

Number of shareholders' complaints received so far (during the year)	: 193
Number not solved to the satisfaction of shareholders	: Nil
Number of Pending Complaints: (Complaints which are sub-judice)	: Nil
Name and designation of Compliance officer:	Shri Sanjay Abhyankar, Vice President Compliance (Company Secretary)

SPECIAL COMMITTEE OF THE BOARD FOR MONITORING OF LARGE VALUE FRAUDS

The Special Committee of the Board for monitoring of Large Value Frauds (SCBMF) was constituted on the 29th March 2004.

The major functions of the Committee are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons for delay in detection and reporting, if any, monitoring progress of CBI/Police investigation, recovery position, ensuring that staff accountability exercise is completed quickly, reviewing the efficacy of remedial

action taken to prevent recurrence of frauds and putting in place suitable preventive measures. The Committee was last reconstituted on the 18th February 2020 and has seven members and is chaired by a Non-Executive Director. The Committee met six times during 2019-20:

DATES OF MEETINGS OF (SCBMF) HELD & ATTENDANCE OF DIRECTORS DURING 2019-20

No. of Meetings held	: 6	
Dates of the Meetings	: 22.05.2019, 28.08.2019, 31.10.2019, 06.11.2019, 20.01.2020, 27.03.2020	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Basant Seth, Chairman of the Committee	06	06
Shri P. K. Gupta, MD - R&DB (upto 31.03.2020)	06	05
Shri Dinesh Kumar Khara, MD - GB&S (alternate member)	--	01
Shri Arijit Basu – MD (CCG & IT) (w.e.f. 25.10.2019)	04	03
Smt Anshula Kant - MD - SARC (upto 31.08.2019)	02	02
Shri Sanjiv Malhotra	06	04
Shri Bhaskar Pramanik	06	03
Shri B. Venugopal (upto 18.02.2020)	05	03
Dr. Girish K. Ahuja (upto 05.02.2020)	05	04
Dr. Pushpendra Rai (upto 05.02.2020) *	05	02
Dr. Purnima Gupta (w.e.f. 18.02.2020)	01	01
Shri Sanjeev Maheshwari (w.e.f. 18.02.2020)	01	01

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

CUSTOMER SERVICE COMMITTEE OF THE BOARD

The Customer Service Committee of the Board (CSCB) was constituted on the 26th August 2004, to bring about ongoing improvements on a continuous basis in

the quality of customer service provided by the Bank. The Committee was last reconstituted on the 18th February 2020

and has eight members and is chaired by a Non-Executive Director. During the year 2019-20, four meetings of the Committee were held.

DATES OF MEETINGS OF CSCB HELD & ATTENDANCE OF DIRECTORS DURING 2019-20

No. of Meetings held	: 4	
Dates of the Meetings	: 15.05.2019, 22.08.2019, 04.12.2019, 07.02.2020	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri B. Venugopal, Chairman of the Committee (w.e.f. 18.02.2020)	00	00
Dr. Pushpendra Rai, Chairman of the Committee (upto 05.02.2020) *	03	03
Shri P. K. Gupta, MD - R&DB (upto 31.03.2020)	04	03
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	--	01
Shri Arijit Basu, MD - CCG&IT	04	04
Shri Sanjiv Malhotra	04	02
Shri Bhaskar Pramanik	04	04
Shri Basant Seth	04	03
Dr. Girish K. Ahuja (upto 05.02.2020)	03	03
Dr. Purnima Gupta	04	04
Shri Sanjeev Maheshwari (w.e.f. 18.02.2020)	00	00

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

IT STRATEGY COMMITTEE OF THE BOARD

With a view to tracking the progress of the Bank's IT initiatives, the Bank's Central Board constituted a Technology Committee of the Board on 26th August 2004. The Technology Committee has been renamed as IT Strategy Committee of the Board w.e.f. 24th October 2011. The Committee has played a strategic role in the Bank's technology domain. The Committee is entrusted with the following roles and responsibilities:

- (i) approving IT strategy and policy documents, ensuring that the management has put an effective strategic planning process in place;
- (ii) ensuring that the IT Organisational structure complements the business model and its direction;
- (iii) ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- (iv) evaluating effectiveness of management's monitoring of IT risks and overseeing the aggregate funding of IT at the Bank level; and
- (v) reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value).

The Committee was last reconstituted on the 18th February 2020 with seven members and is chaired by a Non-Executive Director. The Committee met six times during 2019-20.

DATES OF MEETINGS OF ITSC HELD & ATTENDANCE OF DIRECTORS DURING 2019-20

No. of Meetings held	: 6	
Dates of the Meetings	: 15.05.2019, 26.06.2019, 18.09.2019, 14.11.2019, 19.11.2019, 13.02.2020	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Bhaskar Pramanik, Chairman of the Committee	06	06
Shri P. K. Gupta, MD - R&DB (upto 31.03.2020) (Alternate Member)	--	01
Shri Dinesh Kumar Khara MD - GB&S (Alternate Member)	--	02
Shri Dinesh Kumar Khara, MD - GB&S (w.e.f. 25.10.2019)	03	02
Shri Arijit Basu - MD - CCG&IT	06	06
Smt Anshula Kant - MD - SARC (upto 31.08.2019)	02	01
Shri Sanjiv Malhotra	06	03
Shri B. Venugopal	06	04
Dr. Pushpendra Rai (upto 05.02.2020) *	05	03
Dr. Purnima Gupta	06	04
Shri Sanjeev Maheshwari (w.e.f. 18.02.2020)	00	00

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSRC) was constituted on

the 24th September 2014 as a measure of good corporate governance to review the activities undertaken by Bank under Corporate Social Responsibility Policy. The Committee was last reconstituted on the 18th February 2020 and has seven members. The Senior Managing Director

on the Committee is the Chairman. During the year 2019-20, four meetings of the Committee were held.

DATES OF MEETINGS OF CSRC HELD & ATTENDANCE OF DIRECTORS DURING 2019-20

No. of Meetings held	: 4	
Dates of the Meetings	: 03.04.2019, 10.07.2019, 16.10.2019, 15.01.2020	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri P. K. Gupta, MD - R&DB, Chairman of the Committee(upto 31.03.2020)	04	03
Shri Dinesh Kumar Khara, MD - GB&S	04	04
Shri Arijit Basu, MD - CCG&IT (Alternate Member)	--	01
Shri Sanjiv Malhotra	04	03
Shri Bhaskar Pramanik	04	02
Shri Basant Seth	04	04
Shri B. Venugopal	04	04
Dr. Pushpendra Rai (upto 05.02.2020) *	04	03
Dr. Purnima Gupta	04	04

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

NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD

RBI vide its Master Direction DBR. Appt. No: 9/29.67.001/2019-20 dated August 2, 2019 and Government of India vide its letter No. F. No 16/19/2019-BO.I dated 30.08.20019 have directed the Bank to constitute a single Nomination and Remuneration Committee (NRC) and accordingly a single NRC was constituted w.e.f. 25th October, 2019.

The Committee was last reconstituted on 27th March 2020. The Committee has four members consisting of non-executive Directors – Shri Basant Seth, Shri Sanjiv Malhotra, Dr Purnima Gupta, and Shri Sanjeev Maheshwari. The Committee scrutinizes and recommends payment of incentives to Whole Time Directors. It also carries out necessary due diligence and arrive at the ‘fit and proper’ status of candidates filing nominations for election as Directors by shareholders. The committee meets at least once a year.

BOARD COMMITTEE TO MONITOR RECOVERY

In terms of Govt. of India advices, a Board Committee to Monitor Recovery was constituted by the Central Board at its meeting held on 20th December 2012 for oversight on Recovery of Loans and Advances. The Committee was last reconstituted on 18th February 2020, has ten members consisting of Chairman, four Managing Directors and five Non-Executive Director including the Govt. Nominee Director. The Committee met four times during the year and reviewed the NPA management and large NPA accounts of the Bank.

REVIEW COMMITTEE FOR IDENTIFICATION OF WILFUL DEFAULTERS/ NON-CO-OPERATIVE BORROWERS

The Committee was constituted by the Central Board in terms of RBI instructions. The Managing Director - SA is the Chairman of this Committee and five Non-Executive Directors as members.

The role of this Committee is to review the Order of the “Committee for Identification of Wilful Defaulters/Non-Co-operative Borrowers” (a Committee comprising Dy. Managing Director and Senior Executives of the Bank to examine the facts and record the fact of the Borrower being a Wilful Defaulter/Non-Co-operative Borrower) and confirm the same for the Order to be considered final.

The Committee met twice during the year 2019-20

LOCAL BOARDS

In terms of the provisions of SBI Act and General Regulations 1955, at every centre where the Bank has a Local Head Office (LHO), Local Boards/Committees of Local Boards are functional. The Local Boards exercise such powers and perform such other functions and duties delegated to them by the Central Board. As on 31st March 2020, Local Boards at three LHOs and Committees of the Local Boards at the remaining thirteen LHOs were functional. The Minutes and Proceedings of the meetings of Local Boards/Committees of Local Boards are placed before the Central Board.

SITTING FEES

The remuneration of the Whole Time Directors are prescribed by GOI from time to time. Sitting Fees, as approved by the Board is paid to the Non-Executive Directors for attending the meetings of the Board/Committees of the Board. No remuneration, other than the Sitting Fees for attending Board and/or its Committee meetings, is paid to Non- Executive Directors. With effect from 25th October 2019, Sitting Fees of ₹ 70,000/- is paid for attending the Meetings of the Central Board and ₹30,000/- for attending the meetings of Other Board level Committees. Details of Sitting fees paid during the year 2019-20 are placed in Annexure-IV.

COMPLIANCE WITH BANK'S CODE OF CONDUCT

The Directors on the Bank's Central Board and Senior Management have affirmed compliance with the Bank's Code of Conduct for the financial year 2019-20. Declaration to this effect signed

by the Chairman is placed in Annexure-V. The Code of Conduct is posted on the Bank's website.

DEVELOPMENTS DURING THE YEAR

1. On-Boarding programmes for newly nominated Directors were arranged during this year. It included, inter alia, the organization structures, Overview of various business groups and Associates & Subsidiaries of the Bank, IT Developments, IT Security, HR and Training etc.
2. Performance Evaluation of the Board: With an objective to continuously improve Board's governance, your Bank had engaged a reputed external consulting organization, which assisted in laying down parameters for performance evaluation of Directors, Chairman, Board Level Committees and Central Board as a whole and also assisted in facilitating the overall evaluation process. The parameters of evaluation and the overall process was aligned to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and new SEBI Guidance Note on Board Evaluation, 2017. The Performance Evaluation Exercise for FY2019-20 was completed during the year.

The evaluation process validated the Board of Directors' confidence in the governance values of the Bank, the synergy that exists amongst the Board of Directors and the collaboration between the Chairman, the Board and the Management.
3. Looking to the varied demands being increasingly placed on the Boards of Banks in terms of governance and key role played by our Bank in the economy, an Annual Strategy Workshop was organized on 6th and 7th January 2020, at Mumbai wherein reputed Fintech Companies made presentations on the areas of their expertise. The said workshop was aligned to the Bank's Strategy of keeping the Board members and the Senior Management of the Bank abreast with the latest trend in the industry and to decide on the way forward.

The theme for the workshop was use of technology in various facets of Banking and its effectiveness in various areas like Credit risk management, Fraud risk Management & Stressed Asset management. The topics which were deliberated in the workshop were viz. a) Evolving Dimensions of Cybersecurity and the scope of Technology in managing Cyber Risk. b) Fraud Risk Management – Mobile App protection, Detection and Prevention for Diversion of Funds. c) Empowering Risk Management through Technology. d) Stressed Asset Management – timely detection of stress, Effective Resolution. e) Balance Sheet Optimization in slow growing economy. f) Application of Analytics in discovering business potential and g) data Intelligence, data and Analytics solutions.

In an effort to keep the Directors abreast with better understanding in the areas of Corporate Governance, Credit delivery, Information Security, etc., the Bank took the following initiatives during the year :

- i) One Non-Executive Directors participated in the training Programme on Credit Committees of the Bank, organised by Centre for Advances Financial Research and Learning (CAFRAL) at Goa on 14-15th October 2019 and on 05-06th February 2020 at Mumbai. The programme objective was to sensitize the Directors about issues relating to credit appraisals, financial ratios and indicators, risk assessments in project & infrastructure financing, retail lending etc.

- ii) Similarly, a programme on IT and Cyber Security by IDRBT was conducted which was attended by two non-executive Directors. The objective of the programme was to enable the management to contribute effectively in planning and execution of the cyber security strategy of the Bank.

- iii) Consistent with the practice of interacting with eminent domain experts on key challenges which emerge from time to time, a presentation on Commercial Real Estate (CRE) space and its outlook was made by Liases Foras on 18th September 2019.

A presentation on Exposure to NBFCs-Trends and Risk Assessment was made to the Board on 01st October 2019. Presentation on Real Estate Developer Financing was made before the RMCB on 12th June 2019 by Commercial Clients Group.

Presentation on Bank's exposure on NBFCs including IL & FS (I-Fin) was made before the RMCB on 12th June 2019 by Commercial Clients Group.

Presentation on Lease Rent Discounting Portfolio was made before the RMCB on 12th June 2019 & 11th September 2019 by Risk Management Dept.

Presentation on MF Sectors Credit fund appetite specifically on the NBFC sector and the MF industry LAS portfolio outstanding / industry SO portfolios was made before the RMCB on 12th June 2019 by SBI MF.

Presentation on Sale of Financial Assets and Security Receipts (SRs) was made before the RMCB on 15th November 2019 by Stressed Assets Resolution Group (SARG).

Presentation on PRADHAN MANTRI MUDRA YOJNA (PMMY) was made before the RMCB on 15th November 2019 by SME Business Unit.

Presentation on Robotic Process Automation (RPA) was made before the ITSC on 19th November 2019.

Presentation on Leveraging Data Analytics to Create Value was made before the Central Board on 18th December 2019 by DMD & CIO.

Presentation on CBS Version 2.0 was made before the Central Board on 18th December 2019 by DMD & CIO.

Presentation on Networking and Application Performance Monitoring was made before the Central Board on 18th December 2019 by DMD & CIO.

Presentation on Data Governance Architecture was made before the Central Board on 18th December 2019 by DMD & CIO.

Presentation on Early Warning System - For Corporate, SME Customers & P-Segment Customers was made before the Central Board on 18th February 2020 by DMD & CIO.

Presentation on IT Vendor Concentration Risk was made before the Central Board on 18th February 2020 by DMD & CIO.

Presentation on Initiatives for Enhancing Customer Experience was made before the Central Board on 18th February 2020 by DMD & COO.

SALARY AND ALLOWANCES PAID TO THE CHAIRMAN AND MANAGING DIRECTORS IN FY2019-20 (₹)

NAME	PF Index	Basic	DA	Others	Total	Remarks
Chairman						
Rajnish Kumar	7619901	2700000	425250	1000	3126250	
Managing Directors						
Parveen Kumar Gupta	7619715	2614800	411831	1105753	4132384	₹1,104,753.00 is Leave Encashment Paid on Retirement in the month of March 2020. This amount is included in Others.
Dinesh Kumar Khara	8702764	2539200	399924	1000	2940124	
Arijit Basu	7847890	2464800	388206	1000	2854006	
Anshula Kant	7848420	1027000	123240		1150240	Salary Details provided are for the period - 01.04.2019 to 31.08.2019.
Challa Sreenivasulu Setty	8598630	490309.68	83352.65	1000	574662.33	Salary Details provided are for the period 20.01.2020 to 31.03.2020

ATTENDANCE AT THE ANNUAL GENERAL MEETING

The last Annual General Meeting (AGM) for the year 2018-19, held on 20th June, 2019, was attended by 8 Directors, viz, Shri Rajnish Kumar, Shri P. K. Gupta, Shri Dinesh Kumar Khara, Shri Arijit Basu, Smt. Anshula Kant, Shri Bhaskar Pramanik, Dr. Pushpendra Rai, and Dr. Purnima Gupta. AGM (2017-18) was held on 28th June, 2018 and AGM (2016-17) was held on 27th June, 2017. SBI Act and SBI General Regulations 1955 do not provide the postal ballot facility. Generally, AGMs are held in Mumbai where corporate office of the bank is located. As per SBI Act only one agenda i.e. adoption of Balance Sheet and Profit and Loss Account of the Bank is required to be discussed and approved at the AGM.

DISCLOSURE

- The Bank has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Bank at large.
- The Bank has complied with applicable rules and regulations prescribed by stock exchanges, SEBI, RBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Bank except

penalty levied by RBI as disclosed in the Secretarial Audit Report

- Whistle Blower Policy was introduced in our Bank vide Gol circular dated 04.11.2011 on Public Interest Disclosure & Protection of Informer (PIDPI). The said policy is reviewed from time to time. SEBI (LODR) Regulations, 2015 mandates establishment of a mechanism called "Whistle Blower Policy" to report to the management, fraud or violation of the Bank's Code of Conduct or ethic policy. The Central Vigilance Commission vide its letter dated 11.03.2019 has advised the Bank to modify the existing Whistle Blower Mechanism in line with the provisions of Section 177 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and guidelines/directions issued by RBI under Section 35(A) of Banking Regulations Act and accordingly, replace and supersede the existing policy. The new policy as approved by the Central Board on 27.11.2019 is made available on Bank's website on www.sbi.co.in. As per said policy no personnel has been denied access to the Audit Committee.
- Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the bank's website- www.sbi.co.in or bank.sbi under link corporate governance-policies.
- In terms of Regulation 25(9) of SEBI (LODR) Regulations, 2015 the Central Board at its meeting held

on 28.05.2020 has taken on record the Declaration and Confirmation received from Independent Directors under Regulation 25(8) of SEBI (LODR) Regulations, 2015 and Independent Directors fulfill the conditions specified under Regulation 16(1)(b) of SEBI (LODR) Regulations and are independent of the management.

- Discretionary Requirements as specified in Part E of Schedule II of SEBI (LODR), Regulations are as follows: (i) The Bank has Executive Chairman and appointed under Section 19(a) of the SBI Act, 1955 by the Central Government in consultation with the Reserve Bank of India (ii) The Bank prepare presentation on financial performance on quarterly basis for its investors/analysts and submit the copy of the same with stock exchanges for investors information and also made available on Bank's official website (iii) The Bank has submitted a declaration with the stock exchanges that the Statutory Auditors of the Bank have issued Audit Report on Audited Financial Results (Standalone and Consolidated) for year ended 31st March, 2020 with unmodified opinion. (iv) The Bank has separate Internal Audit Department which periodically submit its report directly to the Audit Committee of the Bank.
- The Bank has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and

clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the extent that the requirements of the Clause do not violate the provisions of State Bank of India act 1955, the rules and regulations made there under and guidelines or directives issued by the Reserve Bank of India.

MEANS OF COMMUNICATION

The Bank strongly believes that all stakeholders should have access to complete information on its activities,

performance and product initiatives. Annual, half-yearly and quarterly results of the Bank for the year 2019-20 were published in the leading newspapers of the country having wide circulation in India. The results were also displayed on the Bank's website www.sbi.co.in or <https://bank.sbi>. Soft copies of full Annual Report is sent to all those shareholders who have registered their e-mail address(es) either with the Bank or with depositories and physical copy of Annual Report is sent to other shareholders. The Bank's website displays, inter alia, official news releases of the Bank, the Bank's Annual Reports, Half-yearly and

quarterly results and details of various product offerings. Every year, after the annual / half-yearly / quarterly results are declared, a Press-meet is held on the same day, in which the Chairman makes a presentation and answers the queries of the media. This is followed by another meeting to which a number of investment analysts / Investors are invited. Details of the Bank's performance are discussed with the analysts / Investors in the meeting. After declaring quarterly results, press notifications are issued and copy of the same is submitted to the stock exchanges along with the copy of presentation made on Bank's performance for Investors/Analysts.

GENERAL SHAREHOLDER INFORMATION

The Annual General Meeting of the Shareholders	: Date: 14.07.2020, Time 11.00 a.m. Venue: State Bank Auditorium, State Bank Bhavan, Madame Cama Road, Mumbai 400 021 with option to conduct meeting through VC/OAVM.
Financial Calendar	: 01.04.2019 to 31.03.2020
Listing of securities on Stock Exchanges	: BSE Limited Mumbai and National Stock Exchange of India Limited, Mumbai. GDRs listed on London Stock Exchange (LSE), Singapore Exchange Limited (Bonds). Listing fees have been paid upto date to all Stock exchanges, including LSE.
Stock Code/CUSIP	: Stock Code 500112 (BSE) SBIN (NSE) CUSIP US 856552203 (LSE)
Share Transfer System	: Share transfers in Physical form are processed and returned to the shareholders within stipulated time. Quarterly Share transfer audit and reconciliation of Share Capital audit are regularly carried out by an independent Company Secretary. However, SEBI has put a restriction on/debarred physical transfer of shares from 1 st April, 2019.
Registrar and Transfer Agent (Existing)	: M/s Alankit Assignments Ltd.
Unit Address	: 205-208, Anarkali Complex, E/7, Jhandelwalan Extension, New Delhi - 110055
Phone Numbers	: 011-42541234, 7290071335
E-mail address	: sbi.igr@alankit.com
Address for Correspondence	: SBI, Shares & Bonds Department, Corporate Centre, 14th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai 400 021.
Telephone Numbers	: (022) 2274 0841 to 2274 0848
Fax	: (022) 2285 5348
E-mail Address	: gm.snb@sbi.co.in / investor.complaints@sbi.co.in
Name of the debenture trustees with full contact details (Capital Instruments issued in INR)	: IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400 001 Contact No. 91-22-4080 7006 Fax Number: 91-22-6631 1776

e-Initiative: In accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, The requirements of Regulations 36 (1)(b) and (c) and Regulation 58 (1)(b) &(c) of the LODR are dispensed with and hence Annual Report will be forwarded to the shareholders at their registered mail address through electronic mode only. Further annual Report can be downloaded from our website www.sbi.co.in >>>>Investor Relations>>>>Shareholder Info.

INVESTORS' CARE

To meet various requirements of the investors regarding their holdings, the Bank has a full-fledged Department - Shares & Bonds Department - at Mumbai. The investors' grievances, whether received at the Bank's offices or at the office of the registrar and transfer agents, are redressed expeditiously and monitored at the Top Management level.

In terms of Regulation 44(5) of SEBI (LODR) Regulations, the Bank provides one way live webcast of the proceedings of the AGM. The webcast facility will be

available from 11.00 a.m. onwards on 14.07.2020 and the shareholders can have access at <https://www.evoting.nsdl.com> or <https://bank.sbi> In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restrictions on movement of persons at several places in the country, the Bank has decided to conduct AGM through VC/OAVM and adopt e-voting facility to the shareholders of the Bank.

CAPITAL AUGMENTATION DURING FY2020

There was no equity capital raised during FY 2019-20.

OUTSTANDING GLOBAL DEPOSITORY RECEIPTS (GDR)

At the time of issue of GDRs in 1996, two-way fungibility was not permitted by the Government/RBI, i.e., if the holder of GDR desired to obtain the underlying equity shares of the Indian Company then such GDR was to be converted into shares of the Indian Company, but not vice versa. Later, two-way fungibility of ADRs/GDRs was permitted by the Government of India/ RBI. The Bank has permitted two-way fungibility to the Bank's GDR programme.

The Bank had 1,10,342,880 GDRs as on 31st March 2020 representing Shares 1,103,428,800.

UNCLAIMED SHARES

Category of shareholder	No. of Shareholders	Outstanding Shares
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	988	2,37,760
Add – No. of Share holder added during the year	1	140
Add- No. of e-SBBJ shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	144	16,954
Total	1133	2,54,854
No.of Shareholders, who approached the issuer for transfer of shares from the unclaimed suspense account during the year	6	1,022
No.of Shareholders, whom shares were transferred from the unclaimed suspense account during the year	6	1,022
Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1127	2,53,832

The voting rights on such unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

DIVIDEND HISTORY/ DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy is in place. The same is available on the Bank's website www.sbi.co.in under link Corporate Governance > Policies.

QUALITATIVE DISCLOSURE ON DERIVATIVE TRANSACTIONS FINANCIAL YEAR 2019-20

The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and exchange traded currency derivatives. Interest rate derivatives dealt by the Bank

are rupee interest rate swaps, foreign currency interest rate swaps, forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivative contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The bank also runs option position in USD/INR, which is managed through various types of loss limits and Greek limits.

Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit

risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss limits, cut-loss triggers, open position limits, duration, modified duration, PV01, etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness & suitability policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honor obligations and the Bank enters into ISDA agreement with each counterparty.

Derivative deals are entered into with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals are entered into with only those corporates for whom credit exposure limits are sanctioned. Collateral requirements are part of credit sanction process.

The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

The accounting policy for derivatives has been drawn up in accordance with the RBI guidelines, the details of which are presented under Schedule 17: Principal Accounting Policies (PAP) for the FY 2017-18.

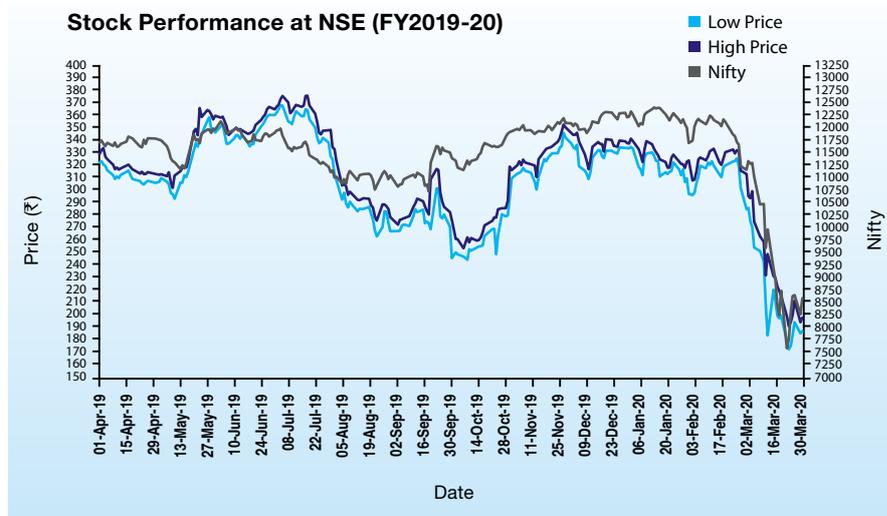
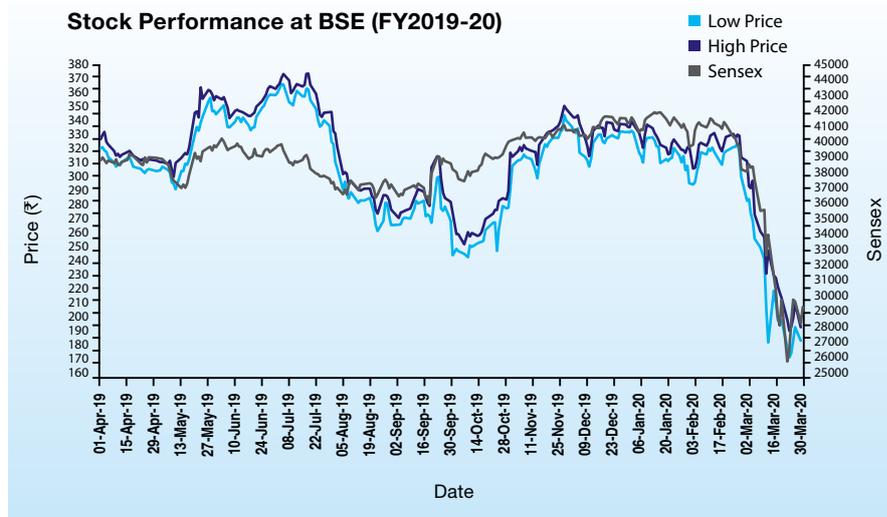
DISCLOSURES AS REQUIRED UNDER SEBI (LODR) (AMENDMENT) REGULATIONS 2018 (LISTING REGULATIONS)

1. The Central Board of the Bank last reconstituted Board level committees viz Audit, Stakeholders Relationship, Risk Management, etc in its meeting held on 18.02.2020 and the Nomination and Remuneration Committee in its meeting held on 27.03.2020, in terms of SEBI (LODR) Regulations.
2. In terms of Regulation 24A of Listing Regulations a secretarial audit report for financial year ended 31.03.2020 is annexed to the Annual Report. There is no qualification /adverse remarks made by the Auditors in the Secretarial Audit Report.
3. There is no revision in credit rating obtained for all debt instruments.
4. During FY 2019-20 the Bank has not raised capital through Preferential Allotment or Qualified Institutional Placement. Therefore, the certificate for utilization of funds was not obtained as required.

5. The Bank has obtained certificate under Regulation 34 and schedule V of Listing Regulations and none of the directors of the Bank have been debarred or disqualified from being appointed by any statutory authority. (Copy of Certificate attached)
6. Details of familiarization programs imparted for independent directors are disclosed on the website of the Bank under the web link: <https://sbi.co.in/portal/web/corporate-governance/regulatory-disclosures>.
7. Total fees paid to existing Statutory Central Auditors (SCAs) during FY 2019-20 as per the Schedule V Para C, Clause 10 (k) of Listing Regulations, is ₹676,86,528.20 only.
8. There are no inter-se relationship between our Board members. The Bank does not have any pecuniary relationship with any of the Non-executive Directors.

SHARE PRICE MOVEMENT

The movement of the share price and the BSE Sensex NSE Nifty is presented in the following tables. The market capitalisation of the Bank's shares had a weightage of 1.78% both at BSE and NSE as on 31st March 2020.



MARKET PRICE DATA

Months	BSE (₹)		NSE (₹)		LSE (GDR) US\$	
	High	Low	High	Low	High	Low
Apr-19	332.65	303.60	332.45	303.60	47.80	43.65
May-19	364.00	292.20	364.00	292.45	51.10	42.65
Jun-19	364.85	333.75	365.00	333.80	52.30	48.00
Jul-19	373.30	323.90	373.80	323.90	54.00	47.30
Aug-19	331.55	262.70	331.50	262.70	46.45	37.60
Sep-19	315.50	267.15	316.00	266.95	44.25	37.35
Oct-19	318.00	244.35	317.80	244.35	43.30	35.15
Nov-19	351.00	299.85	351.00	299.70	48.05	42.40
Dec-19	344.35	308.10	344.35	308.00	48.20	43.90
Jan-20	339.85	305.70	339.85	305.65	47.60	44.00
Feb-20	331.90	295.50	331.90	295.35	46.05	42.00
Mar-20	311.95	173.60	312.00	173.55	40.65	22.55

Book value per share ₹219.66

SHAREHOLDING PATTERN AS ON 31ST MARCH 2020

Sr.No.	Description	% of Total Shares
1	President of India	56.92
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	10.94
3	Mutual Funds & UTI	13.72
4	Private Corporate Bodies	1.85
5	Banks/ FIs/ Insurance Cos., etc.	10.63
6	Others (including Resident Individuals)	5.94
Total		100.00

TOP TEN SHAREHOLDERS AS ON 31ST MARCH 2020

Sr. No.	Name	% of Shares in Total Equity
1	President of India	56.92
2	Life Insurance Corporation of India - (financial institutions)	9.13
3	HDFC Trustee Company Limited (Mutual Fund)	3.62
4	SBI-ETF NIFT Bank	2.83
5	Reliance Capital Trustee Co. Limited (Mutual Fund)	1.52
6	Bank of New York Mellon	1.24
7	ICICI Prudential Mutual Fund	1.16
8	Government of Singapore	0.87
9	Kotak Mutual Fund	0.81
10	NPS Trust-A/c UTI Retirement Solution Scheme	0.78

Dematerialization of Shares and Liquidity: Bank's equity shares are compulsorily traded in the electronic form. As on 31st March 2020, 884,77,35,542 shares representing 99.13% of total equity capital were held in electronic form.

Description	No. Share Holders	No. Shares	Shares %
NSDL	12,09,094	5,29,00,75,399	59.27
CDSL	11,29,724	3,55,76,60,143	39.86
Physical	1,87,094	7,68,75,992	0.87
Total	25,25,912	8,92,46,11,534	100.00

DISTRIBUTION SCHEDULE AS ON 31ST MARCH, 2020 (FACE VALUE OF ₹1 EACH)

Range No. of Shares	Total Holders	% to Total Holders	Total Holdings in ₹	% to Total Capital
1-5000	2517697	99.67	455332168	5.10
5001-10000	4288	0.17	30346751	0.34
10001-20000	1688	0.07	23570852	0.26
20001-30000	525	0.02	13057491	0.15
30001-40000	243	0.01	8542127	0.10
40001-50000	148	0.01	6770258	0.08
50001-100000	339	0.01	24458428	0.27
100001-ABOVE	984	0.04	8362533459	93.70
TOTAL	2525912	100.00	8924611534	100.00

ANNEXURE I

BRIEF RESUMES OF THE NON-EXECUTIVE DIRECTORS ON THE BOARD AS ON 31ST MARCH 2020

SHRI SANJIV MALHOTRA

(Date of Birth: 1st October 1951)

Shri Malhotra is a Director re-elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is a Chartered Accountant and has experience of more than 40 years in Global Banking and Finance in senior positions in Risk Management, Corporate and Investment Banking, Consumer Finance and Micro Enterprise lending, Private Equity.

SHRI BHASKAR PRAMANIK

(Date of Birth: 20th March 1951)

Shri Pramanik is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is an engineering graduate from IIT Kanpur. Shri Pramanik has experience of more than 45 years in the Indian IT industry. Before joining the Board of the Bank, he served as Chairman for Microsoft in India. He was also working with Oracle and Sun Microsystems as Managing Director.

SHRI BASANT SETH

(Date of Birth: 16th February 1952)

Shri Seth is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is a Chartered Accountant and has more than 40 years of experience in Banking and Finance including financing of Micro, Small and Medium Enterprises, Corporate Governance and Administrative matters. He was a Central Information Commissioner before joining the Board of the Bank. He was Chairman & Managing Director of Syndicate Bank. He has also served in senior positions in SIDBI and Bank of India.

SHRI B VENUGOPAL

(Date of Birth : 18th May 1959)

Shri Venugopal is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 7th June 2018 till 25th June 2020. He has graduated in Commerce & Cost Accountancy from the University of Kerala. He retired as Managing Director of Life Insurance Corporation of India. He has more than 30 years of experience in Insurance, Finance & IT.

DR. PUSHPENDRA RAI

(Date of Birth : 02nd June 1953)

Dr. Pushpendra Rai is a Director re-nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 06th February 2020, for a period of two years. He has about 38 years of professional experience in national and international institutions.

As a member of the Indian Administrative Service for more than 21 years, he was responsible for formulating policy; preparing the program and budget; determining implementation strategies; monitoring implementation; and evaluating staff performance for a diverse set of institutions like rural and industrial development agencies, power generation and distribution departments, petroleum companies and intellectual property offices. He has also worked as the National Project Director - UNDP/ World Intellectual Property Organisation (WIPO); Member, Governing Council, National Institute of Design; Member Secretary, Foreign Investment Promotion Council; Executive Director, National Renewal Fund; National Negotiator at WTO/WIPO; and Secretary General, Quality Council of India.

Subsequently, Dr. Rai worked at the World Intellectual Property Organization, Geneva (UN), for 16 years, handling assignments like extending technical cooperation, promoting the economic aspects of IP and asset creation; leading the Development Agenda process; and heading the Regional Office for Asia Pacific at Singapore.

Dr. Rai has a Ph.D. from IIT, Delhi; postgraduate degrees from Harvard University and the University of Lucknow and has lectured extensively in various parts of the world.

DR. PURNIMA GUPTA

(Date of Birth: 20th November 1949)

Dr. Purnima Gupta is a Director nominated by Central Government u/s 19(d) of the SBI Act w.e.f. 1st February 2018 for a period of 3 years. She was a professor of Mathematics in Delhi University. She has done her Ph.D in Mathematics from University of Delhi and is a Gold Medalist in both B.Sc. (Mathematics) and M.A. (Mathematics). Her main contribution have been in the theory of Domination in Graph and hyper graphs, Graphoidal Covers and Partition Graphs.

SHRI SANJEEV MAHESHWARI

(Date of Birth: 26th August, 1964)

Shri Sanjeev Maheshwari is a Director nominated by the Central Government

u/s 19 (d) of the SBI Act, with effect from 20th December, 2019 for a period of 3 years.

Shri Maheshwari, a Chartered Accountant and Insolvency Resolution Professional, has over 33 Years' experience of practice in the field of Audit, Taxation and Management Consultancy. He was a member of the Central Council of Institute of Chartered Accountants of India for 9 years, and Chairman of Accounting Standards Board of ICAI, for 3 years during which he was instrumental in formulation of Ind AS. He has served on most of the technical committees as Chairman or member at ICAI. He has also served as the member of Quality Review Board constituted by Ministry of Corporate Affairs and been a member on several committees of South Asian Federation of Accountants.

SHRI DEBASISH PANDA

(Date of Birth : 05th January 1962)

Shri Debasish Panda is a Director, nominated by the Central Government, u/s 19 (e) of SBI Act w.e.f. 24th January 2020 till further order. Shri Panda is Secretary, Dept of Financial Services, Ministry of Finance, Government of India. Shri Debasish Panda is an officer of Indian Administrative Service of 1987 batch of UP cadre and belongs to the State of Odisha. He joined as Additional Secretary in the Department of Financial Services on 23.3.2018 and promoted as Special Secretary on 13.12.2019. He is a Post Graduate in Physics, Developmental Management and obtained M. Phil degree in Environmental Sciences. He has also undergone foreign training in Public Administration from USA & Philippines.

Joined the Government service in 1987, he held several key posts in Government of Uttar Pradesh such as District Magistrates in Deoria, Tehri, Uttarakashi & Ghaziabad Districts and Principal Secretary (Home & General Admn.). He also served the Government of India in the capacity of Joint Secretary (Health & FW) and as Dy. Director (Admn) in AIIMS. Before joining as Additional Secretary in the Department of Financial Services, he was holding the dual charge of Resident Commissioner of UP in Delhi as well as Chief Executive Officer, Greater, Noida Development Authority

SHRI CHANDAN SINHA

(Date of Birth: 15th August 1957)

Shri Chandan Sinha is a Director, nominated by the Central Government, u/s 19(f) of SBI Act w.e.f. 28th September 2016. Shri Chandan Sinha is an additional Director, in CAFRAL, Mumbai.

ANNEXURE II

Details of Directorship in the listed entities & Chairmanships/Membership in Audit/Stakeholders Committee(s) held by the Directors of the Bank/Other Listed Companies as on 31.03.2020 in due compliance with Regulation 26(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

S. No.	Name of Director	Occupation & Address	Date of Appointment in the current term / Cessation	Number of listed Companies including in Bank
1.	Shri Rajnish Kumar	Chairman No.5, Dunedin, J.M.Mehta Road, Mumbai – 400 006	07.10.2017 / 06.10.2020	Chairman : 03
2.	Shri P. K. Gupta	Managing Director M-1, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	01.11.2015 / 31.03.2020	Director : 02 Committee Member : 02
3.	Shri Dinesh Kumar Khara	Managing Director M-2, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	09.08.2019 / 08.08.2021	Director : 03 Committee Member : 03
4.	Shri Arijit Basu	Managing Director D-10, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	25.06.2018 / 31.10.2020	Director : 01
5.	Shri Challa Sreenivasulu Setty	Managing Director D-11, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	20.01.2020 / 19.01.2023	Director : 01 Committee Member : 01
6.	Shri Sanjiv Malhotra	Chartered Accountant 6, Motabhoy Mansion, 130, Maharishi Karve Marg, Churchgate, Mumbai – 400 020	26.06.2017 / 25.06.2020	Director : 01 Chairman of Committee:01
7.	Shri Bhaskar Pramanik	IT Professional 01-PHE, Skycourt, Laburnum, Sushant Lok, Sector 28, Gurgaon - 122002	26.06.2017 / 25.06.2020	Director : 02 Committee Member : 02
8.	Shri Basant Seth	Chartered Accountant Flat No. 304, Kalpana Tower, 3/16, Vishnupuri, Kanpur - 208002	26.06.2017 / 25.06.2020	Director : 03 Chairman of Committee:01 Committee Member : 02
9.	Shri B Venugopal	Insurance, Finance & IT Specialist (Ex. MD, LIC of India) Flat No.2B, 2 nd Floor Wind Cliffe, Peddar Road Mumbai – 400 026	07.06.2018 / 25.06.2020	Director : 01 Committee Member : 02
10.	Dr. Pushpendra Rai	Development Specialist, (former National & International civil servant), 50, Paschimi Marg, Vasant Vihar, New Delhi-110 057	06.02.2020 / 05.02.2022	Director : 01
11.	Dr. Purnima Gupta	Academics - Mathematics A-1/2 Panchsheel Enclave New Delhi - 110017	01.02.2018 / 31.01.2021	Director : 01 Committee Member :01
12.	Shri Sanjeev Maheshwari	Chartered Accountant 622, Giri Shikhar & Centre CHS Ltd. Goenka Hall, J.B. Nagar Andheri (East), Mumbai – 400 059	20.12.2019 / 19.12.2022	Director : 02 Chairman of Committee:01 Committee Member : 02
13.	Shri Debasish Panda GOI Nominee	Secretary (Financial Services) Ministry of Finance, Government of India (Banking Division), Jeevan Deep Bldg., Parliament Street, New Delhi - 110 001	24.01.2020 / till further order	Director : 01 Committee Member :01
14.	Shri Chandan Sinha Reserve Bank of India Nominee	Additional Director CAFRAL, Reserve Bank of India, C-8, 8th Floor, Bandra- Kurla Complex Bandra (E), Mumbai – 400051.	28.09.2016 / till further order	Director : 01 Committee Member :01

ANNEXURE-II A

Total Number of Memberships/Chairmanships held by the Directors on the Boards / Board-level Committees of the Bank/Other Companies as on 31.03.2020

1. SHRI RAJNISH KUMAR

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name of the Committee Chairman/Member
1	State Bank of India	Chairman	Executive Committee of the Central Board - Chairman Board Committee to Monitor Recovery - Chairman
2	SBI Life Insurance Company Ltd.	Chairman	--
3	SBI General Insurance Company Ltd.	Director	--
4	SBI Foundation	Chairman	--
5	SBI Capital Markets Ltd.	Chairman	--
6	SBI Cards & Payment Services Ltd.	Chairman	--
7	Export-Import Bank of India	Director	--
8	Institute of Banking Personnel Selection	Member, Governing Board	--
9	NIBM, Pune	Member, Governing Board	NIBM Finance Committee – Chairman NIBM Standing Committee – Member
10	Indian Bank's Association	Chairman, Managing Committee	IBA Standing Committee of Legal & Banking Operations – Chairman
11	Khadi & Village Industries Commission	Member	--
12	Indian Institute of Banking & Finance	Director / President, Governing Council	--
13	Management Development Institute	Member, Board of Governors	--
14	ECGC Ltd.	Director, Board of Governors	--
15	National Credit Guarantee Trustee Company Ltd. (NCGTC)	Director (Ex-officio as Chairman, IBA)	--
16	Ministry of Commerce & Industry, Directorate General of Foreign Trade	Member - Board of Trade	--
17	Ministry of Finance, Department of Financial Services	Member -Advisory Board for Financial Inclusion Fund (FIF)	--
18	National Investment and Infrastructure Fund	Member-Governing Council	--
19	Government of Maharashtra	Member -Hon'ble Chief Minister's Advisory Council of Fintech	--
20	Swift User Group in India- SWIFT	Chairperson (Ex-officio as Chairman, IBA)	--
21	Credit Guarantee Fund Trust for Small and Medium Enterprises (CGTSME) - Government of India	Member - Advisory Board (Ex-officio as Chairman, IBA)	--
22	Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH)	Member- Board of Trustees (Ex-officio as Chairman, IBA)	--
23	Centre for International Cooperation & Training in Agricultural Banking (CICTAB), Ministry of Agriculture, Government of India	Member- Governing Council (Ex-officio as Chairman, IBA) Member- Managing Committee (Ex-officio as Chairman, IBA)	--
24	Quality Council of India	Member- Governing Council (Ex-officio as Chairman, IBA)	--

2. SHRI P. K. GUPTA

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Managing Director	Executive Committee of the Central Board - Member Audit Committee of the Board – Member Risk Management Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds - Member Customer Service Committee of the Board - Member Stakeholders Relationship Committee - Member Board Committee to Monitor Recovery - Member Corporate Social Responsibility Committee-Member
2	SBI Life Insurance Company Ltd	Director	--
3	SBI Foundation	Director	Executive Committee of SBI Foundation – Member CSR Committee – Member
4	SBI General Insurance Co. Ltd.	Director	Risk Management Committee - Member Policyholders Protection Committee - Member Investment Committee - Member Corporate Social Responsibility Committee - Member Technology Committee - Member Bancassurance Committee - Member
5	National Co-operative Development Corporation	Member	General Council of NCDC – Member
6	Government of India, Ministry of Drinking Water & Sanitation	Member	Committee to Study on Credit Finance by Banks/ FIs in Water and Sanitation Sector (WASH)

3. SHRI DINESH KUMAR KHARA

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Managing Director	Executive Committee of the Central Board – Member Audit Committee of the Board – Member IT Strategy Committee of the Board – Member Board Committee to Monitor Recovery – Member Corporate Social Responsibility Committee – Member
2	SBI Cards & Payment Service Ltd.	Director	Nomination & Remuneration Committee – Member
3	SBI Life Insurance Co. Ltd.	Director	Audit Committee – Member Stakeholders Relationship Committee – Member Investment Committee – Member Risk Management Committee – Member Policyholder Protection Committee – Member Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee - Member Board with Profit Committee – Member Information Technology & Information Security Committee – Member
4	SBI Capital Markets Ltd.	Director	Audit Committee – Member Committee of Directors – Chairman Risk Management Committee – Member Nomination & Remuneration Committee – Member Corporate Social Responsibility – Member Information Technology Strategy Committee – Member
5	SBICAP Securities Pvt. Ltd.	Director	--
6	SBICAP Ventures Ltd.	Director	Nomination & Remuneration Committee – Chairman
7	SBICAP (UK) Ltd.	Director	--
8	SBICAP (Singapore) Ltd.	Director	--
9	SBI DFHI Limited	Chairman	Audit Committee– Member Risk Management Committee – Member Nomination & Remuneration Committee – Member Human Resources Committee – Member Corporate Social Responsibility - Member
10	SBI Foundation	Director	--

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
11	SBI Funds Management Pvt. Ltd.	Director	Share Allotment & HR Committee - Member
12	SBI General Insurance Company Ltd.	Director	Audit Committee – Member Policyholder Protection Committee – Chairman Risk Management Committee – Chairman Investment Committee – Chairman Bancassurance Committee – Chairman Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee - Member Technology Committee – Member
13	SBI Global Factors Ltd.	Chairman	Audit Committee of the Board – Member Nomination & Remuneration Committee - Member
14	SBI Infra Management Pvt. Ltd.	Chairman	-
15	SBI Pension Funds Pvt. Ltd.	Chairman	-

4. SHRI ARIJIT BASU

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board – Member Risk Management Committee of the Board – Member IT Strategy Committee – Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board – Member Board Committee to Monitor Recovery – Member

5. SHRI CHALLA SREENIVASULU SETTY

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board – Member Stakeholders Relationship Committee - Member Board Committee to Monitor Recovery - Member Committee to Review the Identification of Wilful Defaulters/ Non-Co-Operative Borrowers - Chairman
2	SASF Trust	Chairman	--

6. SHRI SANJIV MALHOTRA

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board - Member Risk Management Committee of the Board - Chairman IT Strategy Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board - Member Stakeholders Relationship Committee - Chairman Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee - Member Committee to Review the Identification of Wilful Defaulters/ Non-Co- Operative Borrowers - Member
2	Kotak Mahindra Asset Management Company Ltd.	Director	--
3	Fairfirst Insurance Ltd. (Sri Lanka)	Director	-
4	Pratham Education Foundation	Director	-

7. SHRI BHASKAR PRAMANIK

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board - Member Risk Management Committee of the Board – Member IT Strategy Committee of the Board - Chairman Special Committee of the Board for Monitoring of Large Value Frauds - Member Customer Service Committee of the Board - Member Board Committee to Monitor Recovery - Member Corporate Social Responsibility Committee – Member Committee to Review the Identification of Wilful Defaulters/ Non-Co-Operative Borrowers - Member
2	TCNS Clothing Company Ltd.	Director	Audit Committee – Member CSR Committee – Member Technology Committee – Chairman

8. SHRI BASANT SETH

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board - Chairman Risk Management Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds - Chairman Customer Service Committee of the Board - Member Nomination & Remuneration Committee – Chairman Board Committee to Monitor Recovery - Member Corporate Social Responsibility Committee - Member Committee to Review the Identification of Wilful Defaulters/ Non-Co-Operative Borrowers - Member
2	Roto Pumps Ltd	Director	Audit Committee – Member Nomination & Remuneration Committee – Member
3	Accounts Score India Pvt. Ltd	Director	--
4	Multi Commodity Exchange of India Ltd. (MCX)	Director	Audit Committee – Member Investment Committee – Member Risk Management Committee – Member Committee for Investor Protection Fund – Member Investment Committee – Member
5	Dharampal Satyapal Ltd.	Director	Audit Committee – Chairman Nomination & Remuneration Committee – Member
6	DS Confectionery Products Ltd.	Director	Audit Committee – Chairman Nomination & Remuneration Committee – Member

9. SHRI B. VENUGOPAL

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board – Member Audit Committee of the Board - Member Risk Management Committee of the Board - Member IT Strategy Committee of the Board – Member Customer Service Committee of the Board – Chairman Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee - Member
2	National Commodities & Derivatives Exchange Ltd.	Director	--

10.DR. PUSHPENDRA RAI

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	-

11. DR. PURNIMA GUPTA

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Risk Management Committee of the Board - Member IT Strategy Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds - Member Customer Service Committee of the Board - Member Stakeholders Relationship Committee - Member Nomination & Remuneration Committee - Member Board Committee to Monitor Recovery - Member Corporate Social Responsibility Committee - Member Committee to Review the Identification of Wilful Defaulters/ Non-Co-Operative Borrowers - Member

12. SHRI SANJEEV MAHESHWARI

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board - Member Audit Committee of the Board - Member IT Strategy Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds - Member Customer Service Committee of the Board - Member Stakeholders Relationship Committee - Member Nomination & Remuneration Committee - Member Board Committee to Monitor Recovery - Member Committee to Review the Identification of Wilful Defaulters/ Non-Co-Operative Borrowers - Member
2	Kamadgiri Fashion Ltd.	Director	Audit Committee - Chairman Nomination & Remuneration Committee - Member
3	Trust AMC Trustee Pvt. Ltd.	Director	Audit Committee - Member
4	Mudra Share and Stock Brokers Ltd.	Director	-

13. SHRI DEBASISH PANDA

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board - Member Board Committee to Monitor Recovery - Member
2	LIC of India	Director	--
3	IRDAI	Director	--

14. SHRI CHANDAN SINHA

S. No.	Name of the Company/Name of the Concern/Society	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board - Member Audit Committee of the Board - Member

(Note : Executive Committee of the Central Board consists of all or any of the other Directors who are normally residents, or may, for the time being, be present at any place within India where the ECCB meeting is held as per regulation 46 of SBI General Regulations.)

ANNEXURE – III**DETAILS OF SHAREHOLDING OF DIRECTORS ON THE BANK'S CENTRAL BOARD AS ON 31.03.2020**

S. No.	Name of Director	No. of Shares
1	Shri Rajnish Kumar	3,000
2	Shri P. K. Gupta	4,900
3	Shri Dinesh Kumar Khara	3,100
4	Shri Arijit Basu	710
5	Shri Challa Sreenivasulu Setty	500
6	Shri Sanjiv Malhotra	15,400
7	Shri Bhaskar Pramanik	10,000
8	Shri Basant Seth	5,000
9	Shri B Venugopal	5,000
10	Dr. Pushpendra Rai	0
11	Dr. Purnima Gupta	0
12	Shri Sanjeev Maheshwari	0
13	Shri Debasish Panda	0
14	Shri Chandan Sinha	500

ANNEXURE IV**DETAILS OF SITTING FEES PAID TO DIRECTORS FOR ATTENDING MEETINGS OF THE CENTRAL BOARD AND BOARD- LEVEL COMMITTEES DURING 2019-20**

S. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1	Shri Sanjiv Malhotra	8,50,000.00	15,55,000.00	24,05,000.00
2	Shri Bhaskar Pramanik	7,30,000.00	14,35,000.00	21,65,000.00
3	Shri Basant Seth	8,50,000.00	9,60,000.00	18,10,000.00
4	Shri B Venugopal	6,60,000.00	17,80,000.00	24,40,000.00
5	Dr. Girish K. Ahuja	4,90,000.00	4,20,000.00	9,10,000.00
6	Dr. Pushpendra Rai	6,40,000.00	9,05,000.00	15,45,000.00
7	Dr. Purnima Gupta	8,50,000.00	9,10,000.00	17,60,000.00
8	Shri Sanjeev Maheshwari	3,50,000.00	3,60,000.00	7,10,000.00
9	Shri Chandan Sinha	7,00,000.00	11,20,000.00	18,20,000.00

ANNEXURE V**AFFIRMATION OF COMPLIANCE WITH THE BANK'S CODE OF CONDUCT (2019-20)**

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2019-20

RAJNISH KUMAR
CHAIRMAN

Prevention of Sexual Harassment (POSH) of Women at Workplace – Prevention, Prohibition and Redressal – Position for the year 2019-20

No. of complaints pending at the beginning of the year	9
No. of complaints received during the year	44
Total No. of cases	53
No. of complaints disposed of during the year	43
No. of cases pending at the end of the year	10

DETAILS OF SKILLS/EXPERTISE/COMPETENCIES POSSESSED BY THE DIRECTORS WHO WERE PART OF THE BOARD ON 31ST MARCH 2020 ARE AS FOLLOWS:

S. No.	Name	Qualifications	Skills/Expertise/Competencies
1	SHRI RAJNISH KUMAR Chairman	M.Sc (Physics)	Experience of various verticals of Banking like Retail, Corporate Investment, International Banking, Compliance & Risk, Mid Corporate Group etc.
2	SHRI P.K. GUPTA MD (Retail & Digital Banking)	B.Com, Company Secretary ICSI (New Delhi)	He was heading Retail and Digital Banking. He has experience in areas of Compliance and Risk, Treasury Operations. He has been the Deputy Managing Director and Chief Financial Officer of the Bank.
3	SHRI DINESH KUMAR KHARA MD (Global Banking and Subsidiaries)	M.Com, MBA	He has work experience in field of commercial banking including retail credit, small and medium enterprises / corporate credit, deposit mobilization, international banking operations, branch management.
4	SHRI ARIJIT BASU MD (Commercial Clients Group & IT)	BA (Economics) MA (History)	He has headed SBI Life Insurance Company Limited. He has experience in the field of corporate banking, international banking, retail banking and human resources and was also part of business process re-engineering initiative undertaken by the Bank.
5	SHRI CHALLA SREENIVASULU SETTY MD (Stressed Assets)	B.Sc (Agri)	He has rich experience in Corporate Credit, Retail banking and banking in developed markets. Mr Setty was heading the Stressed Asset Resolution Group of the Bank. He will be looking after Retail & Digital Banking.
6	SHRI SANJIV MALHOTRA	Chartered Accountant	More than 40 years of experience in Global Banking and Finance, Risk Management, Corporate and Investment Banking, Consumer Finance and Micro Enterprise lending, Private Equity.
7	SHRI BHASKAR PRAMANIK	B.Tech, IIT (Kanpur).	Has experience of more than 45 years in the Indian IT industry. He served as Chairman for Microsoft in India. He was also working with Oracle and Sun Microsystems as Managing Director.
8	SHRI BASANT SETH	Chartered Accountant	More than 40 years of experience in Banking and Finance including financing of Micro, Small and Medium Enterprises, Corporate Governance and Administrative matters. He was a Central Information Commissioner before joining the Board of the Bank. He was Chairman & Managing Director of Syndicate Bank. He has also served in senior positions in SIDBI and Bank of India.
9	SHRI B VENUGOPAL	He has graduated in Commerce & Cost Accountancy from the University of Kerala.	More than 30 years of experience in Insurance, Finance & IT. He retired as MD of LIC of India.
10	DR. PUSHPENDRA RAI	He is Ph.D. from IIT, Delhi, has postgraduate degrees from Harvard University and the University of Lucknow.	He has served as a member of the Indian Administrative Service for more than 21 years. He has also worked as the National Project Director - UNDP/ World Intellectual Property Organisation (WIPO); Member, Governing Council, National Institute of Design, Member Secretary, Foreign Investment Promotion Council, Executive Director, National Renewal Fund, National Negotiator at WTO/WIPO and Secretary General, Quality Council of India. Subsequently, Dr. Rai worked at the World Intellectual Property Organization, Geneva (UN), for 16 years.
11	Dr. PURNIMA GUPTA	M.A. (Mathematics) & Ph.D in Mathematics	She was a professor of Mathematics from Delhi University. Her main contribution have been in the theory of Domination in Graph and hyper graphs, Graphoidal Covers and Partition Graphs

S. No.	Name	Qualifications	Skills/Expertise/Competencies
12	SHRI SANJEEV MAHESHWARI	Chartered Accountant from ICAI	Vast experience in the field of Audit, Taxation and Management Consultancy.
13	SHRI DEBASISH PANDA	Post Graduate in Physics, Developmental Management and obtained M. Phil degree in Environmental Sciences	Shri Debasish Panda is an officer of Indian Administrative Service of 1987 batch and is currently working as Secretary, Dept of Financial Services, Ministry of Finance, Government of India.
14	SHRI CHANDAN SINHA	Post Graduate in Physics, MBA (Finance).	Banking & Finance, Additional Director, CAFRAL-RBI.

The table below summarizes the key attributes and skills matrix, identified by the Board of Directors, in line with SBI Act 1955 and RBI master circular dated 02.08.2019 as required in the context of business, which is to be considered while selecting the Director:

- Industry Knowledge/Experience:** Industry Experience, Knowledge of sector, Knowledge of broad policy direction, understanding of government legislation/legislative process
- Technical Skills/Experience:** Accounting, Finance, Law, marketing experience, Information technology, Public Relations, Capital Allocation, Costing, Budgetary Controls, Strategy development and implementation.
- Governance Competencies:** Prior Director experience, Financial literacy, Compliance focus, strategic thinking/planning from a governance perspective.
- RBI and SBI qualification for Director:** Specialization in the fields of (i) Information Technology (ii) Payment & Settlement Systems (iii) Human Resources (iv) Risk Management and (v) Business Management. Have special knowledge or experience in respect of one or more of the following areas, namely:— (i) agriculture and rural economy, (ii) banking, (iii) co-operation, (iv) economics, (v) finance, (vi) law, (vii) small-scale industry, (viii) any other area the special knowledge of, and experience in, which in the opinion of the Reserve Bank shall be useful to the State Bank of India. Represent the interests of depositors, represent the interests of farmers, workers and artisans

DIRECTORS	ATTRIBUTES			
	Industry Knowledge/ Experience	Technical skills/ Experience	Governance Competencies	RBI & SBI qualification for director
SHRI RAJNISH KUMAR	✓	✓	✓	✓
SHRI P. K. GUPTA	✓	✓	✓	✓
SHRI DINESH KUMAR KHARA	✓	✓	✓	✓
SHRI ARIJIT BASU	✓	✓	✓	✓
SHRI CHALLA SREENIVASULU SETTY	✓	✓	✓	✓
SHRI SANJIV MALHOTRA	✓	✓	✓	✓
SHRI BHASKAR PRAMANIK	✓	✓	✓	✓
SHRI BASANT SETH	✓	✓	✓	✓
SHRI B VENUGOPAL	✓	✓	✓	✓
DR. PUSHPENDRA RAI	✓	✓	✓	✓
Dr. PURNIMA GUPTA	✓	✓	✓	✓
SHRI SANJEEV MAHESHWARI	✓	✓	✓	✓
SHRI DEBASISH PANDA	✓	✓	✓	✓
SHRI CHANDAN SINHA	✓	✓	✓	✓

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2020 [Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated 08th February, 2019]

To,
The Members,
State Bank of India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by State Bank of India (hereinafter called “the Bank”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank’s books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The State Bank of India Act, 1955 (‘the Act’) and the State Bank of India General Regulations, 1955 (‘the Regulations’) made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client#;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
 - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - j. The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
 - k. The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;
 - l. The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
 - m. The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
 - n. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
 - o. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
 - p. The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996; and
 - q. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.
- # The Regulations or Guidelines, as the case may be were not applicable for the period under review.
- The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:
- vi. The Banking Regulation Act, 1949, as amended.
 - vii. Master Directions, Notifications and Guidelines issued by RBI from time to time.
- We have also examined compliance with the applicable clauses of ‘the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”].’
- During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable except to the following:
- a) The Central Board of the Bank comprises of fourteen (14) Directors, constituting of five (05) Executive Directors (including the Chairman & Managing Director); six (06) Independent Directors and three (03) Non-executive & Non-Independent Director. Pursuant to regulation 17(1) of the Listing Regulations, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors, whereas the Central Board of Bank comprises of only six (06) Independent Directors. However, regulation 15 of the Listing Regulations provides that, the provisions of regulation 17 of the Listing Regulations, with respect to the constitution of the Central Board in terms of section 19 of the State Bank of India Act, 1955 and General Rules & Regulations made thereunder, shall be applicable to the Bank to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.

- b) The Audit Committee of the Bank comprises of nine (09) Directors, constituting seven (07) Non-Executive Directors including four (04) Independent Directors and two (02) Executive Director as on March 31, 2020. The Bank did not have requisite number of Independent Director in its Audit Committee during the period under review as required under regulation 18(1) of the Listing Regulations.
- c) The Nomination and Remuneration Committee (“NRC”) of the Bank is duly constituted and has complied with the guidelines issued by the Reserve Bank of India (RBI), however there was no meeting of the NRC of the Bank held during the period under review as required under regulation 19 of the Listing Regulations. The NRC of the Bank has approved the framework/criteria for performance evaluation of the Board, Board Committees and Directors for financial year 2019-20 through circular resolution dated January 23, 2020;
- d) During the financial year ended March 31, 2020, the Reserve Bank of India (RBI) has levied an aggregate penalty of ₹ 7,00,00,000/- (Rupees Seven Crores only) for violation of the directions issued on Income Recognition and Asset Classification norms and ₹ 50,00,000/- (Rupees Fifty Lacs only) for non-compliance of its directions issued with respect to the reporting of frauds.

We further report that -

Subject to foregoing, the Central Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Central Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice was given to all Directors to schedule the Central Board Meetings, agenda and detailed notes on agenda were sent in advance for meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has undertaken following events/actions:

- i) The Executive Committee of the Central Board of Directors of the Bank had at its meeting held on April 24, 2019 had approved for raising of Long Term Fund in single/multiple tranches up to \$2.5 Billion under Rule 144A/Regulation – S of Securities Contract Act, 1956. The Bank issued the Bonds through their London Branch and the Bonds are listed on the Singapore Stock Exchange and India International Exchange, Gift City.
- ii) The Executive Committee of the Central Board of Directors of the Bank had at its meeting held on May 29, 2019, had approved the issue of Non-Convertible, Unsecured, Basel – III compliant, Additional Tier - II Bonds in the nature of Debentures aggregating to ₹ 50,00,00,00,000/- (Rupees Five Thousand Crores Only) by way of Private Placement Issue.
- iii) The Central Board of the Bank had at its meeting held on July 01, 2019 had approved issue of Non-Convertible, Unsecured, Basel – III compliant, Additional Tier - 1 Bonds in the nature of Debentures of ₹ 70,00,00,00,000/- (Rupees Seven Thousand Crores) by way of Private Placement Issue.

- iv) In accordance with the Central Government notification no. CGDL-E-13032020-218653 dated March 13, 2020 and Yes Bank Limited Reconstruction Scheme, 2020 as issued by the Reserve Bank of India, the Bank has acquired 6,05,00,00,000 (Six Hundred and Five Crores) equity shares of Yes Bank Limited of ₹ 2/- each at a premium of ₹ 8/- per equity shares for a total consideration of ₹ 60,50,00,00,000/- (Rupees Six Thousand and Fifty Crores only). Pursuant to the said acquisition on March 14, 2020, the Bank has acquired a total stake of 48.21% in Yes Bank Limited.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner
FCS No.: 761; C P No.: 366
Mumbai: June 05, 2020
ICSI UDIN: F000761B000318441

This report is to be read with our letter of even date which is annexed as Annexure ‘A’ and forms an integral part of this report.

ANNEXURE 'A

To,
The Members,
State Bank of India

Our Secretarial Audit Report for the Financial Year ended on March 31, 2020 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
Mumbai: June 05, 2020
ICSI UDIN: F000761B000318441

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
State Bank of India
State Bank Bhavan,
Madame Cama Road,
Mumbai - 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of State Bank of India (hereinafter referred to as 'the Bank') having Central Office at State Bank Bhavan, Madame Cama Road, Mumbai - 400021, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the directors on the Central Board of the Bank as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1.	Mr. Rajnish Kumar	05328267	26/05/2015
2.	Mr. P. K. Gupta	02895343	02/11/2015
3.	Mr. Dinesh Kumar Khara	06737041	09/08/2016
4.	Mr. Arijit Basu	06907779	25/06/2018
5.	Mr. Challa Sreenivasulu Setty	08335249	20/01/2020
6.	Mr. Sanjiv Malhotra	03435955	26/06/2014
7.	Mr. Bhaskar Pramanik	00316650	26/06/2017
8.	Mr. Basant Seth	02798529	26/06/2017
9.	Mr. B. Venugopal	02638597	07/06/2018
10.	Mr. Pushpendra Rai	07506230	28/01/2016
11.	Ms. Purnima Gupta*	-----	01/02/2018
12.	Mr. Sanjeev Maheshwari	02431173	20/12/2019
13.	Mr. Debasish Panda	06479085	20/01/2020
14.	Mr. Chandan Sinha	06921244	28/09/2016

*Ms. Purnima Gupta has not been allotted Director Identification Number (DIN) as the Ministry of Corporate Affairs had vide its letter File No. 17/02/2015-CL V-Pt-II dated September 05, 2019 informed that provisions of Companies Act, 2013 does not provide for allotment of DIN to persons associated with entities which do not have a Corporate Identification Number (CIN).

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion n these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner

FCS No: 761; C P No.: 366
Mumbai : May 30, 2020
ICSI UDIN: F000761B000303844

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The members,
State Bank of India

We, J C Bhalla & Co, Chartered Accountants (Firm's Registration No. 001111N), as Statutory Auditors of STATE BANK OF INDIA ("the Bank"), having its Corporate Centre at State Bank Bhavan, Madame Cama road, Mumbai, Maharashtra 400 0021, have examined the compliance of conditions of Corporate governance by the Bank, for the year ended on March 31, 2020, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') amended from time to time as referred to in Regulation 15 (2) of the Listing Regulations for the year April, 2019 to March 31, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance, issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has, in all material aspects complied with the conditions of Corporate governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For and on behalf of
J. C BHALLA & CO
Chartered Accountants
Firm Registration No. 001111N

Rajesh Sethi
Partner
Membership No. 085669
UDIN: 20085669AAAABA7352

Place: New Delhi
Date: June 5, 2020

BUSINESS RESPONSIBILITY REPORT

About the Business Responsibility Report:

Business Responsibility Report of the Bank, is published on an annual basis since FY2012-13.

Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 4th November, 2015 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. The Bank's Sustainability Report which contains the Business Responsibility Report for the financial year ended 31st March, 2020 has been hosted on the Bank's website www.sbi.co.in under the link Investors Relations. Any shareholder interested in obtaining a physical copy of the same may write to the Bank (email Id: dgm.sustainability@sbi.co.in and postal address: Deputy General Manager, Sustainability Department, State Bank of India, 9th floor, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021).



Green Marathon

State Bank of India

Balance Sheet as at 31st March, 2020

(000s omitted)

	Schedule No.	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	231114,96,63	220021,36,33
Deposits	3	3241620,73,43	2911386,01,07
Borrowings	4	314655,65,21	403017,11,82
Other Liabilities and Provisions	5	163110,10,41	145597,29,55
TOTAL		3951393,91,80	3680914,24,89
ASSETS			
Cash and Balances with Reserve Bank of India	6	166735,77,90	176932,41,75
Balances with Banks and money at call and short notice	7	84361,22,64	45557,69,40
Investments	8	1046954,51,75	967021,94,75
Advances	9	2325289,56,07	2185876,91,77
Fixed Assets	10	38439,28,18	39197,56,94
Other Assets	11	289613,55,26	266327,70,28
TOTAL		3951393,91,80	3680914,24,89
Contingent Liabilities	12	1214994,60,69	1116081,45,94
Bills for Collection	-	55758,16,19	70022,53,97
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet.

Shri Challa Sreenivasulu Setty

Managing Director
(Retail & Digital Banking)

Shri Arijit Basu

Managing Director
(Commercial Clients Group & IT)

Shri Dinesh Kumar Khara

Managing Director
(Global Banking & Subsidiaries)

Directors:

Shri Sanjiv Malhotra
Shri Bhaskar Pramanik
Shri Basant Seth
Dr. Pushpendra Rai
Dr. Purnima Gupta
Shri B. Venugopal
Shri Chandan Sinha
Shri Debasish Panda
Shri Sanjeev Maheshwari

Place:

Udagamandalam
New Delhi
Kanpur
New Delhi
New Delhi
Mumbai
Mumbai
New Delhi
Mumbai

Shri Rajnish Kumar
Chairman

Place: Mumbai

Date : 5th June 2020

In terms of our report of even date

FOR J.C. BHALLA & CO.

Chartered Accountants

RAJESH SETHI

Partner: M. No. 085669
Firm Regn. No. 001111 N
Place: New Delhi

FOR RAY & RAY

Chartered Accountants

ARVIND NARAYAN YENNEMADI

Partner: M. No. 031004
Firm Regn. No. 301072 E
Place: Mumbai

**FOR K. VENKATACHALAM
AIYER & CO.**

Chartered Accountants

A GOPALAKRISHNAN

Partner: M. No. 018159
Firm Regn. No. 004610 S
Place: Ernakulam

FOR G. P. AGRAWAL & CO.

Chartered Accountants

SUNITA KEDIA

Partner: M. No. 60162
Firm Regn. No. 302082 E
Place: Kolkata

**FOR UMAMAHESWARA
RAO & CO.**

Chartered Accountants

G. SIVA RAMAKRISHNA PRASAD

Partner: M. No. 024860
Firm Regn. No. 004453 S
Place: Hyderabad

FOR CHATURVEDI & SHAH LLP

Chartered Accountants

VITESH D. GANDHI

Partner: M. No. 110248
Firm Reg. No. 101720W/W100355
Place: Mumbai

FOR O.P. TOTLA & CO.

Chartered Accountants

S. R. TOTLA

Partner: M. No. 071774
Firm Regn. No. 000734 C
Place: Indore

FOR S. K. KAPOOR & CO.

Chartered Accountants

V. B. SINGH

Partner: M. No. 073124
Firm Regn. No. 000745 C
Place: Kanpur

FOR SCV & CO. LLP

Chartered Accountants

SANJAY VASUDEVA

Partner: M. No. 090989
Firm Regn. No. 000235N/N500089
Place: New Delhi

FOR KHANDELWAL JAIN & CO.

Chartered Accountants

PANKAJ JAIN

Partner: M. No. 48850
Firm Regn. No. 105049 W
Place: Mumbai

FOR S K MITTAL & CO.

Chartered Accountants

S MURTHY

Partner: M. No. 072290
Firm Regn. No. 001135 N
Place: New Delhi

FOR N.C. RAJAGOPAL & CO.

Chartered Accountants

V. CHANDRASEKARAN

Partner: M. No. 024844
Firm Regn. No. 003398 S
Place: Chennai

FOR KARNAVAT & CO.

Chartered Accountants

VIRAL JOSHI

Partner: M. No. 137686
Firm Regn. No. 104863 W
Place: Mumbai

FOR SHAH GUPTA & CO.

Chartered Accountants

VIPUL K CHOKSI

Partner: M. No. 37606
Firm Regn. No. 109574 W
Place: Mumbai

Date : June 05, 2020

Schedule 1 - Capital

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 shares of ₹ 1 each (Previous Year 5000,00,00,000 shares of ₹ 1 each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 892,54,05,164 equity shares of ₹ 1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital : 892,46,11,534 equity shares of ₹ 1/- each (Previous Year 892,46,11,534 equity shares of ₹ 1/- each)	892,46,12	892,46,12
[The above includes 11,03,42,880 equity shares of ₹ 1/- each (Previous Year 12,10,71,350 equity shares of ₹ 1/- each) represented by 1,10,34,288 (Previous Year 1,21,07,135) Global Depository Receipts]		
TOTAL	892,46,12	892,46,12

Schedule 2 - Reserves & Surplus

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	65595,65,26	65336,98,37
Additions during the year	4346,43,32	258,66,89
Deductions during the year	-	-
	69942,08,58	65595,65,26
II. Capital Reserves		
Opening Balance	9770,86,64	9391,65,88
Additions during the year	3985,83,93	379,20,76
Deductions during the year	-	-
	13756,70,57	9770,86,64
III. Share Premium		
Opening Balance	79115,47,05	79124,21,51
Additions during the year	-	37,92
Deductions during the year	-	9,12,38
	79115,47,05	79115,47,05
IV. Investment Fluctuation Reserve		
Opening Balance	-	-
Additions during the year	1119,88,09	-
Deductions during the year	-	-
	1119,88,09	-

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
V. Foreign Currency Translation Reserves		
Opening Balance	6730,96,89	5720,58,73
Additions during the year	2844,98,23	1077,13,19
Deductions during the year	301,34,68	66,75,03
	9274,60,44	6730,96,89
VI. Revenue and Other Reserves*		
Opening Balance	49380,51,95	48893,23,87
Additions during the year	793,96,19	563,88,56
Deductions during the year	5532,62,60	76,60,48
	44641,85,54	49380,51,95
VII. Revaluation Reserve		
Opening Balance	24653,94,08	24847,98,65
Additions during the year	379,57,78	-
Deductions during the year	1270,85,29	194,04,57
	23762,66,57	24653,94,08
VIII. Balance in Profit and Loss Account	(10498,30,21)	(15226,05,54)
TOTAL	231114,96,63	220021,36,33

* Note: Revenue and Other Reserves include

- (i) ₹ 5,00,00 thousand (Previous Year ₹ 5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹ 14032,22,76 thousand (Previous Year ₹ 13421,76,76 thousand)
- (iii) Investment Reserves Current Year ₹ 69,58,40 (Previous Year ₹ 371,84,01)

Schedule 3 - Deposits

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	5129,65,75	6894,62,06
(ii) From Others	222205,92,69	198980,62,74
II. Savings Bank Deposits	1206371,98,79	1091751,97,36
III. Term Deposits		
(i) From Banks	5973,24,84	8234,15,28
(ii) From Others	1801939,91,36	1605524,63,63
TOTAL	3241620,73,43	2911386,01,07
B. (i) Deposits of Branches in India	3124615,86,05	2814243,42,48
(ii) Deposits of Branches outside India	117004,87,38	97142,58,59
TOTAL	3241620,73,43	2911386,01,07

Schedule 4 - Borrowings

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Borrowings in India		
(i) Reserve Bank of India	33533,00,00	94319,00,00
(ii) Other Banks	40,00,00	260,00,00
(iii) Other Institutions and Agencies	6165,75,42	27853,89,24
(iv) Capital Instruments:		
a. Innovative Perpetual Debt Instruments(IPDI)	23535,70,00	19152,30,00
b. Subordinated Debt & Bonds	32006,73,80	28256,73,80
	55542,43,80	47409,03,80
TOTAL	95281,19,22	169841,93,04
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	217104,50,99	231100,53,78
(ii) Capital Instruments:		
Innovative Perpetual Debt Instruments(IPDI)	2269,95,00	2074,65,00
TOTAL	219374,45,99	233175,18,78
GRAND TOTAL	314655,65,21	403017,11,82
Secured Borrowings included in I & II above	42790,93,47	124028,25,70

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Bills payable	26822,90,16	23875,66,31
II. Inter-office adjustments (Net)	-	21735,74,61
III. Interest accrued	15697,16,19	14479,87,48
IV. Deferred Tax Liabilities (Net)	6,16,17	2,33,15
V. Others (including provisions)*	120583,87,89	85503,68,00
TOTAL	163110,10,41	145597,29,55

* Includes prudential provision for Standard Assets ₹ 11544,24,43 thousand (Previous Year ₹ 12396,67,91 thousand)

Schedule 6 - Cash and Balances With Reserve Bank Of India

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	20104,58,40	18777,94,34
II. Balances with Reserve Bank of India		
(i) In Current Account	146631,19,50	158154,47,41
(ii) In Other Accounts	-	-
TOTAL	166735,77,90	176932,41,75

Schedule 7 - Balances With Banks And Money At Call & Short Notice

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Account	22,59,77	870,270
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	44747,71,31	4608,88,73
(b) With Other Institutions	-	-
TOTAL	44770,31,08	4695,91,43
II. Outside India		
(i) In Current Account	28303,47,50	19667,07,18
(ii) In Other Deposit Accounts	1379,28,32	2870,14,73
(iii) Money at call and short notice	9908,15,74	18324,56,06
TOTAL	39590,91,56	40861,77,97
GRAND TOTAL (I and II)	84361,22,64	45557,69,40

Schedule 8 - Investments

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Investments in India in		
(i) Government Securities	803270,12,10	761883,12,15
(ii) Other approved securities	-	-
(iii) Shares	8221,43,31	9878,74,38
(iv) Debentures and Bonds	102363,82,19	84948,36,68
(v) Subsidiaries and/ or Joint Ventures (including Associates)	11744,07,18	5608,00,04
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	74057,22,82	53388,53,85
TOTAL	999656,67,60	915706,77,10

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
II. Investments outside India in		
(i) Government Securities (including local authorities)	17062,82,86	11644,84,99
(ii) Subsidiaries and/ or Joint Ventures abroad	4298,49,28	4298,49,28
(iii) Other Investments (Shares, Debentures etc.)	25936,52,01	35371,83,38
TOTAL	47297,84,15	51315,17,65
GRAND TOTAL (I and II)	1046954,51,75	967021,94,75
III. Investments in India		
(i) Gross Value of Investments	1010599,04,40	926650,59,97
(ii) Less: Aggregate of Provisions / Depreciation	10942,36,80	10943,82,87
(iii) Net Investments (vide I above) TOTAL	999656,67,60	915706,77,10
IV. Investments outside India		
(i) Gross Value of Investments	47448,66,41	51473,39,76
(ii) Less: Aggregate of Provisions / Depreciation	150,82,26	158,22,11
(iii) Net Investments (vide II above) TOTAL	47297,84,15	51315,17,65
GRAND TOTAL (III and IV)	1046954,51,75	967021,94,75

Schedule 9 - Advances

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
A. I. Bills purchased and discounted	84017,46,96	80278,87,21
II. Cash credits, overdrafts and loans repayable on demand	708726,92,91	776633,45,81
III. Term loans	1532545,16,20	1328964,58,75
TOTAL	2325289,56,07	2185876,91,77
B. I. Secured by tangible assets (includes advances against Book Debts)	1673925,40,51	1582764,41,50
II. Covered by Bank/ Government Guarantees	92117,72,36	80173,16,17
III. Unsecured	559246,43,20	522939,34,10
TOTAL	2325289,56,07	2185876,91,77
C. (I) Advances in India		
(i) Priority Sector	526675,87,35	520729,77,60
(ii) Public Sector	287504,28,69	240295,89,39
(iii) Banks	812,52,23	9174,06,50
(iv) Others	1154187,79,39	1114679,73,28
TOTAL	1969180,47,66	1884879,46,77
(II) Advances outside India		
(i) Due from banks	80372,75,07	69975,74,47
(ii) Due from others		
(a) Bills purchased and discounted	31091,11,08	26740,94,11
(b) Syndicated loans	172482,45,21	138191,25,40
(c) Others	72162,77,05	66089,51,02
TOTAL	356109,08,41	300997,45,00
GRAND TOTAL [C (I) and C (II)]	2325289,56,07	2185876,91,77

Schedule 10 - Fixed Assets

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Premises (Including Revalued Premises)		
At cost / revalued as at 31 st March of the preceding year	30831,77,23	30201,53,82
Additions:		
- during the year	299,15,09	669,84,09
- for Revaluation	3936,14,00	-
Deductions:		
- during the year	14,17,04	39,60,68
- for Revaluation	4735,02,74	-
Depreciation to date		
- on cost	833,18,06	714,18,98
- on Revaluation	670,54,22	497,17,97
	28814,14,26	29620,40,28
II. Other Fixed Assets (including furniture and fixtures)		
At cost / revalued as at 31 st March of the preceding year	31074,77,30	30114,90,96
Additions during the year	3352,06,86	2404,25,97
Deductions during the year	929,22,06	1444,39,63
Depreciation to date	24288,37,20	22186,23,44
	9209,24,90	8888,53,86
III. Assets under Construction (Including Premises)	415,89,02	688,62,80
TOTAL (I, II, and III)	38439,28,18	39197,56,94

Schedule 11 - Other Assets

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Inter-office adjustments (Net)	1936,15,88	-
II. Interest accrued	26252,46,38	26141,97,03
III. Tax paid in advance / tax deducted at source	34450,84,01	24376,29,42
IV. Deferred Tax Assets (Net)	2933,44,38	10422,49,17
V. Stationery and stamps	92,02,77	102,14,03
VI. Non-banking assets acquired in satisfaction of claims	56,10	73,71
VII. Others *	223948,05,74	205284,06,92
TOTAL	289613,55,26	266327,70,28

*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 163238,91,62 thousand (Previous Year ₹ 138245,29,37 thousand)

Schedule 12 - Contingent Liabilities

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	71642,48,25	43357,92,57
II. Liability for partly paid investments/ Venture Funds	1682,66,59	472,87,61
III. Liability on account of outstanding forward exchange contracts	635813,45,45	596621,66,74
IV. Guarantees given on behalf of constituents		
(a) In India	165584,80,13	157186,66,27
(b) Outside India	70636,18,96	72425,94,84
V. Acceptances, endorsements and other obligations	132364,00,65	124194,94,04
VI. Other items for which the bank is contingently liable*	137271,00,66	121821,43,87
TOTAL	1214994,60,69	1116081,45,94

*Includes Derivatives ₹ 132209,26,69 thousand (Previous Year ₹ 117435,24,87 thousand)

State Bank Of India

Profit and Loss Account for the Year Ended 31st March, 2020

(000s omitted)

	Schedule No.	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. INCOME			
Interest earned	13	257323,59,22	242868,65,35
Other Income	14	45221,47,80	36774,88,78
TOTAL		302545,07,02	279643,54,13
II. EXPENDITURE			
Interest expended	15	159238,76,57	154519,77,80
Operating expenses	16	75173,69,02	69687,73,74
Provisions and contingencies		53644,50,37	54573,79,61
TOTAL		288056,95,96	278781,31,15
III. PROFIT			
Net Profit for the year		14488,11,06	862,22,98
Profit/ (Loss) brought forward		(15226,05,54)	(15078,56,86)
TOTAL		(737,94,48)	(14216,33,88)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		4346,43,32	258,66,89
Transfer to Capital Reserve		3985,83,93	379,20,76
Transfer to Investment Fluctuation Reserve		1119,88,09	-
Transfer to Revenue and other Reserves		308,20,39	371,84,01
Balance carried over to Balance Sheet		(10498,30,21)	(15226,05,54)
TOTAL		(737,94,48)	(14216,33,88)
V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)			
Basic (in ₹)		16.23	0.97
Diluted (in ₹)		16.23	0.97
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit & Loss Account.

Shri Challa Sreenivasulu Setty

Managing Director
(Retail & Digital Banking)

Shri Arijit Basu

Managing Director
(Commercial Clients Group & IT)

Shri Dinesh Kumar Khara

Managing Director
(Global Banking & Subsidiaries)

Directors:

Shri Sanjiv Malhotra
Shri Bhaskar Pramanik
Shri Basant Seth
Dr. Pushpendra Rai
Dr. Purnima Gupta
Shri B. Venugopal
Shri Chandan Sinha
Shri Debasish Panda
Shri Sanjeev Maheshwari

Place:

Udagamandalam
New Delhi
Kanpur
New Delhi
New Delhi
Mumbai
Mumbai
New Delhi
Mumbai

Shri Rajnish Kumar
Chairman

Place: Mumbai

Date : 5th June 2020

In terms of our report of even date

FOR J.C. BHALLA & CO.

Chartered Accountants

RAJESH SETHI

Partner: M. No. 085669
Firm Regn. No. 001111 N
Place: New Delhi

FOR RAY & RAY

Chartered Accountants

ARVIND NARAYAN YENNEMADI

Partner: M. No. 031004
Firm Regn. No. 301072 E
Place: Mumbai

**FOR K. VENKATACHALAM
AIYER & CO.**

Chartered Accountants

A GOPALAKRISHNAN

Partner: M. No. 018159
Firm Regn. No. 004610 S
Place: Ernakulam

FOR G. P. AGRAWAL & CO.

Chartered Accountants

SUNITA KEDIA

Partner: M. No. 60162
Firm Regn. No. 302082 E
Place: Kolkata

**FOR UMAMAHESWARA
RAO & CO.**

Chartered Accountants

G. SIVA RAMAKRISHNA PRASAD

Partner: M. No. 024860
Firm Regn. No. 004453 S
Place: Hyderabad

FOR CHATURVEDI & SHAH LLP

Chartered Accountants

VITESH D. GANDHI

Partner: M. No. 110248
FirmReg. No.101720W/W100355
Place: Mumbai

FOR O.P. TOTLA & CO.

Chartered Accountants

S. R. TOTLA

Partner: M. No. 071774
Firm Regn. No. 000734 C
Place: Indore

FOR S. K. KAPOOR & CO.

Chartered Accountants

V. B. SINGH

Partner: M. No. 073124
Firm Regn. No. 000745 C
Place: Kanpur

FOR SCV & CO. LLP

Chartered Accountants

SANJAY VASUDEVA

Partner: M. No. 090989
Firm Regn. No.000235N/N500089
Place: New Delhi

FOR KHANDELWAL JAIN & CO.

Chartered Accountants

PANKAJ JAIN

Partner: M. No. 48850
Firm Regn. No. 105049 W
Place: Mumbai

FOR S K MITTAL & CO.

Chartered Accountants

S MURTHY

Partner: M. No. 072290
Firm Regn. No. 001135 N
Place: New Delhi

FOR N.C. RAJAGOPAL & CO.

Chartered Accountants

V. CHANDRASEKARAN

Partner: M. No. 024844
Firm Regn. No. 003398 S
Place: Chennai

FOR KARNAVAT & CO.

Chartered Accountants

VIRAL JOSHI

Partner: M. No. 137686
Firm Regn. No. 104863 W
Place: Mumbai

FOR SHAH GUPTA & CO.

Chartered Accountants

VIPUL K CHOKSI

Partner: M. No. 37606
Firm Regn. No. 109574 W
Place: Mumbai

Date : June 05, 2020

Schedule 13 - Interest Earned

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Interest / discount on advances / bills	179748,83,55	161640,23,23
II. Income on Investments	68204,72,38	74406,16,37
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2920,40,56	1179,06,59
IV. Others	6449,62,73	5643,19,16
TOTAL	257323,59,22	242868,65,35

Schedule 14 - Other Income

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Commission, exchange and brokerage	23725,05,94	23303,89,22
II. Profit/ (Loss) on sale of investments (Net) ¹	8575,65,21	3146,86,06
III. Profit/ (Loss) on revaluation of investments (Net)	-	(2124,03,82)
IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)	(28,37,38)	(34,98,24)
V. Profit/ (Loss) on exchange transactions (Net)	2516,41,29	2155,75,29
VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	212,03,35	348,01,18
VII. Miscellaneous Income ²	10220,69,39	9979,39,09
TOTAL	45221,47,80	36774,88,78

¹Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 6215.64 Crore (Previous year ₹ 473.12 Crore).

²Miscellaneous Income includes exceptional item of NIL (Previous year ₹ 1,087.43) and Recoveries made in write-off accounts ₹ 9250.23 Crore (Previous year ₹ 8,344.61 Crore).

Schedule 15 - Interest Expended

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Interest on Deposits	147398,96,33	140272,36,59
II. Interest on Reserve Bank of India/ Inter-bank borrowings	6891,11,73	9838,95,98
III. Others	4948,68,51	4408,45,23
TOTAL	159238,76,57	154519,77,80

Schedule 16 - Operating Expenses

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Payments to and provisions for employees	45714,96,78	41054,70,68
II. Rent, taxes and lighting	5339,11,88	5265,65,95
III. Printing and stationery	526,20,36	498,94,99
IV. Advertisement and publicity	246,16,76	354,05,58
V. Depreciation on Bank's property	3303,81,33	3212,30,65
VI. Directors' fees, allowances and expenses	1,86,42	1,34,65
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	244,67,58	293,67,65
VIII. Law charges	266,66,85	261,84,28
IX. Postages, Telegrams, Telephones etc.	349,13,89	387,01,81
X. Repairs and maintenance	924,32,58	904,08,56
XI. Insurance	3212,71,45	2845,44,78
XII. Other expenditure	15044,03,14	14608,64,16
TOTAL	75173,69,02	69687,73,74

Schedule 17- Significant Accounting Policies

A. Basis of Preparation

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on Going Concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by Reserve Bank of India (RBI), State Bank of India Act, 1955, Banking Regulation Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

B. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

C. Significant Accounting Policies

1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Bank's foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.
- 1.2 Interest/ Discount income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to "Statutory Reserve Account") to "Capital Reserve Account".
- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 –"Leases" issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.
- 1.5 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows:
 - a. on interest bearing securities, it is recognised only at the time of sale/ redemption.
 - b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.
- 1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are recognised on their realisation.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
- 1.9 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortized over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:
 - i. When the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is removed from the books.
 - ii. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
 - iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

2. Investments

The transactions in all securities are recorded on "Settlement Date".

2.1 Classification:

Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six groups (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) Others and (II) 'Investments outside India' are classified under three categories – (i) Government Securities, (ii) Subsidiaries and/ or Joint Ventures abroad and (iii) Other Investments.

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

2.3 Valuation:

- i. In determining the acquisition cost of an investment:
 - (a) Brokerage/ commission received on subscriptions is reduced from the cost.
 - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - (c) Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
 - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.

- ii. Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).
- v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at market price or fair value determined as per the regulatory guidelines and only the net depreciation of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by RBI in case of domestic offices and respective regulators in case of foreign offices. Investments of domestic offices become non-performing where:
 - (a) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

- (b) In the case of equity shares, in the event the investment in shares of any company is valued at ₹ 1 per company on account of non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
- (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
- (d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
- (e) The investments in debentures/ bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
- (f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with RBI):
- (a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
- (b) Interest expended/ earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.
- ix. Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.

3. Loans/ Advances and Provisions thereon:

- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/ directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;

- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:	i.	A general provision of 15% on the total outstanding;
	ii.	Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
	iii.	Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.
Doubtful Assets:		
-Secured portion:	i.	Upto one year – 25%
	ii.	One to three years – 40%
	iii.	More than three years – 100%
-Unsecured portion	100%	
Loss Assets:	100%.	

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 Appropriation of recoveries in NPAs are made in order of priority as under :
- Charges, Costs, Commission etc.
 - Unrealized Interest / Interest
 - Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of

each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/ liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".
- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over-the-Counter (OTC) options.
- 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.
- #### 7. Fixed Assets, Depreciation and Amortisation:
- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.

- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.
- 7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sl. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00% every year
5	Server	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets. Estimated useful life of major group of Fixed Assets are as under: Premises 60 Years Vehicles 5 Years Safe Deposit Lockers 20 Years Furniture & Fixtures 10 Years

- 7.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).

- 7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.
- 7.8 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three years are not revalued. Valuation of the revalued assets is done at every three years thereafter.
- 7.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve.
- 7.11 The Revalued Asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions:

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.

- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

11. Employee Benefits:

11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

11.2 Long Term Employee Benefits:

i. Defined Benefit Plans:

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.
- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
 - i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.
- ii. **Defined Contribution Plan:**
The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.
- iii. **Other Long Term Employee Benefits:**
 - a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.
 - b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

12. Segment Reporting

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

14. Earnings per Share:

- 14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.
- 14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

15. Provisions, Contingent Liabilities and Contingent Assets:

15.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

15.2 No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

15.4 Contingent Assets are not recognised in the financial statements.

16. Bullion Transactions:

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

17. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

19. Cash and cash equivalents:

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

Schedule – 18: Notes To Accounts

18.1 Capital

1. Capital Ratio

AS PER BASEL II

(Amount in ₹ Crore)

Sr. No.	Items	As at 31 st March, 2020	As at 31 st March, 2019
(i)	Common Equity Tier 1 Capital Ratio (%)		N.A.
(ii)	Tier 1 capital ratio (%)	10.71%	10.38%
(iii)	Tier 2 capital ratio (%)	2.42%	2.47%
(iv)	Total Capital Ratio (%)	13.13%	12.85%

AS PER BASEL III

Sr. No.	Items	As at 31 st March, 2020	As at 31 st March, 2019
(i)	Common Equity Tier 1 Capital Ratio (%)	9.77%	9.62%
(ii)	Tier 1 capital ratio (%)	11.00%	10.65%
(iii)	Tier 2 capital ratio (%)	2.06%	2.07%
(iv)	Total Capital Ratio (%)	13.06%	12.72%
(v)	Percentage of the Shareholding of Government of India	56.92%	57.13%
(vi)	Number of Shares held by Government of India	507,97,75,288	509,88,82,979
(vii)	Amount of Equity Capital raised	Nil	0.38
(viii)	Amount of Additional Tier 1(AT 1) capital raised of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS)	Nil	Nil
	b) Perpetual Debt Instruments (PDI)	6,918.40	7,317.30
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments	5,000.00	4,115.90
	b) Preference Share Capital Instruments {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	Nil	Nil

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1st March, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

2. Share Capital

Expenses in relation to the issue of shares: ₹ Nil (Previous Year ₹ 9.12 crore) is debited to Share Premium Account.

3. Innovative Perpetual Debt Instruments (IPDI)

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

A. Foreign

(₹ in crore)

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31 st March, 2020	Equivalent ₹ as on 31 st March, 2019
Additional Tier 1 (AT1) Bonds issued under MTN Programme 29 th series	22.09.2016	Perpetual Non Call 5 years	USD 300 million	2,269.95	2,074.65

These bonds have been listed in Singapore stock exchange (SGX).

B. Domestic

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1.	e-SBH Tier -I Series XIII	200.00	20.09.2010	9.05
2.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1	2,100.00	06.09.2016	9.00
3.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II	2,500.00	27.09.2016	8.75
4.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III	2,500.00	25.10.2016	8.39
5.	SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
6.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
7.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
8.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
9.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2019-20 Series I	3,104.80	30.08.2019	8.75
10.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2019-20 Series II	3,813.60	22.11.2019	8.50
TOTAL		23,535.70		

4. Subordinated Debts

The bonds are unsecured, long term, non-convertible and are redeemable at par. The details of outstanding subordinate debts are as under:-

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
1	e-SBBJ Lower Tier II (Series VI)	500.00	20.03.2012 20.03.2022	9.02	120
2	SBI Non Convertible (Private placement) Bonds 2013-14 (Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
3	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
4	e -SBP Tier II Basel III compliant (Series I)	950.00	22.01.2015 22.01.2025	8.29	120
5	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
6	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
7	SBI Non Convertible (Public issue) Bonds 2010 (Series II) (Lower Tier II)	866.92	04.11.2010 04.11.2025	9.50	180
8	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series I)	4,000.00	23.12.2015 23.12.2025	8.33	120
9	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120
10	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
11	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
12	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
13	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier 2 Bonds 2015-16 (Series II)	3,000.00	18.02.2016 18.02.2026	8.45	120
14	SBI Non Convertible (Public issue) Bonds 2011 Retail (Series IV) (Lower Tier II)	3,937.60	16.03.2011 16.03.2026	9.95	180
15	SBI Non Convertible (Public issue) Bonds 2011 Non Retail (Series IV) (Lower Tier II)	828.32	16.03.2011 16.03.2026	9.45	180
16	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series III)	3,000.00	18.03.2016 18.03.2026	8.45	120
17	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series IV)	500.00	21.03.2016 21.03.2026	8.45	120
18	e- SBT Tier II Basel III compliant (Series I)	515.00	30.03.2016 30.03.2026	8.45	120
19	e- SBT Upper Tier II (Series III)	500.00	26.03.2012 26.03.2027	9.25	180
20	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2018	4,115.90	02.11.2018 02.11.2028	8.90	120
21	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2019-20	5,000.00	28.06.2019 28.06.2029	7.99	120
TOTAL		32,006.74			

18.2 Investments

1. The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:

(₹ in crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
1. Value of Investments		
i) Gross value of Investments		
(a) In India	10,10,599.04	9,26,650.60
(b) Outside India	47,448.66	51,473.40
ii) Provision for Depreciation		
(a) In India	9,430.13	9,094.19
(b) Outside India	150.82	158.22
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	1,512.24	1,849.64
iv) Net value of Investments		
(a) In India	9,99,656.67	9,15,706.77
(b) Outside India	47,297.84	51,315.18
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	9,252.41	10,206.45
ii) Add: Provisions made during the year	5,237.78	1,863.13
iii) Less: Provision utilised during the year	33.48	-
iv) Less/(Add): Foreign Exchange revaluation adjustment	(38.04)	(22.24)
v) Less: Write off/Write back of excess provision during the year.	4,913.80	2,839.41
vi) Balance at the end of the year	9,580.95	9,252.41

Notes:

- a. Securities amounting to ₹ 4,225.76 crore (Previous Year ₹ 21,219.41 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/ NSCCL/MCX/ NSEIL/ BSE towards Securities Settlement.
- b. During the year, the Bank infused additional capital in its associates viz. i) Utkal Grameen Bank ₹ 143.77 crore, ii) Jharkhand Rajya Gramin Bank ₹ 86.68 crore, iii) Madhyanchal Gramin Bank ₹ 8.91 crore, iv) Ellaquai Dehati Bank ₹ 5.48 crore, v) Nagaland Rural Bank ₹ 0.48 crore and after infusion there is no change in Bank's stake.
- c. Bank has made an investment of ₹ 6,050.00 crore in Yes Bank Limited which constitutes 48.21% of the equity capital post investment. Due to categorization of this investment in AFS category and the change in accounting policy in this respect, there is no impact on the profit for the year.
- d. During the year, the Bank has sold its stake in the following subsidiaries: -
- 4,50,00,000 equity shares of SBI Life Insurance Company Ltd. at a profit of ₹ 3,484.30 crore. Thus, the Bank stake has reduced to 57.60% from 62.10%.

- 3,72,93,371 equity shares of SBI Cards and Payment Services Ltd. at a profit of ₹ 2,731.34 crore. Thus, the Bank stake has reduced to 69.51% from 74.00%.

- e. As per NCLT order pronounced on 4th June 2019, SBI Business Process Management Services Private Limited (a subsidiary) has been amalgamated with SBI Cards and Payment Services Private Limited (a subsidiary) w.e.f. 1st April 2018 with the latter being the surviving entity.

The name of SBI Cards and Payment Services Private Limited has changed to SBI Cards and Payment Services Limited w.e.f. 20.08.2019.

- f. The Bank exited from its RRBs as per details given below :-

(₹ in crore)

Name of RRB	Amount
Langpi Dehangi Rural Bank	10.83
Kaveri Grameena Bank	18.89

- g. In accordance with notification issued by Govt. of India, the following amalgamations have taken place in between the Regional Rural Banks (RRBs) sponsored by SBI and RRBs sponsored by other banks.

The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by State Bank of India are as below: -

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1. Pragathi Krishna Gramin Bank Kaveri Grameena Bank	Canara Bank State Bank of India	Karnataka Gramin Bank	Canara Bank	1 st April ,2019
2. Assam Gramin Vikash Bank Langpi Dehangi Rural Bank	United Bank of India State Bank of India	Assam Gramin Vikash Bank	United Bank of India	1 st April ,2019

The details of amalgamation of RRBs, where the transferee RRB is sponsored by State Bank of India are as below: -

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1. Jharkhand Gramin Bank Vananchal Gramin Bank	Bank of India State Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	1 st April ,2019

2. Repo Transactions including Liquidity Adjustment Facility (LAF) (in face value terms)

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31 st March 2020
Securities sold under Repo				
i. Government Securities	-	1,12,595.20	9,166.64	34,576.69
	(-)	(1,31,364.16)	(48,101.62)	(1,12,793.84)
ii. Corporate Debt Securities	-	15,795.87	10,778.12	8,696.38
	(-)	(12,382.91)	(7,742.36)	(10,264.00)
Securities purchased under Reverse Repo				
i. Government Securities	-	1,13,000.00	38,332.97	38,000.00
	(-)	(43,507.94)	(5,202.46)	(1,963.89)
ii. Corporate Debt Securities	-	3,292.71	592.93	3,292.71
	(-)	(860.43)	(816.74)	(859.81)

(Figures in brackets are for Previous Year).

3. Non-SLR Investment Portfolio

a) Issuer composition of Non SLR Investments

The issuer composition of Non-SLR investments of the Bank is given below:

(₹ in crore)

Sr. Issuer No.	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
i PSUs	62,047.29	45,135.13	-	-	-
	(48,324.45)	(18,145.75)	(356.64)	(-)	(-)
ii Fls	86,460.61	74,871.30	2,754.24	-	1,150.00
	(67,836.16)	(55,738.02)	(-)	(-)	(-)
iii Banks	24,856.99	12,624.53	585.10	23.62	23.62
	(19,374.89)	(1,457.62)	(1,177.32)	(23.62)	(23.62)
iv Private Corporates	35,680.14	25,758.70	901.99	-	-
	(41,791.89)	(23,398.59)	(826.18)	(341.30)	(24.70)
v Subsidiaries / Joint Ventures **	16,045.43	-	-	-	-
	(9,909.36)	(-)	(-)	(-)	(-)
vi Others	29,687.12	2,196.19	3,558.08	46.68	4.84
	(24,977.19)	(623.66)	(2,383.40)	(53.47)	(3.17)
vii Less: Provision held towards depreciation including LICRA	11,093.19	11.65	236.96	-	-
	(7,075.11)	(-)	(25.21)	(30.60)	(-)
TOTAL	2,43,684.39	1,60,574.20	7,562.45	70.30	1,178.46
	(2,05,138.83)	(99,363.64)	(4,718.33)	(387.79)	(51.49)

(Figures in brackets are for Previous Year).

* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

** Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

b) Non Performing Non-SLR Investments

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	5,609.66	4,595.25
Additions during the year	3,686.05	1,986.35
Reductions during the year	299.91	971.94
Closing balance	8,995.80	5,609.66
Total provisions held	7,970.83	5,209.17

4. Sales And Transfers Of Securities To/From HTM Category

The value of sales and transfers of securities to/from HTM Category does not exceed 5% of the book value of investment held in HTM category at the beginning of the year.

5. Disclosure of Investment in Security Receipts (SRs)

(₹ in crore)

Particulars	SRs Issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 Years	SRs issued more than 8 Years ago	Total
i Book value of SRs Backed by NPAs sold by the bank as underlying	2,657.86	6,077.67	25.78	8,761.31
Provision held against (i)	300.47	1,329.99	25.78	1,656.24
ii Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	0.54	3.92	2.68	7.14
Provision held against (ii)	-	0.78	2.68	3.46
Total (i) + (ii)	2,658.40	6,081.59	28.46	8,768.45

6. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC)

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book Value of Investments in Security Receipts as on 31 st March, 2020	8,761.31	9,834.83	7.14	7.15	8,768.45	9,841.98
Book Value of Investments in Security Receipts made during the year	0.06	16.58	-	-	0.06	16.58

18.3 Derivatives

A. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS)

(₹ in crore)

Sr. No.	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
i)	The notional principal of swap agreements#	2,98,843.36	3,74,120.04
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	8,063.30	3,342.37
iii)	Collateral required by the Bank upon entering swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	7,908.68	125.32

IRS/FRA amounting to ₹ 32,134.98 crore (Previous Year ₹ 19,022.25 crore) entered with the Bank's own foreign offices are not shown here.

Nature and terms of forward rate agreements and interest rate swaps as on 31st March, 2020 are given below:

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	175	7,089.25	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	1	192.94	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	121	1,490.92	OTHERS	Fixed Receivable / Floating Payable
IRS	Hedging	39	25,615.09	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	26	2,973.54	LIBOR	Floating Receivable / Fixed Payable
IRS	Trading	2	832.31	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	1993	1,06,806.98	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	2171	1,42,354.97	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	70	2,853.50	MIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	126	5,297.00	MIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	4	3,336.86	LIBOR	Fixed Receivable / Floating Payable
TOTAL			2,98,843.36		

B. Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	63,670.92	42,099.96
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March, 2020		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	N.A.	N.A.

C. Risk Exposure in Derivatives

(A) Qualitative Risk Exposure

- i. The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The Bank also runs option position in USD/INR,

which is managed through various types of loss limits and Greek limits.

- ii. Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with

- counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
 - iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2019-20.
 - v. Interest Rate Swaps are mainly used at Foreign Offices for hedging of the assets and liabilities.
 - vi. Apart from hedging swaps, swaps at Foreign Offices consist of back to back swaps done at Bank's Foreign Offices which are done mainly for hedging of FCNR deposits at Global Markets, Kolkata.
 - vii. Majority of the swaps were done with First class counterparty banks.
 - viii. Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
 - ix. Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

(B) Quantitative Risk Exposure

(₹ in crore)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives (Notional Principal Amount)				
(a) For hedging	14,407.12 @	8,983.92 @	35,421.64 #	41,908.78 #
(b) For trading *	6,55,991.56	2,47,198.72	2,77,804.99	3,37,642.76
(II) Marked to Market Positions				
(a) Asset	14,629.42	3,555.69	8,063.30	3,365.55
(b) Liability	14,009.98	3,130.82	6,086.78	3,240.23
(III) Credit Exposure	36,850.85	12,665.30	11,026.29	7,037.75
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	1.07	1.08	4.60	150.90
(b) on trading derivatives	86.72	15.83	146.20	136.08
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging - Maximum	1.07	1.08	460.31	255.40
- Minimum	-	-	-	-
(b) on trading - Maximum	2.91	24.41	1.85	149.73
- Minimum	-	(-) 129.75	0.03	0.08

@ The swaps amounting to ₹ 1,725.03 crore (Previous Year ₹ 245.10 crore) entered with the Bank's own foreign offices are not shown here.

IRS/FRA amounting to ₹ 32,134.98 crore (Previous Year ₹ 19,022.25 crore) entered with the Bank's own Foreign offices are not shown here.

* The forward contract deals with our own Foreign Offices are not included. Currency Derivatives ₹ 867.18 crore (Previous Year ₹ 427.12 crore) and Interest Rate Derivatives ₹ Nil (Previous Year ₹ Nil).

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March, 2020 amounted to ₹ 34,727.19 crore (Previous Year ₹ 19,694.47 crore) and the derivatives done between SBI Foreign Offices as on 31st March, 2020 amounted to ₹ 10,222.51 crore (Previous Year ₹ 8,929.28 crore).
2. The outstanding notional amount of interest rate derivatives which are not marked -to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31st March, 2020 amounted to ₹ 60,632.85 crore (Previous Year ₹ 45,661.89 crore).

18.4 Asset Quality

a) Non-Performing Assets

(₹ in crore)

Particulars	As at	As at
	31 st March, 2020	31 st March, 2019
I) Net NPAs to Net Advances (%)	2.23%	3.01%
II) Movement of NPAs (Gross)		
(a) Opening balance	1,72,750.36	2,23,427.46
(b) Additions (Fresh NPAs) during the year	49,826.28	32,738.05
Sub-total (i)	2,22,576.64	2,56,165.51
Less:		
(c) Reductions due to up gradations during the year	3,339.79	4,794.34
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	17,782.63	19,715.63
(e) Technical/ Prudential Write-offs	-	5,139.76
(f) Reductions due to Write-offs during the year	52,362.37	53,765.42
Sub-total (ii)	73,484.79	83,415.15
(g) Closing balance (i-ii)	1,49,091.85	1,72,750.36
III) Movement of Net NPAs		
(a) Opening balance	65,894.74	1,10,854.70
(b) Additions during the year	6,758.88	27,008.89
(c) Reductions during the year	20,782.32	71,968.85
(d) Closing balance	51,871.30	65,894.74
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,06,855.62	1,12,572.76
(b) Provisions made during the year	43,067.40	54,844.57
(c) Write-off / write-back of excess provisions	52,702.47	60,561.71
(d) Closing balance	97,220.55	1,06,855.62

Notes:-

- a) Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 235.61 crore (Previous Year ₹ 8.72 crore) and ₹ 305.54 crore (Previous Year ₹ 235.61 crore) respectively.
- b) As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

Accordingly, the following disclosure is made in respect of divergences for the F.Y. 2018-19: -

Divergence in Asset Classification and Provisioning for NPAs		(₹ in crore)
Particulars		
1	Gross NPAs as on March 31, 2019 as reported by the bank	1,72,750
2	Gross NPAs as on March 31, 2019 as assessed by RBI	1,84,682
3	Divergence in Gross NPAs (2-1)	11,932
4	Net NPAs as on March 31, 2019 as reported by the bank	65,895
5	Net NPAs as on March 31, 2019 as assessed by RBI	77,827
6	Divergence in Net NPAs (5-4)	11,932
7	Provisions for NPAs as on March 31, 2019 as reported by the bank	1,06,856
8	Provisions for NPAs as on March 31, 2019 as assessed by RBI	1,18,892
9	Divergence in provisioning (8-7)	12,036
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	862
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(-) 6,968

The Bank has made full provision against the said divergence during the year ended 31st March 2020.

c) Restructured Accounts

(₹ in crore)

Sr. No.	Type of Restructuring Asset Classification Particulars	Under CDR Mechanism (f)					Under SME Debt Restructuring Mechanism (g)				
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2019 (Opening position)	4	-	44	9	57	28	167	142	17	354
	Borrowers	(8)	(3)	(65)	(8)	(84)	(48)	(169)	(171)	(18)	(406)
	Amount	146.04	-	6,236.10	656.53	7,038.67	46.11	307.32	415.80	6.65	775.88
	outstanding	(607.77)	(380.51)	(15,840.78)	(248.84)	(17,077.90)	(75.59)	(377.84)	(2,559.80)	(6.82)	(3,020.05)
	Provision thereon	0.96	-	-	-	0.96	10.26	6.43	24.88	0.27	41.84
	thereon	(7.06)	(28.17)	(106.20)	(-)	(141.43)	(18.23)	(26.85)	(115.41)	(0.39)	(160.88)
2	Fresh Restructuring during the current FY	-	-	-	-	-	790	6	1	-	797
	Borrowers	(-)	(-)	(-)	(-)	(-)	(-)	(28)	(4)	(3)	(35)
	Amount	26.57	-	-	-	26.57	154.84	4.44	1.38	-	160.66
	outstanding	(68.59)	(-)	(95.32)	(-)	(163.91)	(42.73)	(42.82)	(27.70)	(0.27)	(113.52)
	Provision thereon	0.02	-	-	-	0.02	0.24	2.72	0.40	-	3.36
	thereon	(0.09)	(-)	(-)	(-)	(0.09)	(-)	(3.74)	(0.45)	(0.27)	(4.46)
3	Up gradation to restructured standard category during current FY	-	-	-	-	-	1	-1	-	-	-
	Borrowers	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Amount	-	-	-	-	-	18.11	-18.11	-	-	-
	outstanding	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Provision thereon	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-2	-	-	-	-2	-	-	-	-	-
	Borrowers	(-1)	(-1)	(-1)	(-1)	(-1)	(-2)	(-2)	(-2)	(-2)	(-2)
	Amount	-155.08	-	-	-	-155.08	-	-	-	-	-
	outstanding	(-23.05)	(-23.05)	(-23.05)	(-23.05)	(-23.05)	(-4.56)	(-4.56)	(-4.56)	(-4.56)	(-4.56)
	Provision thereon	-	-	-	-	-	(-0.23)	(-0.23)	(-0.23)	(-0.23)	(-0.23)
5	Downgradations of restructured accounts during current FY	(-2)	(-2)	(1)	(3)	(-1)	(-2)	(2)	(-)	(-)	(-)
	Borrowers	(-2)	(-2)	(1)	(3)	(-1)	(-2)	(2)	(-)	(-)	(-)
	Amount	-	-	-	-	-	-2.38	-67.31	69.69	-	-
	outstanding	(-332.43)	(-221.77)	(-87.04)	(641.24)	(-)	(-38.02)	(38.02)	(-)	(-)	(-)
	Provision thereon	-	-	-	-	-	-0.05	-8.78	8.83	-	-
	thereon	(-)	(-9.52)	(9.52)	(-)	(-)	(-0.35)	(0.35)	(-)	(-)	(-)
6	Write-offs of restructured accounts during current FY	(-1)	(-1)	(-22)	(-1)	(-23)	(-24)	(-53)	(-34)	(-3)	(-114)
	Borrowers	(-1)	(-1)	(-22)	(-2)	(-26)	(-16)	(-32)	(-33)	(-4)	(-85)
	Amount	-2.08	-	-4,309.80	-165.50	-4,477.38	-9.75	-8.84	-34.41	-0.27	-53.27
	outstanding	(-174.89)	(-158.74)	(-9,612.97)	(-233.55)	(-10,180.09)	(-29.63)	(-151.36)	(-2,171.70)	(-0.44)	(-2,353.13)
	Provision thereon	-0.07	-	-	-	-0.07	-1.95	-0.37	-17.85	-0.27	-20.44
	thereon	(-6.19)	(-18.65)	(-115.72)	(-)	(-140.56)	(-7.39)	(-24.51)	(-90.98)	(-0.39)	(-123.27)
7	Total Restructured Accounts as on 31 st March, 2020 (Closing Position)	2	-	22	8	32	786	112	125	14	1,037
	Borrowers	(4)	(-)	(44)	(9)	(57)	(28)	(167)	(142)	(17)	(354)
	Amount	15.45	-	1,926.30	491.03	2,432.78	206.93	217.50	452.46	6.38	883.27
	outstanding	(146.04)	(-)	(6,236.10)	(656.53)	(7,038.67)	(46.11)	(307.32)	(415.80)	(6.65)	(775.88)
	Provision thereon	0.91	-	-	-	0.91	8.50	-	16.26	-	24.76
	thereon	(0.96)	(-)	(-)	(-)	(0.96)	(10.26)	(6.43)	(24.88)	(0.27)	(41.84)

Sr. No.	Type of Restructuring Asset Classification	Others (3)			TOTAL (1 + 2 + 3)					
		Standard	Sub Doubtful	Loss	Total Standard	Sub Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2019 (Opening position)	No. of Borrowers Amount	227 (335)	786 (1,094)	171 (45)	1484 (1,834)	394 (507)	972 (1,330)	197 (71)	1,895 (2,324)
	Amount outstanding	3,909.81 (4,179.74)	29.83 (3,933.96)	8,004.74 (29,631.18)	803.16 (966.41)	12,747.54 (38,711.28)	337.15 (4,692.31)	14,656.64 (48,031.77)	1,466.34 (1,222.07)	20,562.09 (58,809.23)
	Provision thereon	319.57 (350.99)	0.85 (80.14)	15.23 (170.62)	4.05 (0.64)	339.70 (602.39)	7.28 (135.15)	40.11 (892.24)	4.32 (1.03)	382.50 (904.69)
2	Fresh Restructuring during the current FY	No. of Borrowers Amount	61 (7)	21 (291)	1 (66)	4,896 (475)	67 (139)	22 (295)	1 (69)	5,693 (510)
	Amount outstanding	578.77 (9,347.86)	1.81 (2.96)	32.88 (94.95)	0.02 (3.95)	613.48 (9,449.72)	6.25 (45.78)	34.26 (217.96)	0.02 (4.23)	800.71 (9,727.15)
	Provision thereon	- (43.41)	65.61 (0.47)	2.09 (8.02)	0.24 (2.26)	67.94 (54.16)	68.33 (4.21)	2.49 (8.47)	0.24 (2.53)	71.32 (58.70)
3	Upgradation to restructured standard category during current FY	No. of Borrowers Amount	17 (7)	-7 (-)	-10 (-)	- (-)	-8 (-)	-10 (-)	- (-)	- (-)
	Amount outstanding	0.62 (0.29)	-0.36 (-0.29)	-0.26 (-)	- (-)	- (-)	-18.73 (0.29)	-18.47 (-0.29)	- (-)	- (-)
	Provision thereon	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers Amount	-16 (-22)	- (-)	- (-)	-16 (-22)	-18 (-25)	- (-)	- (-)	-18 (-25)
	Amount outstanding	-1,130.83 (-9,421.29)	- (-)	- (-)	- (-)	-1,130.83 (-9,421.29)	-1,285.91 (-9,448.90)	- (-)	- (-)	-1,285.91 (-9,448.90)
	Provision thereon	-28.19 (-4.31)	- (-)	- (-)	- (-)	-28.19 (-4.31)	-28.19 (-4.54)	- (-)	- (-)	-28.19 (-4.54)
5	Downgradations of restructured accounts during current FY	No. of Borrowers Amount	-5 (-9)	-73 (-1)	47 (-79)	- (-)	-14 (-13)	-80 (-1)	63 (-78)	31 (92)
	Amount outstanding	-675.75 (-39.38)	631.60 (-1,256.52)	43.65 (-42.68)	0.50 (1,338.58)	- (-)	-678.13 (-409.83)	564.29 (-1,440.27)	113.34 (-129.72)	0.50 (1,979.82)
	Provision thereon	-11.57 (-1.17)	10.62 (-15.18)	0.45 (10.96)	0.50 (5.39)	- (-)	-11.62 (-1.52)	1.84 (-24.35)	9.28 (20.48)	0.50 (5.39)
	Provision thereon	-5 (-43)	-24 (-21)	-162 (-520)	-41 (-29)	-232 (-803)	-29 (-60)	-77 (-244)	-218 (-575)	-45 (-35)
	Amount outstanding	-483.01 (-157.41)	-126.56 (-2,650.27)	-5,601.59 (-21,678.71)	-454.17 (-1,505.78)	-6,665.33 (-25,992.17)	-494.84 (-361.87)	-135.40 (-2,960.38)	-9,945.80 (-33,463.39)	-619.94 (-1,739.76)
	Provision thereon	-95.96 (-69.35)	-0.28 (-64.58)	-2.36 (-174.37)	-2.19 (-4.24)	-100.79 (-312.54)	-97.98 (-82.93)	-0.65 (-107.73)	-20.21 (-381.07)	-2.46 (-4.63)
	Provision thereon	5,104 (300)	184 (227)	682 (786)	162 (171)	6,132 (1484)	5,892 (332)	829 (972)	184 (197)	7,201 (1895)
7	Total Restructured Accounts as on 31 st March, 2020 (Closing Position)	No. of Borrowers Amount	2,199.61 (3,909.81)	536.32 (29.83)	2,479.42 (8,004.74)	349.51 (803.16)	5,564.86 (12,747.54)	753.82 (337.15)	4,858.18 (14,656.62)	846.92 (1,466.35)
	Amount outstanding	183.85 (319.57)	76.80 (0.85)	15.41 (15.23)	2.60 (4.05)	278.66 (339.70)	193.26 (330.77)	76.80 (7.29)	31.67 (40.11)	2.60 (4.32)
	Provision thereon	319.57 (350.99)	0.85 (80.14)	15.23 (170.62)	4.05 (0.64)	339.70 (602.39)	7.28 (135.15)	40.11 (892.24)	4.32 (1.03)	382.50 (904.69)

Note:

- Increase in outstanding of ₹ 572 crore (Previous Year ₹ 8,263.39 crore) included in Fresh Additions.
- Closure of ₹ 5,616 crore (Previous Year ₹ 27,360.50 crore) and decrease in Outstanding of ₹ 597 crore (Previous Year ₹ 1,133.75 crore) is included in Write off.
- Total Column does not include standard assets moved out of higher provisioning.

- d) As per RBI circular no. DBR.No.BP. BC.18/21.04.048/2018-19 dated 01.01.2019, the details of restructured MSME accounts is as below:-

(₹ in crore)

Particulars	Current Year	Previous Year
No. of accounts restructured	60,057	17,419
Aggregate outstanding	2,872.49	627.64

- e) Details of Technical Write-offs and the recoveries made thereon:

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	Opening balance of Technical/Prudential written-off accounts as at April 1	5,139.76	4,537.11
ii	Add: Technical/ Prudential write-offs during the year	-	5,139.76
iii	Sub-total (A)	5,139.76	9,676.87
iv	Less: Recoveries made/ Actual written off from previously technical/prudential written-off accounts during the year (B)	5,139.76	4,537.11
v	Closing balance as at 31 st March (A-B)	-	5,139.76

- f) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	No. of Accounts	32	47
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	101.17	2,227.88
iii	Aggregate consideration*	1,236.62	4,330.99
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain /(loss) over net book value #	1,135.45	2,103.11

* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value as per RBI Guidelines.

Includes amount of ₹ Nil (Previous Year ₹ 4.11 crore) credited to charges/ (interest) account.

- g) Excess Provision reversed to Profit & Loss Account on account of Sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC)

(₹ in crore)

Particulars	Current Year	Previous Year
Excess Provision reversed to P&L Account in case of Sale of NPAs	170.82	1,075.12

- h) Details of non-performing financial assets purchased

(₹ in crore)

Particulars	Current Year	Previous Year
1) (a) No. of Accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2) (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

- i) Details of non-performing financial assets sold

(₹ in crore)

Particulars	Current Year	Previous Year
1) No. of Accounts sold	15	29
2) Aggregate outstanding	551.59	6,545.21
3) Aggregate consideration received	271.15	3,155.43

- j) Provision on Standard Assets:

(₹ in crore)

Particulars	Current Year	Previous Year
Provision towards Standard Assets	11,544.24	12,396.68

18.5 Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	6.45%	6.55%
ii. Non-interest income as a percentage to Working Funds	1.13%	0.99%
iii. Operating Profit as a percentage to Working Funds	1.71%	1.49%
iv. Return on Assets*	0.38%	0.02%
v. Business (Deposits plus advances) per employee (₹ in crore)	21.05	18.77
vi. Profit per employee (₹ in thousands)	578.98	33.39

* (on net-assets basis)

18.6 Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March, 2020

(₹ in crore)

	Day1	2-7 Days	8-14 Days	15 to 30 days and upto 2 months	Over 31 days and upto 3 months	Over 2 months and upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 Year	Over 1 Year & upto 3 years	Over 3 Years & upto 5 years	Over 5 Years	Total
Deposits	50,412.96	89,018.26	48,210.68	82,393.15	1,26,563.94	1,09,843.95	3,16,203.23	6,02,960.92	5,92,806.58	3,24,913.60	8,98,293.46	32,41,620.73
	(20,801.66)	(67,397.57)	(38,395.92)	(70,124.55)	(1,09,112.89)	(1,04,290.94)	(2,80,613.69)	(5,56,965.57)	(5,31,671.81)	(3,03,630.51)	(8,28,380.90)	(29,11,386.01)
Advances	57,442.98	14,151.74	16,608.14	31,096.94	42,616.30	44,774.93	75,159.25	1,16,239.21	10,82,113.87	2,09,766.10	6,35,320.10	23,25,289.56
	(23,338.39)	(13,259.37)	(10,239.57)	(38,815.39)	(31,390.31)	(33,817.93)	(69,805.47)	(1,00,265.25)	(10,91,890.56)	(2,90,220.65)	(4,82,834.03)	(21,85,876.92)
Investments	188.13	4,423.08	3,965.20	17,133.59	20,404.80	33,033.97	45,189.57	70,272.40	182,741.13	1,55,126.51	5,14,476.14	10,46,954.52
	(22.36)	(6,432.46)	(2,525.26)	(13,582.82)	(8,105.72)	(22,921.96)	(25,099.70)	(42,890.15)	(1,66,758.51)	(1,81,538.37)	(4,97,144.64)	(9,67,021.95)
Borrowings	915.24	13,829.39	4,180.76	9,892.09	20,370.67	27,941.89	41,265.36	55,907.52	78,368.05	49,093.15	12,891.53	3,14,655.65
	(16,679.67)	(89,536.61)	(3,684.07)	(20,965.35)	(57,773.72)	(20,810.07)	(27,681.37)	(34,911.01)	(47,258.20)	(28,896.05)	(54,821.00)	(4,03,017.12)
Foreign Currency Assets #	44,464.27	5,354.64	8,137.20	20,603.01	25,000.46	23,193.94	36,944.55	43,842.32	1,12,403.17	83,445.52	47,435.08	4,50,824.16
	(43,190.02)	(3,268.05)	(3,451.22)	(10,523.17)	(18,236.76)	(16,732.11)	(35,576.40)	(41,045.46)	(95,815.96)	(83,623.23)	(39,988.32)	(3,91,450.70)
Foreign Currency Liabilities \$	25,950.88	15,075.64	8,027.84	18,994.07	29,216.63	35,828.10	54,776.09	62,965.89	64,113.98	46,576.87	13,758.15	3,75,284.14
	(24,255.18)	(17,027.04)	(4,671.82)	(29,440.95)	(23,767.03)	(29,231.40)	(40,986.24)	(65,749.56)	(59,114.18)	(47,839.17)	(15,742.68)	(3,57,825.25)

Foreign Currency Assets and Liabilities represent advances and investments (net of provision thereof).

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st March, 2019).

18.7 Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

a) Real Estate Sector

(₹ in crore)

Particulars	Current Year	Previous Year
I Direct exposure		
i) Residential Mortgages	3,58,599.62	3,28,969.21
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	3,58,599.62	3,28,969.21
Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 35 lac) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 25 lacs) in other centres for purchase/construction of dwelling unit per family.	1,50,689.19	1,54,846.41
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits.	31,607.67	38,764.19
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	9,781.26	-
a) Residential	-	-
b) Commercial Real Estate	9,781.26	-
II Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,07,004.65	96,683.37
Total Exposure to Real Estate Sector	5,06,993.20	4,64,416.77

b) Capital Market

(₹ in crore)

Particulars	Current Year	Previous Year
1) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	8,534.42	8,438.87
2) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	19.16	24.41
3) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	93.49	26.07
4) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	975.44	8,114.07
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	14.09	135.91
6) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	13.82	1.68
7) Bridge loans to companies against expected equity flows/issues.	Nil	Nil
8) Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9) Financing to stockbrokers for margin trading.	Nil	0.13
10) Exposures to Venture Capital Funds (both registered and unregistered)	3,352.74	2,185.02
Total Exposure to Capital Market	13,003.16	18,926.16

c) Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

(₹ in crore)

Risk Category	Net Funded Exposure		Provision held	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Insignificant	16,716.77	90,015.33	Nil	121.06
Very Low	1,56,986.73	53,189.73	145.81	Nil
Low	20,546.89	11,366.00	Nil	Nil
Medium	8,326.76	17,523.32	Nil	Nil
High	21,883.14	7,126.62	Nil	Nil
Very High	10,242.33	8,314.33	Nil	Nil
Restricted	318.01	1,299.06	Nil	Nil
TOTAL	2,35,020.63	1,88,834.39	145.81	121.06

d) Single Borrower and Group Borrower exposure limits exceeded by the Bank

The Bank had taken single borrower exposure & Group Borrower exposure within the prudential limit prescribed by RBI.

e) Unsecured Advances

(₹ in crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a) Total Unsecured Advances of the bank	5,59,246.43	5,22,939.34
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	Nil	Nil
ii) The estimated value of such intangible securities (as in (i) above).	Nil	Nil

18.8 Miscellaneous

a. Disclosure of Penalties

- Reserve Bank of India has imposed an aggregate penalty of ₹ 7.00 crore on the Bank for non-compliance of directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms etc.
- Reserve Bank of India has imposed a penalty of ₹ 0.50 crore on the Bank for non-compliance with its directions relating to reporting of frauds.

b. Penalty for Bouncing of SGL forms

No penalty has been levied on the Bank for bouncing of SGL Forms.

18.9 Disclosure Requirements as per the Accounting Standards

a) Accounting Standard – 5 “Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies”

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended 31st March 2020 as compared to those followed in the previous financial year 2018-19 except in respect of investment in associates. This change does not have any impact on the financial results for the year ended 31st March 2020.

b) Accounting Standard – 15 “Employee Benefits”

i. Defined Benefit Plans

1. Employee’s Pension Plan and Gratuity Plan

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April, 2019	95,362.15	87,786.56	12,189.05	12,872.60
Current Service Cost	953.34	1,060.57	447.17	410.51
Interest Cost	7,428.71	6,812.24	947.09	1,001.49
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	13,619.61	6,434.95	1,224.38	(107.62)
Benefits paid	(3,914.34)	(3,966.53)	(1,955.13)	(1,987.93)
Direct Payment by Bank	(3,619.10)	(2,765.64)	-	-
Closing defined benefit obligation at 31 st March, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
Change in Plan Assets				
Opening fair value of Plan Assets as at 1 st April, 2019	90,399.61	85,249.60	10,326.00	9,140.76
Expected Return on Plan Assets	7,015.01	6,615.37	803.36	711.15
Contributions by employer	2,407.68	2,391.18	1,146.88	2,359.86
Expected Contributions by the employees	0.28	0.34	-	-
Benefits Paid	(3,914.34)	(3,966.53)	(1,955.13)	(1,987.93)
Actuarial Gains / (Loss) on plan Assets	1,550.28	109.65	249.84	102.16
Closing fair value of plan assets as at 31 st March, 2020	97,458.52	90,399.61	10,570.95	10,326.00
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31 st March, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
Fair Value of Plan assets at 31 st March, 2020	97,458.52	90,399.61	10,570.95	10,326.00
Deficit/(Surplus)	12,371.85	4,962.54	2,281.61	1,863.05
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,281.61	1,863.05
Amount Recognised in the Balance Sheet				
Liabilities	1,09,830.37	95,362.15	12,852.56	12,189.05
Assets	97,458.52	90,399.61	10,570.95	10,326.00
Net Liability / (Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,281.61	1,863.05
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,281.61	1,863.05
Net Cost recognised in the profit and loss account				
Current Service Cost	953.34	1,060.57	447.17	410.51
Interest Cost	7,428.71	6,812.24	947.09	1,001.49
Expected return on plan assets	(7,015.01)	(6,615.37)	(803.36)	(711.15)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Expected Contributions by the employees	(0.28)	(0.34)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	2,707.50
Net actuarial losses (Gain) recognised during the year	12,069.33	6,325.30	974.54	(209.78)
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	13,436.09	7,582.40	1,565.44	3,198.57
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	7,015.01	6,615.37	803.36	711.15
Actuarial Gain/ (loss) on Plan Assets	1,550.28	109.65	249.84	102.16
Actual Return on Plan Assets	8,565.29	6,725.02	1,053.20	813.31
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1 st April, 2019	4,962.54	2,536.96	1,863.05	1,024.34
Expenses as recognised in profit and loss account	13,436.09	7,582.40	1,565.44	3,198.57
Paid by Bank Directly	(3,619.10)	(2,765.64)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,407.68)	(2,391.18)	(1,146.88)	(2,359.86)
Net liability/(Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,281.61	1,863.05

Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March, 2020 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.60%	19.42%
State Govt. Securities	36.89%	36.84%
Debt Securities, Money Market Securities and Bank Deposits	30.68%	26.35%
Mutual Funds	3.36%	3.53%
Insurer Managed Funds	2.56%	10.85%
Others	2.91%	3.01%
TOTAL	100.00%	100.00%

Principal actuarial assumptions

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.83%	7.79%
Expected Rate of return on Plan Asset	6.83%	7.79%
Salary Escalation Rate	5.40%	5.20%
Pension Escalation Rate	0.80%	0.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

Principal actuarial assumptions

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Expected Rate of return on Plan Asset	6.84%	7.77%
Salary Escalation Rate	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

Surplus/ Deficit in the Plan**Gratuity Plan**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
Liability at the end of the year	7,332.14	7,291.02	12,872.60	12,189.05	12,852.56
Fair value of Plan Assets at the end of the year	6,879.77	7,281.18	9,140.76	10,326.00	10,570.95
Difference	452.37	9.84	3,731.84	1,863.05	2,281.61
Unrecognised Past Service Cost	-	-	2,707.50	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	452.37	9.84	1,024.34	1,863.05	2,281.61

Experience adjustment

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
On Plan Liability (Gain) /Loss	326.09	10.62	399.62	(212.11)	382.17
On Plan Asset (Loss) /Gain	(43.09)	182.34	(25.96)	102.16	249.84

Surplus/Deficit in the plan**Pension**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
Liability at the end of the year	59,151.41	67,824.90	87,786.56	95,362.15	1,09,830.37
Fair value of Plan Assets at the end of the year	53,410.37	64,560.42	85,249.60	90,399.61	97,458.52
Difference	5,741.04	3,264.48	2,536.96	4,962.54	12,371.85
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	5,741.04	3,264.48	2,536.96	4,962.54	12,371.85

Experience adjustment

(₹ in crore)

On Plan Liability (Gain) /Loss	5,502.35	3,007.59	4,439.54	3,642.57	4,078.53
On Plan Asset (Loss) /Gain	(162.93)	2,246.60	(135.07)	109.65	1,550.28

The expected contribution to the Pension and Gratuity fund for next year is ₹ 2,348.90 crore and ₹ 1,383.89 crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

2. Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2019-20.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April, 2019	30,487.93	29,934.63
Current Service Cost	1,017.99	943.07
Interest Cost	2,455.49	2,475.08
Employee Contribution (including VPF)	1,104.84	1,330.76
Actuarial losses/(gains)	208.49	-
Benefits paid	(4,086.25)	(4,195.61)
Closing defined benefit obligation at 31 st March, 2020	31,188.49	30,487.93
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st April, 2019	32,179.93	31,502.49
Expected Return on Plan Assets	2,455.49	2,475.08
Contributions	2,122.82	2,273.83
Provision for loss on maturity of non-performing investment	(467.66)	-
Benefits Paid	(4,086.25)	(4,195.61)
Actuarial Gains / (Loss) on plan Assets	(100.11)	124.14
Closing fair value of plan assets as at 31 st March, 2020	32,104.22	32,179.93
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31 st March, 2020	31,188.49	30,487.93
Fair Value of Plan assets at 31 st March, 2020	32,104.22	32,179.93
Deficit/(Surplus)	(915.73)	(1,692.00)
Net Asset not recognised in Balance Sheet	915.73	1,692.00
Net Cost recognised in the profit and loss account		
Current Service Cost	1,017.99	943.07
Interest Cost	2,455.49	2,475.08
Expected return on plan assets	(2,455.49)	(2,475.08)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,017.99	943.07
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2019	-	-
Expense as above	1,017.99	943.07
Employer's Contribution	(1,017.99)	(943.07)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31st March, 2020 are as follows:

Category of Assets	Provident Fund	
	% of Plan Assets	
Central Govt. Securities	34.72%	
State Govt. Securities	28.12%	
Debt Securities, Money Market Securities and Bank Deposits	31.20%	
Mutual Funds	2.62%	
Others	3.34%	
TOTAL	100.00%	

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Guaranteed Return	8.50%	8.55%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.40%	5.20%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or
- three percent per annum, subject to approval of Executive Committee.

ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2019-20, the Bank has contributed ₹ 541.97 crore (Previous Year ₹ 451.39 crore).

iii. Long Term Employee Benefits (Unfunded Obligation):**(A) Accumulating Compensated Absences (Privilege Leave)**

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April, 2019	6,870.40	6,242.18
Current Service Cost	284.97	259.33
Interest Cost	533.83	485.64
Actuarial losses/(gains)	769.88	741.53
Benefits paid	(926.04)	(858.28)
Closing defined benefit obligation at 31 st March, 2020	7,533.04	6,870.40
Net Cost recognised in the profit and loss account		
Current Service Cost	284.97	259.33
Interest Cost	533.83	485.64

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Actuarial (Gain)/ Losses	769.88	741.53
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,588.68	1,486.50
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2019	6,870.40	6,242.18
Expense as above	1,588.68	1,486.50
Employer's Contribution	-	-
Benefit paid directly by the Employer	(926.04)	(858.28)
Net Liability/(Asset) Recognized In the Balance Sheet	7,533.04	6,870.40

Principal actuarial assumptions

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

(B) Other Long Term Employee Benefits

Amount of ₹ 21.71 crore (Previous Year ₹ 21.53 crore) is provided towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employee Benefits during the year:

(₹ in crore)

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	20.00	35.00
2	Sick Leave	-	-
3	Silver Jubilee Award	3.91	(1.47)
4	Resettlement Expenses on Superannuation	1.01	(4.15)
5	Casual Leave	-	-
6	Retirement Award	(3.21)	(7.85)
TOTAL		21.71	21.53

Principal actuarial assumptions

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

c) Accounting Standard – 17 “Segment Reporting”

1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

ii. Treasury –

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

iii. Corporate / Wholesale Banking –

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iv. Retail Banking –

The Retail Banking Segment comprises of retail branches, which primarily includes Personal

Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

v. Other Banking business –

Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

III. Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/ Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

IV. Allocation of Expenses, Assets and Liabilities

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

2. Segment Information
Part A: Primary (Business Segments)

(₹ in crore)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Revenue (before exceptional items) #	75,054.51	90,248.46	1,30,906.66	-	2,96,209.63
	(77,651.11)	(78,599.78)	(1,20,968.24)	(-)	(2,77,219.13)
Unallocated Revenue #					119.80
					(863.86)
Total Revenue #					2,96,329.43
					(2,78,082.99)
Result (before exceptional items) #	9,446.53	(-) 3,996.75	18,058.78	-	23,508.56
	(6,831.17)	(-16,262.12)	(12,730.51)	(-)	(3,299.56)
Add: Exceptional Items #	6,215.64				6,215.64
	(473.12)				(473.12)
Result (after exceptional items) #	15,662.17	(-) 3,996.75	18,058.78	-	29,724.20
	(7304.29)	(-16,262.12)	(12,730.51)	(-)	(3,772.68)
Unallocated Income(+) / Expenses(-) - net #					(-) 4,661.44
					(-2,165.20@)
Profit before tax #					25,062.76
					(1,607.48)
Tax #					10,574.65
					(745.25)
Extraordinary Profit #					Nil
					Nil
Net Profit #					14,488.11
					(862.23)
Other Information:					
Segment Assets *	11,34,532.91	11,77,636.15	15,80,600.47	-	38,92,769.53
	(10,02,841.57)	(11,33,271.13)	(14,91,676.59)	(-)	(36,27,789.29)
Unallocated Assets *					58,624.39
					(53,124.96)
Total Assets*					39,51,393.92
					(36,80,914.25)
Segment Liabilities *	10,18,341.71	11,62,918.88	14,60,117.68	-	36,41,378.27
	(8,37,911.69)	(11,64,572.02)	(13,89,432.28)	(-)	(33,91,915.99)
Unallocated Liabilities*					78,008.22
					(68,084.44)
Total Liabilities *					37,19,386.49
					(34,60,000.43)

(Figures in brackets are for previous year) .

@ Includes exceptional item of ₹ 1,087.43 crores.

Part B: Secondary (Geographic Segments)

(₹ in crore)

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	2,81,486.59	2,63,866.57	14,842.84	14,216.42	2,96,329.43	2,78,082.99
Net Profit#	10,332.81	(-) 3,075.19	4,155.30	3,937.42	14,488.11	862.23
Assets *	35,11,389.86	32,85,791.00	4,40,004.06	3,95,123.25	39,51,393.92	36,80,914.25
Liabilities*	32,79,382.43	30,64,877.18	4,40,004.06	3,95,123.25	37,19,386.49	34,60,000.43

For the year ended 31st March, 2020.* As at 31st March, 2020.**d) Accounting Standard – 18 “Related Party Disclosures”****1. Related Parties****A. SUBSIDIARIES****i. FOREIGN BANKING SUBSIDIARIES**

1. Commercial Indo Bank LLC, Moscow
2. Bank SBI Botswana Limited
3. SBI Canada Bank
4. State Bank of India (California)
5. State Bank of India (UK) Limited
6. SBI (Mauritius) Ltd.
7. PT Bank SBI Indonesia
8. Nepal SBI Bank Ltd.

ii. DOMESTIC NON-BANKING SUBSIDIARIES

1. SBI Capital Markets Ltd.
2. SBICAP Securities Ltd.
3. SBICAP Trustee Company Ltd.
4. SBICAP Ventures Ltd.
5. SBI DFHI Ltd.
6. SBI Global Factors Ltd.
7. SBI Infra Management Solutions Pvt. Ltd.
8. SBI Mutual Fund Trustee Company Pvt. Ltd.
9. SBI Payment Services Pvt. Ltd.
10. SBI Pension Funds Pvt. Ltd.
11. SBI Life Insurance Company Ltd.
12. SBI General Insurance Company Ltd.
13. SBI Cards and Payment Services Ltd.
14. SBI – SG Global Securities Services Pvt. Ltd.
15. SBI Funds Management Pvt. Ltd.
16. SBI Foundation.

iii. FOREIGN NON-BANKING SUBSIDIARIES

1. SBICAP (Singapore) Ltd.
2. SBICAP (UK) Ltd.
3. SBI Funds Management (International) Pvt. Ltd.
4. State Bank of India Servicios Limitada
5. Nepal SBI Merchant Banking Ltd.

B. JOINTLY CONTROLLED ENTITIES

1. C-Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Ltd.

C. ASSOCIATES**i. Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Purvanchal Bank
10. Saurashtra Gramin Bank
11. Utkal Grameen Bank
12. Uttarakhand Gramin Bank
13. Jharkhand Rajya Gramin Bank
14. Rajasthan Marudhara Gramin Bank
15. Telangana Grameena Bank

ii. Others

1. SBI Home Finance Ltd.(under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.
4. Yes Bank Ltd. (from 14th March 2020)

D. Key Management Personnel of the Bank

1. Shri Rajnish Kumar, Chairman
2. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
3. Shri Dinesh Kumar Khara, Managing Director (Global Banking & Subsidiaries)
4. Shri Arijit Basu, Managing Director (Commercial Clients Group & IT)
5. Ms. Anshula Kant, Managing Director (Stressed Assets, Risk and Compliance) 01.04.2019 to 31.08.2019.
6. Shri Challa Sreenivasulu Setty, Managing Director (Stressed Assets) w.e.f. 20.01.2020

2. Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

3. Transactions and Balances

(₹ in crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
A. Outstanding as at 31st March,2020			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	746.45 (46.09)	Nil (Nil)	746.45 (46.09)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Maximum outstanding during the year			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	767.06 (206.16)	Nil (Nil)	767.06 (206.16)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
During the year ended 31st March,2020			
Interest Income	4.89 (Nil)	Nil (Nil)	4.89 (Nil)
Interest expenditure	0.82 (Nil)	Nil (Nil)	0.82 (Nil)
Income earned by way of dividend	17.88 (21.78)	Nil (Nil)	17.88 (21.78)
Other Income	0.74 (0.73)	Nil (Nil)	0.74 (0.73)
Other expenditure	Nil (Nil)	Nil (Nil)	Nil (Nil)
Profit/(loss) on sale of land/building and other assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
Management contracts	Nil (Nil)	1.38 (1.32)	1.38 (1.32)

Figures in brackets are for Previous Year.

There are no materially significant related party transactions during the year.

e) Accounting Standard – 19 “Leases”

Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

- (i) Liability for Premises taken on Non-Cancellable operating lease are given below

(₹ in crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Not later than 1 year	116.77	136.94
Later than 1 year and not later than 5 years	399.69	485.41
Later than 5 years	104.46	110.90
TOTAL	620.92	733.25

- (ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹ 3,338.32 crore (₹ 3,309.41 crore).

f) Accounting Standard -20 “Earnings per Share”

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - “Earnings per Share”. “Basic earnings” per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,45,87,534
Number of Equity Shares issued during the year	Nil	24,000
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,46,11,534
Weighted average number of equity shares used in computing basic earnings per share	892,46,11,534	892,45,91,479
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,45,91,479
Net profit / (loss) (₹ in crore)	14,488.11	862.23
Basic earnings per share (₹)	16.23	0.97
Diluted earnings per share (₹)	16.23	0.97
Nominal value per share (₹)	1	1

g) Accounting Standard – 22 “Accounting for Taxes on Income”

a. Current Tax :-

During the year the Bank has debited to Profit & Loss Account ₹ 3,063.67 crore (Previous Year ₹ 208.87 crore credited) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

b. Deferred Tax :-

During the year, ₹ 7,510.99 crore has been debited to Profit and Loss Account (Previous Year ₹ 954.12 crore) on account of deferred tax.

The Bank has a net DTA of ₹ 2,927.28 crore (Previous Year net DTA of ₹ 10,420.16 crore), which comprises of DTL of ₹ 6.16 crore (Previous Year ₹ 2.33 crore) included under ‘Other Liabilities and Provisions’ and Deferred Tax Assets (DTA) of ₹ 2,933.44 crore (Previous Year ₹ 10,422.49 crore) included under ‘Other Assets’. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Deferred Tax Assets (DTA)		
Provision for long term employee Benefits	6,425.50	5,321.84
Provision for advances	2,757.68	4,142.69
Provision for Other Assets/Other Liability	665.72	753.11
On Accumulated losses (including erstwhile ABs)	-	10,741.74
On Foreign Currency Translation Reserve	809.99	235.77
Depreciation on Fixed Assets	116.18	29.53
On account of Foreign Offices	253.17	277.67
TOTAL	11,028.24	21,502.35
Deferred Tax Liabilities (DTL)		
Interest accrued but not due on Securities	4,563.17	6,389.76
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,531.63	4,690.10
On account of Foreign Offices	6.16	2.33
TOTAL	8,100.96	11,082.19
Net Deferred Tax Assets/(Liabilities)	2,927.28	10,420.16

- c. While recognising provision for income tax for the year ended 31st March 2020, the Bank has exercised the option of lower tax rate permitted under Section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Bank has re-measured its Deferred Tax Assets at 31st March, 2019 based on the tax rate prescribed in the said section and has reversed the MAT credit no longer available to it. The impact of these changes is a one-time charge of ₹ 3,392.31 crore which is included in Tax expenses of the Bank.

h) Accounting Standard – 27 “Financial Reporting of interests in Joint Ventures”

Investments include ₹ 97.66 crore (Previous Year ₹ 97.66 crore) representing Bank’s interest in the following jointly controlled entities.

Sr. No	Name of the Company	Amount ₹ in crore	Country of Residence	Holding %
1	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
4	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
5	Macquarie SBI Infrastructure Trustee Ltd. #	- (-)	Bermuda	45%
6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
7	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%
8	Jio Payments Bank	69.60 (69.60)	India	30%

Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.

(Figures in brackets relate to previous year).

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank’s interests in jointly controlled entities are disclosed as under:

(₹ in crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Liabilities		
Capital & Reserves	242.72	214.01
Deposits	6.25	5.50
Borrowings	-	8.04
Other Liabilities & Provisions	59.47	56.99
TOTAL	308.44	284.54
Assets		
Cash and Balances with RBI	1.28	0.65
Balances with Banks and money at call and short notice	88.68	70.48
Investments	104.74	90.95
Advances	-	-
Fixed Assets	32.19	28.53
Other Assets	81.55	93.93
TOTAL	308.44	284.54
Capital Commitments	-	-
Other Contingent Liabilities	0.56	2.63
Income		
Interest earned	9.75	8.70
Other income	184.37	188.09
TOTAL	194.12	196.79
Expenditure		
Interest expended	0.28	0.20
Operating expenses	133.69	120.78
Provisions & contingencies	14.70	22.95
TOTAL	148.67	143.93
Profit	45.45	52.86

i) Accounting Standards – 28 “Impairment of Assets”

In the opinion of the Bank’s Management, there is no indication of impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.

j) Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”

Description of Contingent liabilities:

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Bank is contingently liable	The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

k) Movement of provisions against Contingent Liabilities

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	525.26	503.16
Additions during the year	137.17	112.81
Amount utilised during the year	5.30	51.51
Unused amount reversed during the year	28.51	39.20
Closing balance	628.62	525.26

18.10 Additional Disclosures

1. Provisions and Contingencies

(₹ in crore)

Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account	Current Year	Previous Year
Provision for Taxation		
- Current Tax	2,803.14	491.13
- Deferred Tax	7,510.99	954.12
- Write Back/Additional Provision of Income Tax	260.53	(-) 700.00
Provision for Depreciation on Investments	538.55	(-) 762.09
Provision on Non-Performing Assets	42,997.50	54,617.72
Provision on Restructured Assets	(-) 221.54	(-) 88.66
Provision on Standard Assets	(-) 877.40	(-) 74.55
Other Provisions	632.73	136.13
TOTAL	53,644.50	54,573.80

2. Floating Provisions

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	193.75
Addition during the year	-	-
Draw down during the year	-	-
Closing Balance	193.75	193.75

3. Draw down from Reserves

During the year, no draw down has been made from reserves.

4. Disclosure of complaints**A. Customer complaints (including complaints relating to ATM transactions)**

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
No. of complaints pending at the beginning of the year	1,39,029	79,259
No. of complaints received during the year	38,08,400	42,21,491
No. of complaints redressed during the year	37,71,372	41,61,721
No. of complaints pending at the end of the year	1,76,057	1,39,029

Does not include complaints redressed within one working day.

B. Awards passed by the Banking Ombudsman

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	5	8
No. of Awards passed by the Banking Ombudsman during the year	15	19
No. of Awards implemented during the year	16	22
No. of unimplemented Awards at the end of the year	4	5

5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

6. Letter of Comfort

The Bank has not issued any letter of comfort which are not recorded as contingent liabilities during the year ended 31st March, 2020 and 31st March, 2019.

7. Provisioning Coverage Ratio (PCR):

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March, 2020 is 83.62 % (Previous Year 78.73 %).

8. Fees/remuneration received in respect of the bancassurance business

(₹ in crore)

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	1,116.93	951.90
SBI General Insurance Co. Ltd.	314.52	270.86
NTUC and Manu Life Financial Limited	0.86	1.20
Tokio Marine and ACE	2.31	1.63
Unit Trust and LIC	0.35	0.47
AIA Singapore	1.12	0.64
TOTAL	1,436.09	1,226.70

9. Concentration of Deposits, Advances, Exposures & NPAs (computed as per directions of RBI)**a) Concentration of Deposits**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	95,385.85	90,609.54
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	2.94%	3.11%

b) Concentration of Advances

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	3,10,707.52	2,89,222.17
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	12.82%	12.61%

c) Concentration of Exposures

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	5,25,714.23	4,47,140.43
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	13.93%	12.80%

d) Concentration of NPAs

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	25,880.11	30,314.49

10. Sector –wise Advances

(₹ in crore)

Sr. Sector No.	Current Year			Previous year		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A Priority Sector						
1 Agriculture & allied activities	2,04,185.71	32,558.27	15.95	1,99,789.60	23,335.83	11.68
2 Industry (Micro & Small, Medium and Large)	1,01,080.54	18,738.88	18.54	97,116.64	12,545.61	12.92
3 Services	83,870.61	5,289.20	6.31	99,232.43	9,674.48	9.75
4 Personal Loans	1,66,800.34	3,131.18	1.88	1,59,419.70	2,882.01	1.81
Sub-total (A)	5,55,937.20	59,717.53	10.74	5,55,558.37	48,437.93	8.72
B Non Priority Sector						
1 Agriculture & allied activities	2,235.29	229.81	10.28	19,403.93	89.00	0.46
2 Industry (Micro & Small, Medium and Large)	10,54,285.42	74,644.63	7.08	9,75,896.74	1,12,411.63	11.52
3 Services	2,21,642.21	9,686.06	4.37	2,47,541.38	8,007.30	3.23
4 Personal Loans	5,88,744.65	4,813.82	0.82	4,95,053.70	3,804.50	0.77
Sub-total (B)	18,66,907.57	89,374.32	4.79	17,37,895.75	1,24,312.43	7.15
C Total (A+B)	24,22,844.77	1,49,091.85	6.15	22,93,454.12	1,72,750.36	7.53

11. Overseas Assets, NPAs and Revenue

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	4,40,004.06	3,95,123.25
2	Total NPAs (Gross)	1,650.16	1,937.19
3	Total Revenue	14,842.84	14,216.42

12. Off-balance Sheet SPVs sponsored

	Name of the SPV Sponsored	
	Domestic	Overseas
Current Year	NIL	NIL
Previous Year	NIL	NIL

13. Disclosure relating to Securitisation

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		Number	Amount	Number	Amount
1.	No. of the SPVs sponsored by the Bank for securitization transactions	Nil	Nil	Nil	Nil
2.	Total amount of securitized assets as per the books of the SPVs sponsored by the bank	Nil	Nil	Nil	Nil
3.	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				
4.	Amount of exposures to securitisation transactions other than MMR	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
	b) On-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				

14. Credit Default Swaps

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
1.	No. of transactions during the year	NIL	NIL	NIL	NIL
	a) of which transactions that are/may be physically settled				
	b) cash settled				
2.	Amount of protection bought / sold during the year	NIL	NIL	NIL	NIL
	a) of which transactions which are/ may be physically settled				
	b) cash settled				
3.	No. of transactions where credit event payment was received / made during the year	NIL	NIL	NIL	NIL
	a) pertaining to current year's transactions				
	b) pertaining to previous year(s)' transactions				
4.	Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date:	NIL	NIL	NIL	NIL
	a) premium paid / received				
	b) Credit event payments:				
	• made (net of the value of assets realised)				
	• received (net of value of deliverable obligation)				
5.	Outstanding transactions as on 31 st March:	NIL	NIL	NIL	NIL
	a) No. of Transactions				
	b) Amount of protection				
6.	Highest level of outstanding transactions during the year:	NIL	NIL	NIL	NIL
	a) No. of Transactions (as on 1 st April)				
	b) Amount of protection (as on 1 st April)				

15. Intra-Group Exposures:

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Total amount of intra-group exposures	32,578.25	27,765.01
ii	Total amount of top-20 intra-group exposures	32,577.04	27,765.01
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.86%	0.79%
iv	Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

16. Unclaimed Liabilities transferred to Depositor Education and Awareness Fund (DEA Fund)

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	2,852.66	2,125.62
Add : Amounts transferred to DEA Fund during the year	557.22	736.65
Less : Amounts reimbursed by DEA Fund towards claims	22.23	9.61
Closing balance of amounts transferred to DEA Fund	3,387.65	2,852.66

17. Unhedged Foreign Currency Exposure

The Bank in accordance with RBI Circular No. DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 on 'Capital and Provisioning Requirements for Exposure to entities has provided for Unhedged Foreign Currency Exposure'.

An amount of ₹ 108.84 crore (Previous Year ₹ 98.13 crore) was held as on 31st March 2020 for towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounting to ₹ 28.54 crore (Previous Year ₹ 43.19 crore).

18. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020, the asset classification and provisioning in respect of COVID -19 Regulatory Package is as below:-

(₹ in crore)

Sr. No.	Particulars	Current Year
i.	Respective amounts where the moratorium /deferment was extended	5,63,896.15
ii.	Out of above (i) amount where asset classification benefits is extended	6,250.31
iii.	Provisions made during the year	1,172.00

19. Liquidity Coverage Ratio (LCR):**a) Standalone LCR**

Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

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

Liquid assets comprise of high quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively. The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

Quantitative Disclosure:

LIQUIDITY COVERAGE RATIO

State Bank of India

(₹ in crore)

LCR Components	Quarter ended 31 st March 2020		Quarter ended 31 st December 2019		Quarter ended 30 th September 2019		Quarter ended 30 th June 2019		Quarter ended 31 st March 2019	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS (HQLA)										
1 Total High Quality Liquid Assets(HQLA)		8,92,622		8,55,661		7,78,396		7,14,428		6,99,153
CASH OUTFLOWS										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,15,743	15,787	3,32,079	16,604	3,29,339	16,467	3,25,871	16,294	3,23,269	16,163
(ii) Less Stable Deposits	20,30,618	2,03,062	19,93,593	1,99,359	19,18,518	1,91,852	18,81,901	1,88,190	18,50,120	1,85,012
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	757	189	813	203	712	178	908	227	1,208	302
(ii) Non-operational deposits (all counterparties)	7,27,791	4,42,254	6,85,022	4,05,434	6,77,795	4,04,580	6,65,501	3,97,642	6,35,727	3,73,978
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	1,652	18	128	-	163	-	23,601	9	72,120	54
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,56,235	1,56,235	1,39,378	1,39,378	1,36,479	1,36,479	1,56,233	1,56,233	1,70,833	1,70,833
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	42,467	6,050	46,145	6,787	42,098	6,396	42,285	6,309	39,337	6,053
6 Other contractual funding obligations	34,641	34,641	33,046	33,046	31,839	31,839	30,176	30,176	35,561	35,561
7 Other contingent funding obligations	5,56,385	19,965	5,66,220	20,252	5,46,604	19,520	5,53,283	19,955	5,72,831	20,941
8 TOTAL CASH OUTFLOWS	38,66,288	8,78,200	37,96,424	8,21,063	36,83,547	8,07,311	36,79,759	8,15,033	37,01,005	8,08,896
CASH INFLOWS										
9 Secured lending(eg. Reverse repos)	48,756	-	41,132	-	42,876	-	6,415	-	7,938	-
10 Inflows from fully performing exposures	2,41,553	2,21,788	2,11,675	1,97,465	2,02,274	1,86,506	2,21,243	2,04,882	2,39,416	2,22,009
11 Other cash inflows	42,453	34,750	50,232	42,212	53,284	44,462	49,555	41,558	37,977	31,086
12 TOTAL CASH INFLOWS	3,32,762	2,56,538	3,03,038	2,39,677	2,98,434	2,30,968	2,77,213	2,46,440	2,85,331	2,53,095
13 TOTAL HQLA		8,92,622		8,55,661		7,78,396		7,14,428		6,99,153
14 TOTAL NET CASH OUTFLOWS		6,21,662		5,81,386		5,76,343		5,68,594		5,55,801
15 LIQUIDITY COVERAGE RATIO(%)		143.59%		147.18%		135.06%		125.65%		125.79%

Note 1. In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1st January 2017 and taking 68 days data points for the quarter January March 2020.

Note 2. Bank has implemented OFSAA system whereby computation of daily LCR has been automated for Domestic operation since March 2018.

The LCR position is above the minimum 100% prescribed by RBI. Bank's LCR comes to 143.59% based on daily average of three months (Q4 FY19-20). The average HQLA for the quarter was ₹ 8,92,622 crore, of which, Level 1 assets constituted 94.50% of total HQLA. Government securities constituted 96.99% of Total Level 1 Assets. Level 2A Assets constitutes 4.99% of total HQLA and Level 2B assets constitutes 0.51% of total HQLA. The HQLA level has gone up by ₹ 36,961 crore mainly on account of higher deployment of resources in HQLA during the period. The net cash outflow position has gone up by ₹ 40,276 crore on account of increase in retail deposit and also non-operational deposits from PSE, NFC, Sovereign, other legal entities etc. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was 103.31% on average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank.

All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

b. Consolidated LCR

The RBI through a supplementary guideline issued on 31st March 2015 had stipulated the implementation of LCR at a consolidated level from 1st January 2016. Accordingly, SBI Group has been computing the Consolidated LCR.

The entities covered in the Group LCR are State Bank of India and eight Overseas Banking Subsidiaries: Bank SBI Botswana Ltd, Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, SBI (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group LCR comes out to 144.09% as on 31st March, 2020 based on average of three months January, February and March, 2020.

LIQUIDITY COVERAGE RATIO

State Bank of India Group

(₹ in crore)

LCR Components	Quarter ended 31 st March 2020		Quarter ended 31 st December 2019		Quarter ended 30 th September 2019		Quarter ended 30 th June 2019		Quarter ended 31 st March 2019	
	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets(HQLA)		8,97,905		8,60,122		7,81,476		7,17,540		7,01,837
Cash Outflows										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,23,204	16,160	3,37,819	16,891	3,36,278	16,814	3,32,633	16,632	3,30,107	16,505
(ii) Less Stable Deposits	20,39,846	2,03,985	20,02,188	2,00,219	19,27,051	1,92,705	18,90,551	1,89,055	18,59,217	1,85,922
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	882	220	939	235	822	205	1,024	256	1,333	333
(ii) Non-operational deposits(all counterparties)	7,29,630	4,43,520	6,86,540	4,06,511	6,79,780	4,05,906	6,67,367	3,98,988	6,37,579	3,75,202
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	1,721	87	128	-	163	-	23,601	9	72,120	54
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,56,243	1,56,243	1,39,379	1,39,379	1,36,480	1,36,480	1,56,236	1,56,236	1,70,834	1,70,834
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	44,002	7,007	48,086	7,707	44,661	7,409	44,642	7,334	41,230	6,839
6 Other contractual funding obligations	36,069	36,069	34,086	34,086	32,662	32,662	31,404	31,404	36,556	36,556
7 Other contingent funding obligations	5,58,222	20,021	5,68,053	20,308	5,48,431	19,576	5,55,308	20,017	5,74,764	21,000
8 TOTAL CASH OUTFLOWS	38,89,820	8,83,313	38,17,217	8,25,335	37,06,328	8,11,757	37,02,767	8,19,930	37,23,741	8,13,245
Cash Inflows										
9 Secured lending(eg. Reverse repos)	48,756	-	41,132	-	42,876	-	6,415	-	7,938	-
10 Inflows from fully performing exposures	2,46,736	2,24,450	2,15,832	1,98,971	2,06,377	1,88,101	2,25,721	2,06,750	2,44,205	2,24,094
11 Other cash inflows	43,430	35,712	51,102	43,069	53,894	45,051	50,368	42,344	38,892	31,972
12 Total Cash Inflows	3,38,922	2,60,162	3,08,066	2,42,039	3,03,148	2,33,152	2,82,504	2,49,094	2,91,034	2,56,066
13 TOTAL HQLA		8,97,905		8,60,122		7,81,476		7,17,540		7,01,837
14 TOTAL NET CASH OUTFLOWS		6,23,152		5,83,296		5,78,605		5,70,836		5,57,179
15 LIQUIDITY COVERAGE RATIO(%)		144.09%		147.46%		135.06%		125.70%		125.96%

Note : Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

The Group has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

20. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 44,622.45 crore in 6,964 cases (Previous year ₹ 12,387.13 crore in 2,616 cases) reported during the year, an amount of ₹ 44,419.46 crore in 651 cases (Previous year ₹ 12,310.90 crore in 581 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31st March, 2020 in respect of frauds reported during the year except advance account declared as fraud during the year where Bank has chosen to make provision over four quarters. The unamortised provision amount of ₹ 5,230.37 crore as on 31st March 2020 has been debited to 'Other Reserves' by credit to 'Provisions' in term of RBI circular DBR. No.BP.BC.92/21.04.048/2015-16 dated 18th April 2016.

21. Inter Office Accounts

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

22. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 0.84 crore (Previous Year ₹ 173.37 crore) has been fully charged in the current year.

23. Priority Sector Lending Certificate (PSLC)

The Bank has purchased the following PSLCs during the year:-

(₹ in crore)			
Sr. No.	Category	Current Year	Previous Year
1.	PSLC Micro Enterprises	47,525.75	16,272.75
2.	PSLC Agriculture	-	1,223.00
3.	PSLC General	30,451.25	33,557.50
4.	PSLC Small and Marginal Farmers	9,352.00	553.00
TOTAL		87,329.00	51,606.25

The Bank did not sell any PSLC during the year ended 31st March, 2020 and 31st March, 2019.

24. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP. BC.79/21.04.048/2014-15 dated 30th March 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 percent of CCPB held by them as on 31st December 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, the Bank has not utilized the CCPB for making specific provision for NPAs.

25. As per RBI letter no. DBR.No. BP. 15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/2017-18 dated 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 5,761.46 crores (93.53% of total outstanding) as on 31st March, 2020.

26. The bank has made a provision of ₹ 2,999.00 crore (Total cumulative till 31st March 2020 ₹ 8,642.41 crore) for the year ended 31st March, 2020 towards arrears of wages due for revision w.e.f 1st November, 2017.

27. Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes:-

- ₹ 3,484.30 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd.
- ₹ 2,731.34 crore on sale of certain portion of investment in Bank's subsidiary - SBI Cards and Payment Services Ltd.

28. Resolution of Stressed Assets

As per RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019, the Bank has implemented Resolution Plans for its 9 borrowers having exposure of ₹ 14,487.28 crore as on 31st March 2020.

Further, in terms of RBI circular DOR.No.BP. BC.62/21.04.048/2019-20 dated 17th April 2020 the Bank has extended resolution period for its 4 borrowers having exposure of ₹ 1,006.91 crore as on 31st March 2020.

29. RBI vide an email dated 19th May 2020 advised the Public Sector Banks that the requirement for reporting on "Whether the bank has adequate Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls" in the Independent Auditors' Report is optional for financial year 2019-2020.

The bank has availed the option to fulfil the requirement from financial year 2020-2021 onwards.

30. The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an going basis. Major challenges for the Bank would arise from extended working capital cycle and waning cash flows. Despite these conditions, there would not be any significant impact on the liquidity and profitability of the Bank.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27th March 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of

COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, included Rescheduling of Payments -Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc. Accordingly the Bank has made the following provisions:-

- Provision @ 15% aggregating ₹ 938 crores against the accounts with outstanding of ₹ 6,250 crores which were standard as on 29th February 2020 but would have slipped to NPA/Sub-standard category as on 31st March 2020 had the RBI debt servicing relief as above not been reckoned.
- In respect of above accounts, interest income aggregating ₹ 234 crores has been reckoned in operating profit. However additional provision of ₹ 234 crores has been made against Standard Assets.

31. The bank has revalued immovable properties on 30th June 2019 (earlier revalued in June 2016) based on the reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on 31st March 2020, (net of amount transferred to General Reserve) is ₹ 23,762.67 crore (Previous year ₹ 24,653.94 crore).
32. Previous year figures have been regrouped/ reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

STATE BANK OF INDIA

Cash Flow Statement for the year ended 31st March, 2020

PARTICULARS	(000s omitted)	
	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before Taxes	25062,76,50	1607,48,31
Adjustments for:		
Depreciation on Fixed Assets	3303,81,33	3212,30,65
(Profit)/Loss on sale of Fixed Assets (Net)	28,37,38	34,98,24
(Profit)/Loss on revaluation of Investments (Net)	-	2124,03,82
(Profit)/Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates	(6215,64,59)	(473,12,00)
Provision for diminution in fair value & Non Performing Assets	42775,96,26	54529,06,14
Provision on Standard Assets	(877,40,17)	(74,55,42)
Provision for depreciation on Investments	538,55,05	(762,09,23)
Other provisions including provision for contingencies	632,73,80	136,12,79
Income from investment in Subsidiaries / Joint Ventures / Associates	(212,03,35)	(348,01,18)
Interest on Capital Instruments	4781,23,16	4112,28,55
	69818,35,37	64098,50,67
Adjustments for :		
Increase/(Decrease) in Deposits	330234,72,36	205042,72,57
Increase/ (Decrease) in Borrowings other than Capital Instruments	(96690,16,61)	37722,44,37
(Increase)/ Decrease in Investments other than investments in Subsidiaries / Joint Ventures / Associates	(74335,04,91)	94719,11,74
(Increase)/ Decrease in Advances	(182188,60,56)	(305525,79,00)
Increase/ (Decrease) in Other Liabilities	13206,59,82	(21247,50,61)
(Increase)/ Decrease in Other Assets	(21255,66,60)	(33604,14,67)
	38790,18,87	41205,35,07
Tax refund/ (Taxes paid)	(13102,32,71)	(6577,83,79)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES (A)	25687,86,16	34627,51,28
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/ Decrease in Investments in Subsidiaries / Joint Ventures / Associates	(6136,07,14)	(2116,29,59)
Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates	6215,64,59	473,12,00
Income from investment in Subsidiaries / Joint Ventures / Associates	212,03,35	348,01,18
(Increase)/ Decrease in Fixed Assets	(3268,37,96)	(2663,43,31)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES (B)	(2976,77,16)	(3958,59,72)

(000s omitted)

PARTICULARS	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares including share premium (Net of share issue expenses)	-	(8,74,21)
Issue/(Redemption) of Capital Instruments (Net)	8133,40,00	3033,20,00
Interest on Capital Instruments	(4781,23,16)	(4112,28,55)
Dividend paid including tax thereon	-	-
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES (C)	3352,16,84	(1087,82,76)
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)	2543,63,55	1010,38,16
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	28606,89,39	30591,46,96
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	222490,11,15	191898,64,19
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	251097,00,54	222490,11,15
Note:		
1 Components of Cash & Cash Equivalents as at:	31.03.2020	31.03.2019
Cash & Balances with Reserve Bank of India	166735,77,90	176932,41,75
Balances with Banks and Money at Call & Short Notice	84361,22,64	45557,69,40
	251097,00,54	222490,11,15
2 Cash Flow from operating activities is reported by using indirect method.		

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

Shri Arijit Basu
Managing Director
(Commercial Clients Group & IT)

Shri Dinesh Kumar Khara
Managing Director
(Global Banking & Subsidiaries)

Directors:

Shri Sanjiv Malhotra
Shri Bhaskar Pramanik
Shri Basant Seth
Dr. Pushpendra Rai
Dr. Purnima Gupta
Shri B. Venugopal
Shri Chandan Sinha
Shri Debasish Panda
Shri Sanjeev Maheshwari

Place:

Udagamandalam
New Delhi
Kanpur
New Delhi
New Delhi
Mumbai
Mumbai
New Delhi
Mumbai

Shri Rajnish Kumar
Chairman

Place: Mumbai

Date : 5th June 2020

In terms of our report of even date

FOR J.C. BHALLA & CO.

Chartered Accountants

RAJESH SETHI

Partner: M. No. 085669
Firm Regn. No. 001111 N
Place: New Delhi

FOR RAY & RAY

Chartered Accountants

ARVIND NARAYAN YENNEMADI

Partner: M. No. 031004
Firm Regn. No. 301072 E
Place: Mumbai

**FOR K. VENKATACHALAM
AIYER & CO.**

Chartered Accountants

A GOPALAKRISHNAN

Partner: M. No. 018159
Firm Regn. No. 004610 S
Place: Ernakulam

FOR G. P. AGRAWAL & CO.

Chartered Accountants

SUNITA KEDIA

Partner: M. No. 60162
Firm Regn. No. 302082 E
Place: Kolkata

**FOR UMAMAHESWARA
RAO & CO.**

Chartered Accountants

G. SIVA RAMAKRISHNA PRASAD

Partner: M. No. 024860
Firm Regn. No. 004453 S
Place: Hyderabad

FOR CHATURVEDI & SHAH LLP

Chartered Accountants

VITESH D. GANDHI

Partner: M. No. 110248
FirmReg. No.101720W/W100355
Place: Mumbai

FOR O.P. TOTLA & CO.

Chartered Accountants

S. R. TOTLA

Partner: M. No. 071774
Firm Regn. No. 000734 C
Place: Indore

FOR S. K. KAPOOR & CO.

Chartered Accountants

V. B. SINGH

Partner: M. No. 073124
Firm Regn. No. 000745 C
Place: Kanpur

FOR SCV & CO. LLP

Chartered Accountants

SANJAY VASUDEVA

Partner: M. No. 090989
Firm Regn. No.000235N/N500089
Place: New Delhi

FOR KHANDELWAL JAIN & CO.

Chartered Accountants

PANKAJ JAIN

Partner: M. No. 48850
Firm Regn. No. 105049 W
Place: Mumbai

FOR S K MITTAL & CO.

Chartered Accountants

S MURTHY

Partner: M. No. 072290
Firm Regn. No. 001135 N
Place: New Delhi

FOR N.C. RAJAGOPAL & CO.

Chartered Accountants

V. CHANDRASEKARAN

Partner: M. No. 024844
Firm Regn. No. 003398 S
Place: Chennai

FOR KARNAVAT & CO.

Chartered Accountants

VIRAL JOSHI

Partner: M. No. 137686
Firm Regn. No. 104863 W
Place: Mumbai

FOR SHAH GUPTA & CO.

Chartered Accountants

VIPUL K CHOKSI

Partner: M. No. 37606
Firm Regn. No. 109574 W
Place: Mumbai

Date : June 05, 2020

INDEPENDENT AUDITORS' REPORT

To

The President of India

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2020, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:
 - i. The Central offices, 17 Local Head offices, 1 Admin & Business Unit, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;
 - ii. 9135 Indian branches audited by respective Statutory Branch Auditors;
 - iii. 34 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 14021 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 9.54 percent of advances, 24.70 per cent of deposits, 10.98 per cent of interest income and 23.37 per cent of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 (together referred to as "the Act"), in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at March 31, 2020;
- b) true balance of profit in case of the Profit and Loss Account for the year ended on that date; and
- c) true and fair view of the cash flows in case of the Cash Flow Statement for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw attention to Note No. 10.30 of Schedule 18 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following</p> <ol style="list-style-type: none"> a. The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norm in respect of the branches allotted to us;

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Advances constitute 58.85 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing. Further,</p> <p>NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<ul style="list-style-type: none"> b. Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank; c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines; d. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof. e. We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions. f. We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. g. In carrying out substantive procedures at the branches allotted to us, we have examined all large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management. h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.
ii	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 26.50 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p>	<p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular,</p> <ul style="list-style-type: none"> a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</p>	<ul style="list-style-type: none"> c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.9 of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; b. Understanding the current status of the litigations/tax assessments; c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts; e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and f. Verification of disclosures related to significant litigations and taxation matters.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank.</p> <p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.

Other Matters

5. We did not audit the financial statements / information of 9169 branches included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹30,87,788.72 crore at March 31, 2020 and total revenue of ₹1,20,151.17 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of above matter.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

6. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Standalone Financial Statements and our auditors' report thereon), which we obtained at the time of issue of this auditors' report, and the Directors' Report including annexures in annual report, if any, thereon, which is expected to be made available to us after that date.

Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent

with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' Report, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.
- Subject to the limitations of the audit indicated in paragraphs 5 and 6 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
10. We further report that:
- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
 - b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
 - c) On the basis of the written representations received from the directors as on March 31, 2020, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
 - d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
 - e) As the Bank has exercised the option to implement "Internal Financial Controls with reference to the Financial Statements" from the financial year 2020-21 as permitted by RBI on May 19, 2020, we do not provide any comment in this regard.

FOR J.C. BHALLA & CO.

Chartered Accountants

RAJESH SETHI**Partner:** M. No. 085669**Firm Regn. No.** 001111 N**UDIN:** 20085669AAAABA7352

Place: New Delhi

FOR RAY & RAY

Chartered Accountants

ARVIND NARAYAN YENNEMADI**Partner:** M. No. 031004**Firm Regn. No.** 301072 E**UDIN:** 20031004AAAABW9223

Place: Mumbai

**FOR K. VENKATACHALAM
AIYER & CO.**

Chartered Accountants

A GOPALAKRISHNAN**Partner:** M. No. 018159**Firm Regn. No.** 004610 S**UDIN:** 20018159AAAAAF4367

Place: Ernakulam

FOR G. P. AGRAWAL & CO.

Chartered Accountants

SUNITA KEDIA**Partner:** M. No. 60162**Firm Regn. No.** 302082 E**UDIN:** 20060162AAAABC8718

Place: Kolkata

**FOR UMAMAHESWARA
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA
PRASAD****Partner:** M. No. 024860**Firm Regn. No.** 004453 S**UDIN:** 20024860AAAAAJ5174

Place: Hyderabad

FOR CHATURVEDI & SHAH LLP

Chartered Accountants

VITESH D. GANDHI**Partner:** M. No. 110248**Firm Regn. No.** 101720W/W100355**UDIN:** 20110248AAAAAP1448

Place: Mumbai

FOR O.P. TOTLA & CO.

Chartered Accountants

S. R. TOTLA**Partner:** M. No. 071774**Firm Regn. No.** 000734 C**UDIN:** 20071774AAAAAQ6602

Place: Indore

FOR S. K. KAPOOR & CO.

Chartered Accountants

V. B. SINGH**Partner:** M. No. 073124**Firm Regn. No.** 000745 C**UDIN:** 20073124AAAABV9783

Place: Kanpur

FOR SCV & CO. LLP

Chartered Accountants

SANJAY VASUDEVA**Partner:** M. No. 090989**Firm Regn. No.** 000235N/N500089**UDIN:** 20090989AAAAAC6930

Place: New Delhi

FOR KHANDELWAL JAIN & CO.

Chartered Accountants

PANKAJ JAIN**Partner:** M. No. 48850**Firm Regn. No.** 105049 W**UDIN:** 20048850AAAAAB9318

Place: Mumbai

FOR S K MITTAL & CO.

Chartered Accountants

S MURTHY**Partner:** M. No. 072290**Firm Regn. No.** 001135 N**UDIN:** 20072290AAAABD1545

Place: New Delhi

FOR N.C. RAJAGOPAL & CO.

Chartered Accountants

V. CHANDRASEKARAN**Partner:** M. No. 024844**Firm Regn. No.** 003398 S**UDIN:** 20024844AAAABB9243

Place: Chennai

FOR KARNAVAT & CO.

Chartered Accountants

VIRAL JOSHI**Partner:** M. No. 137686**Firm Regn. No.** 104863 W**UDIN:** 20137686AAAACM1164

Place: Mumbai

FOR SHAH GUPTA & CO.

Chartered Accountants

VIPUL K CHOKSI**Partner:** M. No. 37606**Firm Regn. No.** 109574 W**UDIN:** 20037606AAAAAW5094

Place: Mumbai

Date : June 05, 2020

(000s omitted)

	Schedule No.	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	250167,66,30	233603,19,93
Minority Interest		7943,82,20	6036,99,13
Deposits	3	3274160,62,54	2940541,06,11
Borrowings	4	332900,67,03	413747,66,10
Other Liabilities and Provisions	5	331427,10,24	293642,82,22
TOTAL		4197492,34,43	3888464,19,61
ASSETS			
Cash and Balances with Reserve Bank of India	6	166968,46,05	177362,74,09
Balances with Banks and Money at Call & Short Notice	7	87346,80,31	48149,52,30
Investments	8	1228284,27,77	1119269,81,62
Advances	9	2374311,18,12	2226853,66,72
Fixed Assets	10	40078,16,81	40703,05,26
Other Assets	11	300503,45,37	276125,39,62
TOTAL		4197492,34,43	3888464,19,61
Contingent Liabilities	12	1221083,11,09	1121246,27,83
Bills for Collection		55790,69,54	70047,22,64
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet

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

Shri Arijit Basu
Managing Director
(Commercial Clients Group & IT)

Shri Dinesh Kumar Khara
Managing Director
(Global Banking & Subsidiaries)

In term of our Report of even date.

For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner

Place: Mumbai
Date : 5th June 2020

Mem. No. : 085669
Firm Regn. No. : 001111N

Place : New Delhi

Schedules

Schedule 1 - Capital

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 equity shares of ₹ 1/- each (Previous Year 5000,00,00,000 equity shares of ₹ 1/- each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 892,54,05,164 equity shares of ₹ 1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital : 892,46,11,534 equity shares of ₹ 1/- each (Previous Year 892,46,11,534 equity shares of ₹ 1/- each)	892,46,12	892,46,12
[The above includes 11,03,42,880 equity shares of ₹ 1/- each (Previous Year 12,10,71,350 equity shares of ₹ 1/- each) represented by 1,10,34,288 (Previous Year 1,21,07,135) Global Depository Receipts]		
TOTAL	892,46,12	892,46,12

Schedule 2 - Reserves & Surplus

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	66344,10,03	65958,04,13
Additions during the year	4538,17,61	386,05,90
Deductions during the year	-	-
	70882,27,64	66344,10,03
II. Capital Reserves #		
Opening Balance	9957,28,52	9578,07,76
Additions during the year	3985,83,93	379,20,76
Deductions during the year	-	-
	13943,12,45	9957,28,52
III. Share Premium		
Opening Balance	79115,47,05	79124,21,51
Additions during the year	-	37,92
Deductions during the year	-	9,12,38
	79115,47,05	79115,47,05
IV. Investment Fluctuation Reserve		
Opening Balance	-	-
Additions during the year	1119,88,09	-
Deductions during the year	-	-
	1119,88,09	-

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
V. Foreign Currency Translation Reserves		
Opening Balance	7455,38,21	6379,09,54
Additions during the year	3069,98,94	1143,03,70
Deductions during the year	301,34,68	66,75,03
	10224,02,47	7455,38,21
VI. Revaluation Reserve		
Opening Balance	24653,94,08	24847,98,65
Additions during the year	379,57,78	-
Deductions during the year	1270,85,29	194,04,57
	23762,66,57	24653,94,08
VII. Revenue and Other Reserves		
Opening Balance	54405,42,03	53483,27,03
Additions during the year ##	3767,84,51	1213,96,33
Deductions during the year	5691,30,26	291,81,33
	52481,96,28	54405,42,03
VIII. Balance in Profit and Loss Account	(1361,74,25)	(8328,39,99)
TOTAL	250167,66,30	233603,19,93

includes Capital Reserve on consolidation ₹ 176,58,27 thousand (Previous Year ₹ 123,66,46 thousand)

net of consolidation adjustments

Schedule 3 - Deposits

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	4750,67,24	6722,18,31
(ii) From Others	224677,63,39	201073,14,59
II. Savings Bank Deposits	1216783,00,49	1102172,37,48
III. Term Deposits		
(i) From Banks	6071,72,75	8235,22,81
(ii) From Others	1821877,58,67	1622338,12,92
TOTAL	3274160,62,54	2940541,06,11
B. (i) Deposits of Branches in India	3122567,41,87	2812134,71,07
(ii) Deposits of Branches outside India	151593,20,67	128406,35,04
TOTAL	3274160,62,54	2940541,06,11

Schedule 4 - Borrowings

(000s omitted)

	As on 31.03.2020 (Current Year) ₹		As on 31.03.2019 (Previous Year) ₹	
I. Borrowings in India				
(i) Reserve Bank of India		34981,75,00		96089,00,00
(ii) Other Banks		10041,13,63		4741,05,31
(iii) Other Institutions and Agencies		11419,94,71		32112,46,32
(iv) Capital Instruments:				
a. Innovative Perpetual Debt Instruments(IPDI)	23535,70,00		19152,30,00	
b. Subordinated Debt & Bonds	32929,05,15	56464,75,15	29153,93,90	48306,23,90
TOTAL		112907,58,49		181248,75,53
II. Borrowings outside India				
(i) Borrowings and Refinance outside India		217066,00,49		229909,13,07
(ii) Capital Instruments:				
a. Innovative Perpetual Debt Instruments(IPDI)	2269,95,00		2074,65,00	
b. Subordinated Debt & Bonds	657,13,05	2927,08,05	515,12,50	2589,77,50
TOTAL		219993,08,54		232498,90,57
GRAND TOTAL (I & II)		332900,67,03		413747,66,10
Secured Borrowings included in I & II above		50555,91,20		127177,07,29

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

	As on 31.03.2020 (Current Year) ₹		As on 31.03.2019 (Previous Year) ₹	
I. Bills payable		26889,76,23		23914,03,90
II. Inter Bank Adjustments (net)		85,41,80		-
III. Inter Office adjustments (net)		10,35,41		21735,79,14
IV. Interest accrued		15477,09,06		14232,96,48
V. Deferred Tax Liabilities (net)		6,60,61		4,17,10
VI. Liabilities relating to Policyholders in Insurance Business		159661,49,04		140095,62,31
VII. Provision for Standard Assets		12444,21,66		12709,13,43
VIII. Others (including provisions)		116852,16,43		80951,09,86
TOTAL		331427,10,24		293642,82,22

Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	20334,94,93	19144,28,44
II. Balances with Reserve Bank of India		
(i) In Current Account	146633,51,12	158197,60,63
(ii) In Other Accounts	-	20,85,02
TOTAL	166968,46,05	177362,74,09

Schedule 7 - Balances with Banks and Money at Call & Short Notice

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Account	638,49,62	971,83,35
(b) In Other Deposit Accounts	1429,61,02	1959,46,21
(ii) Money at call and short notice		
(a) With banks	44747,71,31	4608,88,73
(b) With Other Institutions	8,69,42	-
TOTAL	46824,51,37	7540,18,29
II. Outside India		
(i) In Current Account	30104,93,22	20571,96,27
(ii) In Other Deposit Accounts	1672,52,29	3205,38,56
(iii) Money at call and short notice	8744,83,43	16831,99,18
TOTAL	40522,28,94	40609,34,01
GRAND TOTAL (I and II)	87346,80,31	48149,52,30

Schedule 8 - Investments

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Investments in India in		
(i) Government Securities	872769,55,20	817674,70,52
(ii) Other Approved Securities	19106,17,68	13769,53,82
(iii) Shares	42165,97,57	42825,92,12
(iv) Debentures and Bonds	145276,27,74	123765,40,08
(v) Subsidiary and Associates #	12365,01,58	3383,71,53
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	85958,98,41	63902,23,56
TOTAL	1177641,98,18	1065321,51,63

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
II. Investments outside India in		
(i) Government Securities (including local authorities)	20791,80,59	14513,99,84
(ii) Associates #	147,64,44	136,33,52
(iii) Other Investments (Shares, Debentures, etc.)	29702,84,56	39297,96,63
TOTAL	50642,29,59	53948,29,99
GRAND TOTAL (I and II)	1228284,27,77	1119269,81,62
III. Investments in India		
(i) Gross Value of Investments	1190907,75,38	1076615,05,40
(ii) Less: Aggregate of Provisions / Depreciation	13265,77,20	11293,53,77
Net Investments (vide I above)	1177641,98,18	1065321,51,63
IV. Investments outside India		
(i) Gross Value of Investments	50809,67,49	54146,46,58
(ii) Less: Aggregate of Provisions / Depreciation	167,37,90	198,16,59
Net Investments (vide II above)	50642,29,59	53948,29,99
GRAND TOTAL (III and IV)	1228284,27,77	1119269,81,62
# Investment in Associates (In India and Outside India)		
Equity Investment in Associates	8872,23,62	706,97,00
Add : Goodwill on acquisition of Associates	-	-
Less : Capital reserve on acquisition of Associates (please refer note no. 1.1.(h) of schedule 18)	1947,52,79	-
Less : Provision for diminution	-	-
Cost of Investment in Associates	6924,70,83	706,97,00
Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	5583,95,19	2809,08,05
TOTAL	12508,66,02	3516,05,05

Schedule 9 - Advances

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
A.		
(i) Bills purchased and discounted	85155,97,89	81528,37,41
(ii) Cash Credits, Overdrafts and Loans Repayable on demand	729647,05,50	799218,03,33
(iii) Term Loans	1559508,14,73	1346107,25,98
TOTAL	2374311,18,12	2226853,66,72
B.		
(i) Secured by tangible assets (includes advances against Book Debts)	1697284,07,32	1603654,21,87
(ii) Covered by Bank / Government Guarantees	92305,71,86	80289,66,46
(iii) Unsecured	584721,38,94	542909,78,39
TOTAL	2374311,18,12	2226853,66,72
C. (I) Advances in India		
(i) Priority Sector	526675,87,35	520729,77,60
(ii) Public Sector	287505,82,43	240295,89,39
(iii) Banks	975,10,49	9494,93,60
(iv) Others	1171958,80,62	1127585,24,83
TOTAL	1987115,60,89	1898105,85,42

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
(II) Advances outside India		
(i) Due from banks	80561,91,32	69802,85,72
(ii) Due from others		
(a) Bills purchased and discounted	31106,22,11	26741,06,57
(b) Syndicated loans	186697,53,45	150765,88,72
(c) Others	88829,90,35	81438,00,29
TOTAL	387195,57,23	328747,81,30
GRAND TOTAL [C (I) and C (II)]	2374311,18,12	2226853,66,72

Schedule 10 - Fixed Assets

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Premises		
At cost/revalued as on 31st March of the preceding year	31600,97,61	30933,23,37
Additions:		
- during the year	307,09,16	707,34,92
- for Revaluation	3936,14,00	-
Deductions		
- during the year	14,82,49	39,60,68
- for Revaluation	4735,02,74	-
Depreciation to date:		
- on cost	927,92,12	793,71,67
- on Revaluation	670,54,22	497,17,97
	29495,89,20	30310,07,97
II. Other Fixed Assets (including furniture and fixtures)		
At cost/revaluation as on 31 st March of the preceding year	33185,43,15	31649,29,47
Additions during the year	3768,90,47	3018,06,52
Deductions during the year	933,14,28	1481,92,84
Depreciation to date	26053,57,37	23627,73,26
	9967,61,97	9557,69,89
III. Leased Assets		
At cost/revalued as on 31 st March of the preceding year	155,09,22	120,02,20
Additions during the year	102,00,56	35,64,65
Deductions during the year	16,70,94	57,63
Depreciation to date (including provisions)	95,49,35	82,11,57
	144,89,49	72,97,65
Less : Lease Adjustment Account	-	-
	144,89,49	72,97,65
IV. Assets under Construction (including Premises)	469,76,15	762,29,75
TOTAL (I, II, III and IV)	40078,16,81	40703,05,26

Schedule 11 - Other Assets

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Inter Office adjustments (net)	1936,15,88	7,71,53
II. Inter Bank Adjustments (net)	-	123,67,98
III. Interest accrued	29344,58,26	29047,16,58
IV. Tax paid in advance / tax deducted at source	35004,45,14	24699,95,89
V. Stationery and Stamps	105,33,37	133,99,80
VI. Non-banking assets acquired in satisfaction of claims	14,54,49	23,65,84
VII. Deferred tax assets (net)	3500,19,46	10983,19,07
VIII. Deposits placed with NABARD/SIDBI/NHB	163238,91,62	138245,29,37
IX. Others #	67359,27,15	72860,73,56
TOTAL	300503,45,37	276125,39,62

Includes Goodwill on consolidation ₹ 1549,98,82 thousand (Previous Year ₹ 1734,07,01 thousand)

Schedule 12 - Contingent Liabilities

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Claims against the group not acknowledged as debts	72055,46,41	43964,90,09
II. Liability for partly paid investments / Venture Funds	2555,80,84	1127,87,61
III. Liability on account of outstanding forward exchange contracts	637499,92,10	597800,34,53
IV. Guarantees given on behalf of constituents		
(a) In India	165739,85,02	157417,08,56
(b) Outside India	70998,07,06	72739,27,63
V. Acceptances, endorsements and other obligations	132630,74,41	124526,15,33
VI. Other items for which the group is contingently liable	139603,25,25	123670,64,08
TOTAL	1221083,11,09	1121246,27,83
Bills for collection	55790,69,54	70047,22,64

State Bank of India

Consolidated Profit and Loss Account for the Year Ended 31st March 2020

(000s omitted)

	Schedule No.	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. INCOME			
Interest earned	13	269851,65,54	253322,17,41
Other Income	14	98158,99,38	77365,18,53
TOTAL		368010,64,92	330687,35,94
II. EXPENDITURE			
Interest expended	15	161123,79,86	155867,46,03
Operating expenses	16	131781,56,30	114800,30,80
Provisions and contingencies		56928,45,91	56950,51,70
TOTAL		349833,82,07	327618,28,53
III. PROFIT/(LOSS)			
Net Profit /(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)		18176,82,85	3069,07,41
Add: Share in Profit of Associates		2963,14,04	281,47,94
Less: Minority Interest		1372,16,67	1050,91,44
Net Profit/(Loss) for the Group		19767,80,22	2299,63,91
Profit/(Loss) Brought forward		(8328,39,99)	(9941,19,94)
TOTAL		11439,40,23	(7641,56,03)
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		4538,17,61	386,05,90
Transfer to Other Reserves		8254,91,35	243,79,58
Tax on Dividend		8,05,52	56,98,48
Balance carried over to Balance Sheet		(1361,74,25)	(8328,39,99)
TOTAL		11439,40,23	(7641,56,03)
Basic Earnings per Share		₹ 22.15	₹ 2.58
Diluted Earnings per Share		₹ 22.15	₹ 2.58
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Profit & Loss Account

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

Shri Arijit Basu
Managing Director
(Commercial Clients Group & IT)

Shri Dinesh Kumar Khara
Managing Director
(Global Banking & Subsidiaries)

In term of our Report of even date.
For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner

Place: Mumbai
Date : 5th June 2020

Mem. No. : 085669
Firm Regn. No. : 001111N

Place : New Delhi

Schedule 13 - Interest Earned

(000s omitted)

	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. Interest / discount on advances/ bills	185494,19,47	166124,58,30
II. Income on Investments	74812,87,02	80243,50,66
III. Interest on balances with Reserve Bank of India and other inter-bank funds	3066,24,77	1324,75,88
IV. Others	6478,34,28	5629,32,57
TOTAL	269851,65,54	253322,17,41

Schedule 14 - Other Income

(000s omitted)

	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. Commission, exchange and brokerage	23571,28,64	22801,37,60
II. Profit / (Loss) on sale of investments (Net) #	9202,71,19	3933,13,61
III. Profit / (Loss) on revaluation of investments (Net)	-	(2124,03,82)
IV. Profit / (Loss) on sale of land, building and other assets including leased assets (net)	(28,33,75)	(32,35,82)
V. Profit / (Loss) on exchange transactions (Net)	2581,57,85	2209,07,07
VI. Dividends from Associates in India/ abroad	14,66,77	11,71,87
VII. Income from Finance Lease	-	-
VIII. Credit Card membership/ service fees	4122,14,91	3179,78,08
IX. Insurance Premium Income (net)	43176,55,90	35225,02,54
X. Recoveries made in Write-off Accounts	9568,52,52	8607,44,37
XI. Miscellaneous Income	5949,85,35	3554,03,03
TOTAL	98158,99,38	77365,18,53

Profit/(Loss) on sale of investments (Net) includes exceptional item of ₹ 5,781.56 crore (Previous year ₹ 466.48 crore)

Schedule 15 - Interest Expended

(000s omitted)

	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. Interest on Deposits	148136,84,44	140920,19,82
II. Interest on Reserve Bank of India/ Inter-bank borrowings	7191,76,51	10103,57,61
III. Others	5795,18,91	4843,68,60
TOTAL	161123,79,86	155867,46,03

Schedule 16 - Operating Expenses

	Year Ended 31.03.2020 (Current Year)	Year Ended 31.03.2019 (Previous Year)
	₹	₹
I. Payments to and provisions for employees	48850,94,64	43795,01,41
II. Rent, taxes and lighting	5630,95,83	5553,08,91
III. Printing & Stationery	651,58,62	595,00,09
IV. Advertisement and publicity	2830,69,52	2360,81,37
V. (a) Depreciation on Fixed Assets (other than Leased Assets)	3631,44,29	3479,97,41
(b) Depreciation on Leased Assets	30,11,56	15,91,80
VI. Directors' fees, allowances and expenses	11,15,54	9,71,04
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	256,01,79	307,00,17
VIII. Law charges	488,83,43	578,53,06
IX. Postages, Telegrams, Telephones, etc.	571,68,38	568,56,57
X. Repairs and maintenance	1121,27,27	1057,77,33
XI. Insurance	3235,50,89	2860,59,09
XII. Other Operating Expenses relating to Credit Card Operations	1542,56,89	1105,59,01
XIII. Other Operating Expenses relating to Insurance Business	46728,37,12	37907,82,48
XIV. Other Expenditure	16200,40,53	14604,91,06
TOTAL	131781,56,30	114800,30,80

Schedule 17- Significant Accounting Policies

A. Basis of Preparation:

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting on Going Concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by Reserve Bank of India (RBI), State Bank of India Act, 1955, Banking Regulation Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in India. In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

C. Basis of Consolidation:

1. Consolidated financial statements of the Group (comprising of 28 subsidiaries, 8 Joint Ventures and 18 Associates) have been prepared on the basis of:

- a. Audited financial statements of State Bank of India (Parent).
 - b. Line by line aggregation of each item of asset/liability/ income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/ loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
 - c. Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
 - d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.
2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.
 3. Minority interest in the net assets of the consolidated subsidiaries consists of:
 - a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and
 - b. The minority share of movements in revenue reserves/ loss (equity) since the date the parent-subsidiary relationship came into existence.

D. Significant Accounting Policies

1. Revenue recognition:
 - 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards, foreign

- offices/entities, income and expenditure are recognised as per the local laws of the country in which the respective foreign offices/entities are located.
- 1.2 Interest/Discount income is recognised in the Profit and Loss Account as it accrues except (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as “Trading”, which are accounted on realisation .
 - 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, profit on sale of investments in the “Held to Maturity” category is appropriated (net of applicable taxes and amount required to be transferred to “Statutory Reserve Account”) to “Capital Reserve Account”.
 - 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – “Leases”, issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.
 - 1.5 Income (other than interest) on investments in “Held to Maturity” (HTM) category acquired at a discount to the face value, is recognised as follows:
 - i. on Interest bearing securities, it is recognised only at the time of sale/ redemption.
 - ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
 - 1.6 Dividend income is recognised when the right to receive the dividend is established.
 - 1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & “Upfront fee on restructured account” are recognised on accrual basis proportionately over the period. All other commission and fee income are recognised on their realisation.
 - 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
 - 1.9 Brokerage, Commission etc. paid/incurred in connection with the issue of Bonds/Deposits are amortized over the tenure of the related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
 - 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:
 - i. When the Bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.
 - ii. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale
 - iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.
- 1.11 Non-banking entities:**
- Merchant Banking:**
- a. Issue management and advisory fees are recognised based on the stage of completion of assignments and as per the terms of the agreement with the client, net of pass-through.
 - b. Fees for private placement are recognised on completion of assignment.
 - c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.
 - d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.
 - e. Brokerage income relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/intermediaries.
 - f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.
- Asset Management:**
- a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.
 - b. Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Fund (AIF) are recognised on accrual basis as per the terms of the contract.
 - c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

- d. Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

Credit Card Operations:

- a. First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.
- b. Interchange income is recognised on accrual basis.
- c. The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in Balance Sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on Balance Sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on Balance Sheet date. The liability for stale cheques aged for more than three years is written back as income.
- d. All other service income/fees are recorded at the time of occurrence of the respective events.

Factoring:

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1st of May is deemed as date for accrual of the FCF.

Life Insurance:

- a. Premium of non-linked business is recognised as income (net of service tax/ goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of Variable Insurance Products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.
- b. Top-up premiums are considered as single premium.
- c. Income from linked funds which includes fund management charges, policy administration charges,

mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

- d. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.
- e. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.
- f. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.
- g. Benefits paid:
- Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
 - Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
 - Claims by maturity are accounted on the policy maturity date.
 - Survival and Annuity benefits claims are accounted when due.
 - Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
 - Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
 - Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.
- h. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.
- i. Liability for life policies: The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience. The unit liability in respect of linked business has been considered as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) as on the valuation date. Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

General Insurance:

- a. Premium including reinsurance accepted (net of goods & service tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.
- b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer.
- c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.
- d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.
- e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).
- f. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the

management based on available information and past experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.

- g. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are
 - not yet reported or claimed (IBNR) or
 - not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER),

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

Custody & Fund accounting services:

The revenue (net of goods & service tax) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Pension Fund Operation:

Management fee is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). The Company presents revenues net of Service Tax/ goods and service tax

Trustee Operations:

- a. Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes, applied on the average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.
- b. Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued on the basis of terms of trusteeship contracts/agreements entered into with clients.
- c. Income from online "will" services is recognised when the right to receive the fee is established, as all

certainty for revenue recognition is present at the time of establishment of such right.

Infrastructure and Facility Management:

Revenue from management and consultancy fees is recognised as and when the said contractual work is awarded to the vendor and the agreed scope of work is completed by the vendor.

Merchant Acquiring Business:

- a. The revenue is measured on basis of consideration received or receivable for the services provided, excluding discounts, GST and other applicable taxes and are recognised upon performance of services.
- b. The revenue from deployment of POS is recognised either over the period during which the service is rendered or on basis of the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements
- c. Income received but not accrued on account of maintenance deployment contract are recognised as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognised on work performed but billed in subsequent period based on terms of contract.
- d. Revenue of providing services of Merchant Acquiring are recognised on fully loaded cost plus mark up on such costs
- e. Revenue is recognised to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured

2. Investments:

The transactions in all securities are recorded on "Settlement Date"

2.1 Classification:

Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six groups (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others and (II) 'Investments outside India' are classified under three categories – (i) Government Securities, (ii) Associates and (iii) Other Investments.

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in associates are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

2.3 Valuation:

A. Banking Business:

- i. In determining the acquisition cost of an investment:
 - a. Brokerage/commission received on subscriptions is reduced from the cost.
 - b. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - c. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
 - d. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. Held to Maturity category: Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". A provision is made for diminution, other than temporary, for each investment individually. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.
- v. Available for Sale and Held for Trading categories: Investments held under AFS and HFT categories are

individually revalued at the market price or fair value determined as per the regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.

- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset and (ii) Redemption value of SR. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices/entities and respective regulators in the case of foreign offices/entities. Investments of domestic offices become non-performing where:
 - a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
 - b. In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 per company on account of the non-availability of the latest Balance Sheet, those equity shares would be reckoned as NPI.
 - c. If any credit facility availed by an entity is NPA in the books of the bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
 - d. The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
 - e. The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
 - f. In respect of foreign offices/entities, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. Accounting for Repo/Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI)
 - a. The securities sold and purchased under Repo/Reverse Repo are accounted as Collateralized lending and borrowing transactions. However securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of

securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo A/c is classified under Schedule 4 (Borrowings) and balance in Reverse Repo A/c is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

- b. Interest expended/earned on Securities purchased/sold under LAF with RBI is accounted for as expenditure/ revenue.

Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.

B. Insurance Business:

In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.

(i) Valuation of investment pertaining to non-linked life insurance business and general insurance business: -

- All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).
- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual fund units and AIFs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

(ii) Valuation of investment pertaining to linked business: -

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortization of premium or accretion of discount on yield to maturity basis.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available, closing price of the BSE is considered.
- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- Unrealized gains or losses arising due to changes in the fair value are recognized in the Profit & Loss Account.

3. Loans /Advances and Provisions thereon:

- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
 - ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding

balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;

- iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:	i. A general provision of 15% on the total outstanding;
	ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
	iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.
Doubtful Assets:	
-Secured portion:	i. Upto one year – 25%
	ii. One to three years – 40%
	iii. More than three years – 100%
-Unsecured portion	100%
Loss Assets:	100%

3.4 In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest

sacrifice, if any, arising out of the above, is reduced from advances.

- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 Appropriation of recoveries in NPAs are made in order of priority as under :
 - a. Charges, Costs, Commission etc.
 - b. Unrealized Interest / Interest
 - c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-Balance Sheet/off-Balance Sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-Balance Sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-Balance Sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
 - 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets / liabilities are also marked to market.
 - 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".
 - 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.
 - 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.
- #### 7. Fixed Assets Depreciation and Amortisation:
- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.
 - 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sr. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00% every year
5	Servers	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets Estimated useful life of major group of Fixed Assets are as under: Premises 60 Years Vehicles 5 Years Safe Deposit Lockers 20 Years Furniture & Fixtures 10 Years

7.4 In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.

7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year (s).

7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

7.8 In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations /norms of the respective countries.

7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three

years are not revalued. Valuation of the revalued assets is done at every three years thereafter.

7.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve.

7.11 The Revalued Assets is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception

of such a forward exchange contract is amortised as expense or income over the life of the contract.

- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

10.2 Foreign Operations:

Foreign Branches/Subsidiaries / Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices/subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

11. Employee Benefits:

11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

11.2 Long Term Employee Benefits:

i. Defined Benefit Plans :

- a. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Provident Fund scheme. SBI contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognizes such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for on the basis of actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

- b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
- c. SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

- d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/losses are immediately recognised in the Profit and Loss and are not deferred.

ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/ employees joining SBI on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from SBI. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. Other Long Term Employee benefits:

All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.

The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss and is not deferred.

- 11.3 Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

12. Segment Reporting

The Group recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. Taxes on income

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after taking into account taxes paid at the foreign offices/entities, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred

tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

14. Earnings per Share:

- 14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 –“Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.
- 14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

15. Provisions, Contingent Liabilities and Contingent Assets:

- 15.1 In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Group recognises provisions only when it has a present obligation as a result of a past event and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- 15.2 No provision is recognised for
- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or
 - ii. any present obligation that arises from past events but is not recognised because
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of SBI is being provided for on actuarial estimates.

15.4 Contingent Assets are not recognised in the financial statements.

16. Bullion Transactions:

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid/received classified as interest expense / income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet

17. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

19. Cash and cash equivalents

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

Schedule 18

Notes to Accounts:

1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

1.1 The 28 Subsidiaries, 8 Joint Ventures and 18 Associates including 15 Regional Rural Banks from/upto respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

A) Subsidiaries:

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year*
1)	SBI Capital Markets Ltd.	India	100.00	100.00
2)	SBICAP Securities Ltd.	India	100.00	100.00
3)	SBICAP Trustee Company Ltd.	India	100.00	100.00
4)	SBICAP Ventures Ltd.	India	100.00	100.00
5)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00
6)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
7)	SBI DFHI Ltd.	India	72.17	72.17
8)	SBI Global Factors Ltd.	India	86.18	86.18
9)	SBI Infra Management Solutions Pvt. Ltd.	India	100.00	100.00
10)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
11)	SBI Payment Services Pvt. Ltd.@	India	74.00	74.00
12)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
13)	SBI Life Insurance Company Ltd.	India	57.60	62.10
14)	SBI General Insurance Company Ltd. @	India	70.00	70.00
15)	SBI Cards and Payment Services Ltd.	India	69.51	74.00
16)	SBI-SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
17)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
18)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00

S. No.	Name of the Subsidiary	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year*
19)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
20)	Bank SBI Botswana Limited	Botswana	100.00	100.00
21)	SBI Canada Bank	Canada	100.00	100.00
22)	State Bank of India (California)	USA	100.00	100.00
23)	State Bank of India (UK) Limited	UK	100.00	100.00
24)	State Bank of India Servicos Limitada	Brazil	100.00	100.00
25)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
26)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
27)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
28)	Nepal SBI Merchant Banking Limited	Nepal	55.00	55.00

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

* In the previous year, SBI Business Process Management Services Private Limited (a subsidiary) was also consolidated. It was amalgamated with SBI Cards and Payment Services Ltd. w.e.f April 1, 2018. Please refer Note no. 1.1.(a) below.

B) Joint Ventures:

S. No.	Name of the Joint Venture	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
3)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
4)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
5)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
6)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
7)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00
8)	Jio Payments Bank Ltd.	India	30.00	30.00

C) Associates:

S. No.	Name of the Associate	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year*
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Madhyanchal Gramin Bank	India	35.00	35.00
6)	Meghalaya Rural Bank	India	35.00	35.00
7)	Mizoram Rural Bank	India	35.00	35.00
8)	Nagaland Rural Bank	India	35.00	35.00
9)	Purvanchal Bank	India	35.00	35.00
10)	Saurashtra Gramin Bank	India	35.00	35.00
11)	Utkal Grameen Bank	India	35.00	35.00

S. No.	Name of the Associate	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year*
12)	Uttarakhand Gramin Bank	India	35.00	35.00
13)	Jharkhand Rajya Gramin Bank	India	35.00	35.00
14)	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
15)	Telangana Grameena Bank	India	35.00	35.00
16)	The Clearing Corporation of India Ltd.	India	20.05	20.05
17)	Yes Bank Ltd. (w.e.f. March 14, 2020)	India	48.21	-
18)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00

* In previous year, Kaveri Grameena Bank, Langpi Dehangi Rural Bank and Malwa Gramin Bank (upto December 31, 2018) were also consolidated. These have been merged into RRBs not sponsored by SBI.

Please refer to Note no. 1.1.(f) below for details regarding merger of Regional Rural Banks (RRBs) sponsored by SBI.

- a) As per NCLT order pronounced on June 04, 2019 SBI Business Process Management Services Private Limited (a subsidiary) has been amalgamated with SBI Cards and Payment Services Private Limited (a subsidiary) w.e.f. April 01, 2018 with the latter being the surviving entity.
- The name of SBI Cards and Payment Services Private Limited has changed to SBI Cards and Payment Services Limited w.e.f. 20.08.2019.
- In the month of March 2020, SBI sold its 4.00% stake in SBI Cards and Payment Services Limited by way of public offer. In the same public offer, SBI Cards and Payment Services Limited came up with a fresh issue of 6,622,516 equity shares of face value of ₹ 10 each.
- Consequently the stake of SBI Group in SBI Cards and Payment Services Limited has reduced from 74.00% to 69.51%.
- b) During the month of June 2019, SBI Capital Markets Limited. (a subsidiary) has infused share capital of GBP 2 lakh equivalent to ₹ 1.77 crore in SBICAP (UK) Limited (a step down subsidiary).
- During the month of August 2019, the board of SBICAP (UK) Limited approved the winding up of the operations of SBICAP (UK) Limited and surrender its license to Financial Conduct Authority (FCA) in UK. The operations of SBICAP (UK) were closed on 30.11.2019. In the month of March 2020, SBICAP (UK) has remitted back the balance in its capital and reserves to SBI Capital Markets Limited.
- c) During the month of August 2019, SBI Capital Markets Limited (a subsidiary) has infused share capital of ₹ 10.40 crore in SBICAP Ventures Limited (a step down subsidiary). The stake of SBI Group in SBICAP Ventures Limited remains the same.
- d) In the month of September 2019, SBI sold its 4.50% stake in SBI Life Insurance Company Limited (a subsidiary). The stake of SBI Group in SBI Life Insurance Company Limited has reduced from 62.10% to 57.60%.
- e) In the month of December 2019, Nepal SBI Bank Ltd. has issued 27,88,253 bonus shares to SBI amounting to NPR 27.88 crore equivalent to ₹ 17.47 crore. The stake of SBI Group in Nepal SBI Bank Ltd remains the same.
- f) During the year, SBI has infused additional capital in the following Regional Rural Bank (RRBs) sponsored by it :-

Regional Rural Banks	Amount
Utkal Grameena Bank	143.78
Ellaquai Dehati Bank	5.48
Madhyanchal Gramin Bank	8.91
Nagaland Rural Bank	0.48
TOTAL	158.65

The SBI Group's stake remains the same after the aforesaid capital infusion.

- g) In accordance with notification issued by Govt. of India, the following amalgamations have taken/will take place among the Regional Rural Banks (RRBs) sponsored by SBI and those sponsored by other Banks :
- i) The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by SBI are as below:-

	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1.	Pragathi Krishna Gramin Bank Kaveri Grameena Bank	Canara Bank State Bank of India	Karnataka Gramin Bank	Canara Bank	April 01 ,2019
2.	Assam Gramin Vikash Bank Langpi Dehangri Rural Bank	United Bank of India State Bank of India	Assam Gramin Vikash Bank	United Bank of India	April 01 ,2019
3.	Baroda Uttar Pradesh Gramin Bank Kashi Gomti Samyut Gramin Bank Purvanchal Bank	Bank of Baroda Union Bank of India State Bank of India	Baroda U.P. Bank	Bank of Baroda	April 01 ,2020

By virtue of Department of Financial Services (DFS) letter dated February 06, 2019 and February 14, 2019 the transfer of stake of sponsor Banks has taken place at face value of the shares and as a result during the year ended March 31, 2020 a loss of ₹ 207.93 crore has been recognized in the consolidated financial statements under the head "Other Income".

- ii) The details of amalgamation of RRBs, where the transferee RRB is sponsored by SBI are as below:-

	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1.	Jharkhand Gramin Bank Vananchal Gramin Bank	Bank of India State Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	April 01 ,2019

- h) In the month of March 2020, as per the scheme of reconstruction notified by the Government of India, SBI has infused ₹ 6,050 crore in Yes Bank Ltd. The stake of SBI Group is at 48.21%.

Yes Bank Limited became an associate of the SBI Group w.e.f March 14, 2020 and has been consolidated using equity method as per AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements". As per AS-23, capital reserve arises after the stake acquisition in Yes Bank Ltd. amounting to ₹ 1,947.53 crore in CFS.
- i) SBI Home Finance Ltd., an associate in which SBI is having 25.05% stake, is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21.
- j) As SBI Foundation is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.
- 1.2 The consolidated financial statements for the financial year 2019-20 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & two associate (Bank of Bhutan Ltd. and Purvanchal Bank) the results of which are not material.
- 2. Share capital:**
Expenses in relation to the issue of shares: ₹ NIL (Previous Year ₹ 9.12 crore) is debited to Share Premium Account.
- 3. Disclosures as per Accounting Standards**
- 3.1 Accounting Standard 5 – "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies "**
- During the year, there were no material prior period income / expenditure items.
 - There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2020 as compared to those followed in the previous financial year 2018-19 except in respect of investment in associates. This change does not have any impact on the financial results for the year ended March 31, 2020.

3.2 Accounting Standard- 15 “Employee Benefits”:

3.2.1 Defined Benefit Plans

3.2.1.1 Employee’s Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005) :-

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April 2019	95,362.15	87,786.56	12,378.30	13,025.81
Current Service Cost	953.34	1,060.57	471.10	430.32
Interest Cost	7,428.71	6,812.24	960.76	1,012.43
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses / (gains)	13,619.61	6,434.95	1,247.21	(89.76)
Benefits paid	(3,914.34)	(3,966.53)	(1,967.24)	(2,000.50)
Direct Payment by SBI	(3,619.10)	(2,765.64)	-	-
Closing defined benefit obligation at 31st March 2020	1,09,830.37	95,362.15	13,090.13	12,378.30
Change in Plan Assets				
Opening fair value of plan assets at 1 st April 2019	90,399.61	85,249.60	10,493.46	9,263.16
Expected Return on Plan assets	7,015.01	6,615.37	815.36	721.37
Contributions by employer	2,407.68	2,391.18	1,183.65	2,404.93
Expected Contribution by the employees	0.28	0.34	-	-
Benefits Paid	(3,914.34)	(3,966.53)	(1,967.24)	(2,000.50)
Actuarial Gains / (Losses) on plan assets	1,550.28	109.65	249.87	104.50
Closing fair value of plan assets at 31st March 2020	97,458.52	90,399.61	10,775.10	10,493.46
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31 st March 2020	1,09,830.37	95,362.15	13,090.13	12,378.30
Fair Value of plan assets at 31 st March 2020	97,458.52	90,399.61	10,775.10	10,493.46
Deficit/(Surplus)	12,371.85	4,962.54	2,315.03	1,884.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,315.03	1,884.84
Amount Recognised in the Balance Sheet				
Liabilities	1,09,830.37	95,362.15	13,090.13	12,378.30
Assets	97,458.52	90,399.61	10,775.10	10,493.46
Net Liability / (Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,315.03	1,884.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/ (Asset)	12,371.85	4,962.54	2,315.03	1,884.84
Net Cost recognised in the profit and loss account				
Current Service Cost	953.34	1,060.57	471.10	430.32
Interest Cost	7,428.71	6,812.24	960.76	1,012.43
Expected return on plan assets	(7,015.01)	(6,615.37)	(815.36)	(721.37)
Expected Contributions by the employees	(0.28)	(0.34)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefits) Recognised	-	-	-	2,707.50
Net Actuarial Losses / (Gains) recognised during the year	12,069.33	6,325.30	997.34	(194.26)
Total costs of defined benefit plans included in Schedule 16 “Payments to and provisions for employees”	13,436.09	7,582.40	1,613.84	3,234.62

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	7,015.01	6,615.37	815.36	721.37
Actuarial Gains/ (Losses) on Plan Assets	1,550.28	109.65	249.87	104.50
Actual Return on Plan Assets	8,565.29	6,725.02	1,065.23	825.87
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1 st April 2019	4,962.54	2,536.96	1,884.84	1,055.15
Expenses as recognised in profit and loss account	13,436.09	7,582.40	1,613.84	3,234.62
Paid by SBI Directly	(3,619.10)	(2,765.64)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,407.68)	(2,391.18)	(1,183.63)	(2,404.93)
Net liability/(Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,315.05	1,884.84

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2020 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.60%	19.05%
State Govt. Securities	36.89%	36.14%
Debt Securities, Money Market Securities and Bank Deposits	30.68%	25.85%
Mutual Funds	3.36%	3.46%
Insurer Managed Funds	2.56%	12.54%
Others	2.91%	2.96%
Total	100.00%	100.00%

Principal actuarial assumptions:

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.83%	7.79%
Expected Rate of return on Plan Asset	6.83%	7.79%
Salary Escalation Rate	5.40%	5.20%
Pension Escalation Rate	0.80%	0.40%
Attrition Rate	2.00%	2.00%

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Expected Rate of return on Plan Asset	6.84%	7.77%
Salary Escalation Rate	5.40%	5.20%
Attrition Rate	2.00%	2.00%

The expected contribution to the Pension and Gratuity fund for the next year is ₹ 2,348.90 crore and ₹ 1,420.97 crore respectively

In case of SBI, as the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in the very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

3.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows “Nil” liability, hence no provision is made in F.Y. 2019-20.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:-

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April 2019	30,928.72	30,298.65
Current Service Cost	1,045.98	965.04
Interest Cost	2,495.99	2,507.55
Employee Contribution (including VPF)	1,166.46	1,377.59
Actuarial losses/(gains)	220.06	-
Benefits paid	(4,112.66)	(4,220.11)
Closing defined benefit obligation at 31st March 2020	31,744.55	30,928.72
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st April 2019	32,630.54	31,874.25
Expected Return on Plan Assets	2,495.99	2,507.55
Contributions	2,212.43	2,342.63
Provision for loss on maturity of non-performing investment	(467.66)	-
Benefits Paid	(4,112.66)	(4,220.11)
Actuarial Gains / (Loss) on plan Assets	(109.92)	126.22
Closing fair value of plan assets as at 31st March 2020	32,648.72	32,630.54
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31 st March 2020	31,744.55	30,928.72
Fair Value of Plan assets at 31 st March 2020	32,648.72	32,630.54
Deficit/(Surplus)	(904.17)	(1,701.82)
Net Asset not recognised in Balance Sheet	904.17	1,701.82

Particulars	Provident Fund	
	Current Year	Previous Year
Net Cost recognised in the profit and loss account		
Current Service Cost	1,045.98	965.04
Interest Cost	2,495.99	2,507.55
Expected return on plan assets	(2,495.99)	-2,507.55
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 “Payments to and provisions for employees”	1,045.98	965.04
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April 2019	-	-
Expense as above	1045.98	965.04
Employer’s Contribution	(1045.98)	(965.04)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on March 31, 2020 are as follows:

Category of Assets	Provident Fund	
	% of Plan Assets	
Central Govt. Securities	34.56%	
State Govt. Securities	28.16%	
Debt Securities, Money Market Securities and Bank Deposits	31.28%	
Mutual Funds	2.58%	
Others	3.42%	
Total	100.00%	

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Guaranteed Return	8.50%	8.55%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.40%	5.20%

- i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:
- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or
 - three percent per annum, subject to approval of Executive Committee.

- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

3.2.2 Defined Contribution Plans

3.2.2.1 Employees Provident Fund

An amount of ₹ 47.66 crore (Previous Year ₹ 32.79 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 3.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the SBI on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2019-20, SBI has contributed ₹ 541.97 crore (Previous Year ₹ 451.39 crore).

3.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Employee Pension Scheme under PF Act	28.33	21.36
2	National Pension System	5.78	3.86
3	Others	8.41	9.89
Total		42.52	35.11

3.2.3 Long Term Employee Benefits (Unfunded Obligation):

3.2.3.1 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April 2019	6,876.64	6,248.59
Current Service Cost	288.00	261.33

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Interest Cost	534.13	485.98
Actuarial losses/(gains)	772.70	741.84
Benefits paid	(929.32)	(861.10)
Closing defined benefit obligation at 31st March 2020	7,542.15	6,876.64
Net Cost recognised in the profit and loss account		
Current Service Cost	288.00	261.33
Interest Cost	534.13	485.98
Actuarial (Gain)/ Losses	772.70	741.84
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,594.83	1,489.15
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April 2019	6,876.64	6,248.59
Expense as above	1,594.83	1,489.15
Employer's Contribution	-	-
Benefit paid directly by the Employer	(929.32)	(861.10)
Net Liability/(Asset) recognized in the Balance Sheet	7,542.15	6,876.64

Principal actuarial assumptions:

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%

Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)

An amount of ₹ 28.85 crore (Previous Year ₹ 30.76 crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.2.3.2 Other Long Term Employee Benefits

Amount of ₹ 26.17 crore [Previous Year ₹ 38.55 crore] is provided by the group towards other Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employees' Benefits during the year :

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	20.67	35.80
2	Sick Leave	(0.26)	2.11
3	Silver Jubilee/Long Term Service Award	7.96	12.64
4	Resettlement Expenses on Superannuation	1.01	(4.15)
5	Casual Leave	-	-
6	Retirement Award	(3.21)	(7.85)
TOTAL		26.17	38.55

3.2.4 The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

3.3 Accounting Standard- 17 "Segment Reporting":

3.3.1 Segment identification

A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) **Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets

Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.

- c) **Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs
- d) **Insurance Business –** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) **Other Banking business–** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

B) Secondary (Geographical Segment):

- a) **Domestic Operations -** Branches, Subsidiaries and Joint Ventures having operations in India.
- b) **Foreign Operations -** Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

C) Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

D) Allocation of Revenue, Expenses, Assets and Liabilities

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

3.2.1 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Revenue (before exceptional item)	75,104.23	91,801.08	1,31,232.17	52,947.77	14,272.32	3,65,357.57
	(77,713.33)	(80,139.68)	(1,21,250.27)	(43,417.32)	(11,643.14)	(3,34,163.74)
Unallocated Revenue						168.15
						(903.54)
Less : Inter Segment Revenue						3,296.63
						(4,846.40)
Total Revenue						3,62,229.09
						(3,30,220.88)
Result (before exceptional Items)	9,202.09	-3,830.03	18,173.66	2,367.02	3,165.05	29,077.79
	(6,593.12)	(-15,889.35)	(12,837.52)	(2,114.81)	(2,290.57)	(7,946.67)
Add : Exceptional items	5,781.56					5,781.56
	(466.48)					(466.48)
Result (after exceptional items)	14,983.65	-3,830.03	18,173.66	2,367.02	3,165.05	34,859.35
	(7,059.60)	(-15,889.35)	(12,837.52)	(2,114.81)	(2,290.57)	(8,413.15)
Unallocated Income(+)/Expenses(-) net						(4,542.76)
						(-3,192.67)
Profit/(Loss) Before Tax						30,316.59
						(5,220.48)
Taxes						12,139.76
						(2,151.41)
Extraordinary Profit						0.00
						(0.00)
Net Profit/(Loss) before share in profit in Associates and Minority Interest						18,176.83
						(3,069.07)
Add: Share in Profit in Associates						2,963.14
						(281.48)
Less: Minority Interest						1,372.17
						(1,050.91)
Net Profit/(Loss) for the Group						19,767.80
						(2,299.64)
Other Information:						
Segment Assets	11,35,750.90	12,00,452.76	15,83,362.39	1,74,612.94	43,899.44	41,38,078.43
	(10,00,105.22)	(11,54,958.34)	(14,93,139.12)	(1,53,352.63)	(33,271.02)	(38,34,826.33)
Unallocated Assets						59,413.91
						(53,637.87)
Total Assets						41,97,492.34
						(38,88,464.20)
Segment Liabilities	10,08,550.01	11,77,433.80	14,78,049.72	1,63,726.93	32,442.25	38,60,202.71
	(8,28,452.00)	(11,77,656.01)	(14,04,930.51)	(1,43,952.42)	(24,650.45)	(35,79,641.39)
Unallocated Liabilities						86,229.51
						(74,327.15)
Total Liabilities						39,46,432.22
						(36,53,968.54)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2020.

(ii) Figures within brackets are for previous year

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crore

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	3,44,982.70	3,13,646.59	17,246.39	16,574.29	3,62,229.09	3,30,220.88
Net Profit#	15,297.21	(2,151.64)	4,470.59	4,451.28	19,767.80	2,299.64
Assets *	37,09,504.22	34,50,714.98	4,87,988.12	4,37,749.22	41,97,492.34	38,88,464.20
Liabilities*	34,65,172.72	32,22,552.87	4,81,259.50	4,31,415.67	39,46,432.22	36,53,968.54

For the year ended 31st March, 2020.* As at 31st March, 2020.**3.4 Accounting Standard-18 “Related Party Disclosures”:****3.4.1 Related Parties to the Group:****A) JOINT VENTURES:**

1. C - Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Limited

B) ASSOCIATES:**i) Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Purvanchal Bank
10. Saurashtra Gramin Bank
11. Utkal Grameen Bank
12. Uttarakhand Gramin Bank
13. Jharkhand Rajya Gramin Bank
14. Rajasthan Marudhara Gramin Bank
15. Telangana Grameena Bank

ii) Others

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd. (w.e.f. 14.03.2020)
4. SBI Home Finance Ltd. (under liquidation)

C) Key Management Personnel of SBI:

1. Shri Rajnish Kumar, Chairman
2. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
3. Shri Dinesh Kumar Khara, Managing Director (Global Banking & Subsidiaries)
4. Shri Arijit Basu, Managing Director (Corporate Clients Group & IT)
5. Shri Challa Sreenivasulu Setty, Managing Director (Stressed Assets) (from 20.01.2020)
6. Smt. Anshula Kant, Managing Director (Stressed Assets, Risks and Compliance) (upto 31.08.2019)

3.4.2 Related Parties with whom transactions were entered into during the year:

No disclosure is required in respect of related parties, which are “State controlled Enterprises” as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

3.4.3 Transactions and Balances:

₹ in crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2019-20			
Interest Income	4.94 (0.01)	- (-)	4.94 (0.01)
Interest Expenditure	0.82 -	- (-)	0.82 -
Income earned by way of Dividend	18.56 (22.19)	- (-)	18.56 (22.19)
Other Income	0.97 (0.90)	(-)	0.97 (0.90)
Other Expenditure	4.17 (2.28)	- (-)	4.17 (2.28)
Profit/Loss on Sale of Land/Building/Other Assets	- (-)	- (-)	- (-)
Management Contract	3.77 (1.92)	1.38 (1.32)	5.15 (3.24)
Outstanding as on March 31, 2020			
Borrowings	- (-)	- (-)	- (-)
Deposit	748.31 (47.18)	- (-)	748.31 (47.18)
Other Liabilities	28.35 (0.29)	- (-)	28.35 (0.29)
Balances with Banks and Money at call and short notice	300.00 (-)	- (-)	300.00 (-)
Investments	11,015.61 (108.31)	- (-)	11,015.61 (108.31)
Advances	113.50 (-)	- (-)	113.50 (-)
Other Assets	229.52 (217.55)	- (-)	229.52 (217.55)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)
Maximum outstanding during the year			
Borrowings	- (-)	- (-)	- (-)
Deposit	768.92 (207.32)	- (-)	768.92 (207.32)
Other Liabilities	28.35 (0.29)	- (-)	28.35 (0.29)
Balances with Banks and Money at call and short notice	300.00 (-)	- (-)	300.00 (-)
Advances	113.50 (-)	- (-)	113.50 (-)
Investment	11,015.61 (108.31)	- (-)	11,015.61 (108.31)
Other Assets	229.52 (223.85)	- (-)	229.52 (223.85)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)

(Figures in brackets pertain to previous year)

There are no materially significant related party transactions during the year.

3.5 Accounting Standard-19 “Leases”:

3.5.1 Finance Leases

Assets taken on Financial Leases on or after April 01, 2001: The details of financial leases are given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Total Minimum lease payments outstanding		
Less than 1 year	42.59	24.58
1 to 5 years	105.50	65.08
5 years and above	28.47	-
Total	176.56	89.66
Interest Cost payable		
Less than 1 year	8.86	6.03
1 to 5 years	14.72	7.89
5 years and above	3.69	-
Total	27.27	13.92
Present value of minimum lease payments payable		
Less than 1 year	33.73	18.55
1 to 5 years	90.78	57.19
5 years and above	24.78	-
TOTAL	149.29	75.74

3.5.2 Operating Lease

Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

Liability for Premises taken on Non-Cancellable operating lease are given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Not later than 1 year	165.73	188.39
Later than 1 year and not later than 5 years	496.10	558.54
Later than 5 years	112.22	120.46
TOTAL	774.05	867.39

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 3,556.87 crore (Previous Year ₹ 3,552.61 crore).

3.6 Accounting Standard-20 “Earnings per Share”:

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - “Earnings per Share”. “Basic earnings” per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,45,87,534
Number of Equity Shares issued during the year	Nil	24,000
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,46,11,534
Weighted average number of equity shares used in computing basic earnings per share	892,46,11,534	892,45,91,479
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,45,91,479
Net Profit/(Loss) for the Group (₹ in crore)	19,767.80	2,299.64
Basic earnings per share (₹)	22.15	2.58
Diluted earnings per share (₹)	22.15	2.58
Nominal value per share (₹)	1.00	1.00

3.7 Accounting Standard-22 “Accounting for Taxes on Income”:

- i) During the year, ₹ 7,502.08 crore has been debited to Profit and Loss Account (Previous Year ₹ 878.16 crore) on account of deferred tax.
- ii) The breakup of deferred tax assets and liabilities into major items is given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Assets		
Provision for long term employee Benefits	6,468.85	5,363.60
Provision for advances	3,067.95	4,404.39
Provision for Other Assets/ Other Liability	665.72	753.11
On Accumulated Losses	105.22	10,863.94
On Foreign Currency Translation Reserve	809.99	235.77
Depreciation on Fixed Assets	146.56	50.00
DTAs on account of FOs of SBI	253.16	277.68
Others	180.50	220.38
TOTAL	11,697.95	22,168.87

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		
Depreciation on Fixed Assets	96.86	99.44
Interest accrued but not due on securities	4,563.17	6,389.76
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,531.63	4,690.10
DTLs on account of FOs of SBI	6.16	2.33
Others	6.54	8.22
TOTAL	8,204.36	11,189.85
Net Deferred Tax Assets/(Liabilities)	3,493.59	10,979.02

iii) While recognizing provision for income tax for the year ended March 31, 2020 SBI and certain group entities have exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, SBI and certain group entities have re-measured their Deferred Tax Assets as at March 31, 2019 based on the tax rate prescribed in the said section and have reversed the MAT credit no longer available to them. The impact of these changes is a one-time charge of ₹ 3,166.37 crore (net of minority interest) which is included in Tax expenses of the group.

3.8 Accounting Standard-28 “Impairment of assets”:

In the opinion of the Management, there is no impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.

3.9 Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”

➤ Provisions and contingencies recognised in Profit and Loss Account:

₹ in crore

Sr No.	Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account	Current Year	Previous Year
a)	Provision for Taxation		
	- Current Tax	4,372.77	1,982.02
	- Deferred Tax	7,502.08	878.16
	- Write Back/Additional Provision of Income Tax	264.91	(708.77)
b)	Provision on Non-Performing Assets	44,072.90	55,343.42
c)	Provision on Restructured Assets	(224.01)	(89.85)
d)	Provision on Standard Assets	(291.37)	20.51
e)	Provision for Depreciation on Investments	628.11	(606.00)
f)	Other Provisions	603.07	131.03
	TOTAL	56,928.46	56,950.52

(Figures in brackets indicate credit)

➤ Floating provisions:

₹ in crore

Sr No.	Particulars	Current Year	Previous Year
a)	Opening Balance	193.75	193.75
b)	Addition during the year	-	-
c)	Draw down during the year	-	-
d)	Closing balance	193.75	193.75

➤ **Description of contingent liabilities (AS-29):**

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, SBI generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Group is contingently liable	The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

➤ **Movement of provisions against contingent liabilities:**

₹ in crore

Sr No.	Particulars	Current Year	Previous Year
a)	Opening Balance	534.75	526.29
b)	Additions during the year	137.34	113.95
c)	Amount utilised during the year	7.13	66.22
d)	Unused amount reversed during the year	31.24	39.27
e)	Closing balance	633.72	534.75

- 4 Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year.
- 5 As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to

disclose divergences from prudential norms on income recognition, asset classification and provisioning.

Accordingly, the following disclosure is made in respect of divergences for the F.Y. 2018-19: -

Divergence in Asset Classification and Provisioning for NPAs	
Particulars	(₹ in crore)
1 Gross NPAs as on March 31, 2019 as reported by SBI	1,72,750
2 Gross NPAs as on March 31, 2019 as assessed by RBI	1,84,682
3 Divergence in Gross NPAs (2-1)	11,932
4 Net NPAs as on March 31, 2019 as reported by SBI	65,895
5 Net NPAs as on March 31, 2019 as assessed by RBI	77,827
6 Divergence in Net NPAs (5-4)	11,932
7 Provisions for NPAs as on March 31, 2019 as reported by SBI	1,06,856
8 Provisions for NPAs as on March 31, 2019 as assessed by RBI	1,18,892
9 Divergence in provisioning (8-7)	12,036
10 Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	862
11 Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(-)6,968

SBI has made full provision against the said divergence during the year ended March 31, 2020.

6 As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020, in case of SBI the asset classification and provisioning in respect of COVID -19 Regulatory Package is as below :

		(₹ in crore)
Sr. No.	Particular	Current Year
i.	Respective amounts where the moratorium/deferment was extended	5,63,896.15
ii.	Out of above (i) amount where asset classification benefits is extended	6,250.31
iii.	Provisions made during the year	1,172.00

7 In case of advance account declared as fraud during the year, SBI has chosen to make provision over four quarters. The unamortised provision amount of ₹ 5,230.37 crore as on March 31, 2020 has been debited to "Other Reserves" by credit to "Provisions" in terms of RBI circular DBR.No.BP.BC.92/21.04.048/2015-16 dated 18th April 2016.

8 Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP.BC.79/21.04.048/2014-15 dated March 30, 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 per cent of CCPB

held by them as on December 31, 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by Bank's Board of Directors.

During the year, SBI has not utilized the CCPB for making specific provision for NPAs.

9 As per RBI letter no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), SBI is holding total provision of ₹ 5,761.46 crore (93.53% of total outstanding) as on March 31,2020.

10 SBI has made a provision of ₹ 2,999 crore (total cumulative till March 31 ,2020 ₹ 8,642.41 crore) for the year ended March 31, 2020 towards arrears of wages due for revision w.e.f November 01, 2017.

11 Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes :

- i. ₹ 3,190.97 crore on sale of certain portion of investment in SBI Life Insurance Company Limited
- ii. ₹ 2,590.59 crore on sale of certain portion of investment in SBI Cards and Payments Services Limited

12 Resolution of Stressed Assets

As per RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019, SBI has implemented Resolution Plans for its 9 borrowers having exposure of ₹ 14,487.28 crore as on 31st March 2020.

Further, in terms of RBI circular DOR.No.BP.BC.62/21.04.048/2019-20 dated 17th April 2020, SBI has extended resolution period for its 4 borrowers having exposure of ₹ 1,006.91 crore as on 31st March 2020.

13 RBI vide an email dated 19th May 2020 advised the Public Sector Banks that the requirement for reporting on "Whether the bank has adequate Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls" in the Independent Auditors' Report is optional for financial year 2019-2020.

SBI has availed the option to report the same in the Independent Auditor's Report from financial year 2020-2021 onwards.

14 The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. In this situation, though the challenges continue to unfold, SBI is gearing itself on all fronts to meet the same. The situation continues to be uncertain and SBI is evaluating the situation on a going basis. Major challenges for SBI would arise from extended working capital cycle and waning cash flows. Despite these

conditions, there would not be any significant impact on the liquidity and profitability of SBI.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27th March 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, included Rescheduling of Payments -Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc. Accordingly the Bank has made the following provisions:-

- Provision @ 15% aggregating ₹ 938 crores against the accounts with outstanding of ₹ 6,250 crores which were standard as on 29th February 2020 but would have slipped to NPA/Sub-standard category as on 31st March 2020 had the RBI debt servicing relief as above not been reckoned.
- In respect of above accounts, interest income aggregating ₹234 crores has been reckoned in operating profit. However additional provision of ₹ 234 crores has been made against Standard Assets.

- 15** SBI has revalued immovable properties on June 30, 2019 (earlier revalued in June 2016) based on the reports obtained from the external independent valuers and the closing balance of revaluation reserve as at March, 31 2020, (net of amount transferred to General Reserve) is ₹ 23,762.67 crore (Previous year ₹ 24,653.94 crore).
- 16** In respect of SBI Life Insurance Company Ltd., IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to Master policy holders vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012 amounting to ₹ 84.32 crore (Previous Year ₹ 84.32 crore). The company had filed an appeal against the said order with Ministry of Finance, Government of India, who remanded the

case back to IRDAI on November 04, 2015. IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The company has filed an appeal against the said directions /orders with Securities Appellate Tribunal which is pending final determination.

In the above mentioned matter, SBI Life Insurance Company Ltd. has shown a requisite amount as contingent liability in the financials of the company.

- 17** The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 13.34% (Previous Year 12.74%) of the total investments as on March 31, 2020.
- 18** In accordance with RBI circular DBOD NO.BP. BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.
- 19** In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.
- 20** Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/ Accounting Standards, previous year's figures have not been mentioned.

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

Shri Arijit Basu
Managing Director
(Commercial Clients Group & IT)

Shri Dinesh Kumar Khara
Managing Director
(Global Banking & Subsidiaries)

In term of our Report of even date.
For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner

Mem. No. : 085669

Firm Regn. No. : 001111N

Place : New Delhi

Place: Mumbai

Date : 5th June 2020

State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2020

(000s omitted)

PARTICULARS	Year ended 31.03.2020 ₹	Year ended 31.03.2019 ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	31907,55,94	4451,05,72
Adjustments for :		
Depreciation on Fixed Assets	3661,55,85	3495,89,21
(Profit)/Loss on sale of Fixed Assets (Net)	28,33,75	32,35,82
(Profit)/Loss on revaluation of Investments (Net)	-	2124,03,82
(Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates	(5573,62,96)	(466,47,81)
Provision for diminution in fair value & Non Performing Assets	43848,89,01	55253,57,08
Provision on Standard Assets	(291,36,52)	20,50,53
Provision for depreciation on Investments	626,52,21	(606,00,24)
Other Provisions including provision for contingencies	604,65,49	131,02,52
Share in Profit of Associates	(2963,14,04)	(281,47,94)
Dividend from Associates	(14,66,77)	(11,71,87)
Interest on Capital Instruments	4908,09,07	4222,27,24
	76742,81,03	68365,04,08
Adjustments for :		
Increase/(Decrease) in Deposits	333619,56,43	218362,77,89
Increase/(Decrease) in Borrowings other than Capital Instruments	(89342,80,87)	41290,72,22
(Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates	(100670,42,40)	63373,44,50
(Increase)/Decrease in Advances	(191306,40,41)	(321988,70,29)
Increase/(Decrease) in Other Liabilities	31602,72,76	4182,31,31
(Increase)/Decrease in Other Assets	(21857,44,26)	(35854,36,00)
	38788,02,28	37731,23,71
Tax refund / (Taxes paid)	(14859,49,11)	(8175,23,21)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	23928,53,17	29556,00,50
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in Investments in Subsidiaries/Joint Ventures/ Associates	(6031,06,06)	(63,53,05)
Profit/ (Loss) on sale of Investments in Subsidiaries/Joint Ventures/ Associates	5573,62,96	466,47,81
Dividend from Associates	14,66,77	11,71,87
(Increase)/Decrease in Fixed Assets	(3065,01,13)	(3005,51,02)
(Increase)/Decrease in Goodwill on Consolidation	184,08,19	1734,07,01
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	(3323,69,27)	(856,77,38)

(000s omitted)

PARTICULARS	Year ended 31.03.2020 ₹	Year ended 31.03.2019 ₹
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity shares including share premium (Net of share issue expenses)	-	(8,74,22)
Issue/redemption of Capital Instruments (net)	8495,81,80	3377,60,00
Interest on Capital Instruments	(4908,09,07)	(4222,27,24)
Dividend paid including tax thereon	-	-
Dividend tax paid by Subsidiaries/Joint Ventures	(65,04,00)	(120,69,39)
Increase/(Decrease) in Minority Interest	1906,83,07	1421,74,62
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	5429,51,80	447,63,77
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)	2768,64,27	1076,28,67
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)	28802,99,97	30223,15,56
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	225512,26,39	195289,10,83
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	254315,26,36	225512,26,39
Note:		
1 Components of Cash & Cash Equivalents as at:	31.03.2020	31.03.2019
Cash & Balances with Reserve Bank of India	166968,46,05	177362,74,09
Balances with Banks and Money at Call & Short Notice	87346,80,31	48149,52,30
TOTAL	254315,26,36	225512,26,39
2 Cash Flow from operating activities is reported by using indirect method.		

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Managing Director
(Commercial Clients Group & IT)

Shri Dinesh Kumar Khara
Managing Director
(Global Banking & Subsidiaries)

In term of our Report of even date.

For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner

Place: Mumbai
Date : 5th June 2020

Mem. No. : 085669
Firm Regn. No. : 001111N

Place : New Delhi

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
State Bank of India,
 State Bank Bhavan,
 Madam Cama Road,
 Mumbai-400021.

REPORT ON AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:
 - a) Audited Results of the Bank which have been reviewed by all the fourteen Statutory Central Auditors including us;
 - b) Audited Results of 27 Subsidiaries, 8 Joint Ventures and 16 Associates (including 14 Regional Rural Banks) audited by other Auditors; and
 - c) Un-audited results of 1 Subsidiary and 2 Associates (including 1 Regional Rural Bank).

The above entities together with the Bank are referred to as the 'Group'.

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of Subsidiaries, Joint Ventures and Associates, the unaudited financial statements and the other financial information of subsidiaries and Associates as furnished by the management, the aforesaid consolidated financial statements are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2020;
- b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and
- c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw attention to Note No.14 of Schedule 18 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements).</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/ directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following:</p> <ol style="list-style-type: none"> a. The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norm in respect of the branches allotted to us;

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Advances constitute 58.85 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<ul style="list-style-type: none"> b. Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank; c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines; d. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof. e. We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions. f. We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. g. In carrying out substantive procedures at the branches allotted to us, we have examined all large advances/stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management. h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.
ii	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements).</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 26.50 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p>	<p>Our audit approach towards Investments with reference to the RBI Circulars/ directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. In particular,</p> <ul style="list-style-type: none"> a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/ depreciation related to investments; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</p>	<ul style="list-style-type: none"> c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 3.9 of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; b. Understanding the current status of the litigations/tax assessments; c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts; e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and f. Verification of disclosures related to significant litigations and taxation matters.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government/ Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches/ LHOs/Business Units in the Corporate Office of the bank.</p> <p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/ Circle/ Administrative/ Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> a. Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.

Information Other than the Consolidated Financial Statements and Auditors’ Report thereon

5. The Bank’s Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors’ report thereon), which will be obtained at the time of issue of this auditors’ report, and the Directors’ Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after that date.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Director’s Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank’s Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard 21-“Consolidated Financial Statements”, Accounting Standards 23- “Accounting for Investment in Associates in Consolidated Financial

Statements“ and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture” issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group Entity or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity’s financial reporting process.

Auditors’ Responsibility for the Audit of Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group Entity to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. Incorporated in these consolidated financial statements are the:
- a) We along with 13 (thirteen) Joint Auditors did not audit the financial statements/ information of 9169 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of ₹30,87,788.72 crore at March 31, 2020 and total revenue of ₹ 1,20,151.17 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors;
- b) We did not audit the financial statements of 27 (twenty-seven) Subsidiaries, 8 (eight) Joint Ventures whose financial statements reflect total assets of ₹2,60,823.39 crore as at March 31, 2020, total revenues of ₹ 69,349.38 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 2,948.53 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 16 (Sixteen) associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors
- c) We did not audit the financial statements of 1(one) subsidiary whose financial statements reflect total assets of ₹6,848.63 crore as at 31st March, 2020, total revenues of ₹ 256.09 crore, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 14.61 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 2(two) associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report relates to the aforesaid subsidiaries, jointly controlled entities and associates, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

9. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, a subsidiary of the Group have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2020 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

Report on Other Legal and Regulatory Requirements

10. The Consolidated Balance Sheet and the Consolidated Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

For J. C. Bhalla & Co.
Chartered Accountants
Firm Regn No. 001111N

(Rajesh Sethi)
Partner
Membership No. 085669
UDIN: 20085669AAAABB7435

Place: New Delhi
Date : 05 June, 2020

PILLAR 3 DISCLOSURES (CONSOLIDATED)

as on 31.03.2020

DF-1 : SCOPE OF APPLICATION

State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India which comprises the statutory provisions, Regulatory/ Reserve Bank of India (RBI) guidelines, Accounting Standards/guidance notes issued by the ICAI.

(i) Qualitative Disclosures:

a) List of group entities considered for consolidation for the period ended 31.03.2020

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
1	SBI Capital Markets Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
2	SBICAP Securities Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
3	SBICAP Ventures Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
4	SBICAP Trustee Company Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
5	SBICAP (UK) Ltd.	U.K.	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
6	SBICAP (Singapore) Ltd.	Singapore	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
7	SBI DFHI Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
8	SBI Payment Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
9	SBI Global Factors Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
10	SBI Pension Funds Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
11	SBI -SG Global Securities Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
12	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
13	SBI Funds Management Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
14	SBI Funds Management (Intl.) Private Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
15	SBI Cards and Payment Services Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
16	State Bank of India (California)	USA	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
17	SBI Canada Bank	Canada	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
18	Commercial Indo Bank Llc, Moscow	Russia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
19	SBI (Mauritius) Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
20	PT Bank SBI Indonesia	Indonesia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
21	Nepal SBI Bank Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
22	Nepal SBI Merchant Banking Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
23	Bank SBI Botswana Ltd.	Botswana	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
24	State Bank of India Servicos Limitada	Brazil	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
25	State Bank of India (UK) Limited	UK	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
26	SBI Infra Management Solutions Private Limited	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	
27	SBI Life Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	
28	SBI General Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	
29	C - Edge Technologies Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
30	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
31	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
32	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
33	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
34	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
35	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
36	Jio Payments Bank Limited	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
37	Andhra Pradesh Grameena Vikas Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
38	Arunachal Pradesh Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
39	Chhattisgarh Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
40	Ellaquai Dehati Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
41	Meghalaya Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
42	Madhyanchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
43	Mizoram Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
44	Nagaland Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
45	Purvanchal Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
46	Utkal Grameen Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
47	Uttarakhand Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
48	Jharkhand Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
49	Saurashtra Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
50	Rajasthan Marudhara Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
51	Telangana Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
52	The Clearing Corporation of India Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
53	Yes Bank Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
54	Bank of Bhutan Ltd.	Bhutan	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	

b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2020

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
1	SBI Foundation	India	A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities	29.15	99.72%		29.45
2	SBI Home Finance Ltd.	India	Under winding up	N.A.	25.05%		N.A.

(ii) Quantitative Disclosures:

c. List of group entities considered for regulatory consolidation as on 31.03.2020

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ In crore)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$#	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)#
1	SBI Capital Markets Ltd.	India	Merchant Banking and Advisory Services	1,619.14	1,679.13
2	SBICAP Securities Ltd.	India	Securities Broking & its allied services and third party distribution of financial products	359.71	673.71
3	SBICAP Trustee Company Ltd.	India	Corporate Trusteeship Activities	112.71	116.39
4	SBICAP Ventures Ltd.	India	Asset Management Company for Venture Capital Fund	82.75	86.10
5	SBICAP (Singapore) Ltd.	Singapore	Business & management Consultancy Services	62.02	63.28
6	SBICAP (UK) Ltd.	U.K.	Arrangement of corporate finance & providing advisory services	-	-
7	SBI DFHI Ltd.	India	Primary Dealer in Govt. Securities	1,057.71	11,193.67
8	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Trusteeship Services to schemes floated by SBI Mutual Fund	32.18	32.22
9	SBI Global Factors Ltd.	India	Factoring Activities	318.43	1,237.39
10	SBI Pension Funds Pvt Ltd.	India	Management of assets of NPS Trust allocated to them	40.71	42.06
11	SBI Payment Services Pvt. Ltd.	India	Payment Solution Services	1,416.38	1,559.74

(₹ In crore)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$#	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)#
12	SBI Funds Management Pvt. Ltd.	India	Asset Management Services to schemes floated by SBI Mutual Fund	1,904.07	2,010.61
13	SBI Funds Management (International) Private Ltd.	Mauritius	Investment Management Services	1.95	3.19
14	SBI Cards and Payment Services Ltd.	India	Credit Cards Business	4,954.58	25,421.69
15	SBI –SG Global Securities Services Pvt. Ltd.	India	Custody and Fund accounting services	221.87	427.43
16	SBI Business Process Management Services Ltd	India	Card Processing and Other Services	-	-
17	State Bank of India (California)	USA	Banking Services	1,097.62	6,923.32
18	SBI Canada Bank	Canada	Banking Services	828.04	6,848.63
19	Commercial Indo Bank LLC., Moscow	Russia	Banking Services	205.13	366.42
20	SBI (Mauritius) Ltd.	Mauritius	Banking Services	1,094.58	6,472.07
21	PT Bank SBI Indonesia	Indonesia	Banking Services	667.56	2,509.80
22	Nepal SBI Bank Ltd.	Nepal	Banking Services	924.93	8,142.11
23	State Bank of India (UK) Limited	UK	Banking Services	1,737.01	16,391.60
24	Bank SBI Botswana Ltd.	Botswana	Banking Services	73.56	219.18
25	State Bank of India Servicos Limitada	Brazil	Representative Office Services	1.55	1.62
26	Nepal SBI Merchant Banking Ltd.	Nepal	Merchant Banking and Advisory Services	14.22	14.87

\$ Comprises of Equity Capital and Reserve & Surplus

In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

- (d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the Subsidiaries/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Capital Deficiency
		NIL		

- (e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted:

Name of the Insurance entities/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method
		NIL		

- (f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:

Subsidiaries	Restriction
SBI California	As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares or capital repatriation to parent bank.
SBI Canada	Prior permission from the regulatory (OSFI) before transferring any type of capital (equity or debt) to parent bank.
Bank SBI Botswana Ltd.	Only after permission of the Bank of Botswana the transfer of regulatory capital within the banking group/Group company is allowed. The same to be approved by the Board with Statutory Auditor certificate for the capital maintained by the bank on date.
SBI Mauritius Ltd.	There are regulatory restrictions for the reduction of the Bank's capital to be paid back to the shareholders including the parent bank. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the banking act and the companies Act of Mauritius. The amount to be paid is subject to SBIML maintaining adequate capital and the liquidity ratio as per the regulatory requirements.
(a)	The central bank shall not grant, and no bank shall hold, a banking license unless it maintains and continues to maintain in Mauritius, an amount paid as stated capital or an amount of assigned capital or not less than 400 million rupees of the equivalent.
(b)	Every bank shall maintain in Mauritius, capital of not less than 10 per cent, or such higher ratio as may be determined by the central bank, of such of that bank's risk assets and of other types of risks.
Bank SBI Indonesia	The Bank maintains a minimum regulatory capital to be able to operate as a Book II bank as well as a forex bank. However, transfer of funds as dividend to parent bank is allowed after generation of sufficient profit.
Nepal SBI Bank Ltd.	Under the laws of Nepal, Assets and Liabilities of the Company are exclusive and non-transferable. Hence, the transfer of funds or regulatory capital within the banking group is not possible.
CIBL	There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group.
State Bank of India (UK) Limited	Excess capital beyond the regulatory minimum can be paid back to the parent (via dividends or reduced capital) along with the approval of SBI UK Board and PRA. This will be based on the projected growth plans of SBI UK Limited and its capital requirements.

DF-2 – CAPITAL ADEQUACY

As on 31.03.2020

Qualitative Disclosures

- (a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities
- The Bank and its Banking Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis in line with the New Capital Adequacy Framework (NCAF) Guidelines of RBI. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:
 - ◆ Credit Risk
 - ◆ Operational Risk
 - ◆ Liquidity Risk
 - ◆ Compliance Risk
 - ◆ Pension Fund Obligation Risk
 - ◆ Reputation Risk
 - ◆ Residual Risk from Credit Risk Mitigants
 - ◆ Talent Risk
 - ◆ Risks related to Insurance Business
 - ◆ Market Risk
 - ◆ Credit Concentration Risk
 - ◆ Interest Rate Risk in the Banking Book
 - ◆ Country Risk
 - ◆ Strategic Risk
 - ◆ Model Risk
 - ◆ Contagion Risk
 - ◆ Cyber Risk
 - ◆ Underwriting Risk
 - Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic / Foreign). This analysis is done for the SBI and SBI Group separately.
 - CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPS) besides Equity as and when required.
 - Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

Quantitative Disclosures

(b) Capital requirements for credit risk:

• Portfolios subject to standardized approach	₹ 1,58,699.61 crs.
• Securitization exposures	Nil

	Total ₹ 1,58,699.61 crs

(c) Capital requirements for market risk:

● Standardized duration approach;	
- Interest Rate Risk	₹ 9,913.47 crs.
- Foreign Exchange Risk(including gold)	₹ 172.00 crs.
- Equity Risk	₹ 6109.75 crs.

Total	₹ 16,195.22 crs.

(d) Capital requirements for operational risk:

● Basic Indicator Approach	₹ 20,073.11 crs.
● The Standardized Approach (if applicable)	-----
Total	₹ 20,073.11 crs.

(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:

- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

	CAPITAL ADEQUACY RATIOS AS ON 31.03.2020		
	CET 1 (%)	Tier 1 (%)	Total (%)
SBI Group	10.05	11.24	13.30
State Bank of India	9.77	11.00	13.06
SBI (Mauritius) Ltd.	24.52	24.52	25.38
State Bank of India (Canada)	13.04	13.04	14.72
State Bank of India (California)	15.63	15.63	16.74
Commercial Indo Bank LLC, Moscow	63.86	63.86	63.86
Bank SBI Indonesia	34.60	34.60	35.44
Nepal SBI Bank Ltd.	13.50	13.50	16.60
Bank SBI Botswana Ltd.	30.59	30.59	31.24
SBI (UK) Ltd.	13.27	13.27	17.06

DF-3: CREDIT RISK: GENERAL DISCLOSURES

As on 31.03.2020

General Disclosures**Qualitative Disclosures**● **Definitions of past due and impaired assets (for accounting purposes)****Non-performing assets**

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31st March 2006, a non-performing Asset (NPA) is an advance where

- Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan
- The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC)
- The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted
- Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts
- A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season
- An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitization transactions undertaken in accordance with the RBI guidelines on securitization dated February 1, 2006.
- In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

'Out of Order' status

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

'Overdue'

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

- Resolution of Stressed Assets**

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

- Discussion of the Bank's Credit Risk Management Policy**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

- Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorized broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.
- Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with exposure of ₹ 20 cr. and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

DF-3: Quantitative Disclosures as on 31.03.2020**(Insurance entities, JVs & Non-financial entities excluded)**

General Disclosures:

(₹ In crore)

Quantitative Disclosures	Fund Based	Non-Fund Based	Total
b Total Gross Credit Risk Exposures	2472284.18	438978.29	2911262.47
c Geographic Distribution of Exposures: FB / NFB			
Overseas	374084.61	57024.35	431108.96
Domestic	2098199.57	381953.94	2480153.51
d Industry Type Distribution of Exposures Fund based / Non-Fund Based separately	Please refer to Table "A"		
e Residual Contractual Maturity Breakdown of Assets	Please refer to Table "B"		
f Amount of NPAs (Gross) i.e. Sum of (i to v)			150130.73
i. Substandard			36249.25
ii. Doubtful 1			20239.55
iii. Doubtful 2			38423.67
iv. Doubtful 3			30527.51
v. Loss			24690.75
g Net NPAs			52126.72
h NPA Ratios			
i) Gross NPAs to gross advances			6.07%
ii) Net NPAs to net advances			2.20%
i Movement of NPAs (Gross)			
i) Opening balance			173589.59
ii) Additions			51204.07
iii) Reductions			74662.94
iv) Closing balance			150130.72
j Movement of provisions for NPAs			
i) Opening balance			107541.73
ii) Provisions made during the period			44116.20
iii) Write-off			53646.60
iv) Write-back of excess provisions			7.32
v) Closing balance			98004.01
k Amount of Non-Performing Investments			9239.58
l Amount of Provisions held for Non-Performing Investments			4288.75
m Movement of Provisions for Depreciation on Investments			
Opening balance			9252.41
Provisions made during the period			5275.82
Add: Foreign Exchange Revaluation Adj.			250.82
Write-off			4696.46
Write-back of excess provisions			-
Closing balance			9580.95
n By major industry or counter party type			82454.21
Amt. of NPA and if available, past due loans, provided separately			
Specific & general provisions; and			-
Specific provisions and write-offs during the current period			-
o Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions			-
Provisions			-

Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2020

		(₹ In crore)			
Code	Industry	Fund Based [Outstanding-O/s]			Non-Fund Based(O/s)
		Standard	NPA	Total	
1	Coal	8456.68	317.84	8774.52	6203.22
2	Mining	6282.95	1896.56	8179.51	1986.38
3	Iron & Steel	66096.30	6110.88	72207.18	37022.37
4	Metal Products	26596.08	1677.15	28273.23	10706.22
5	All Engineering	36768.68	5917.66	42686.34	71070.97
5.1	Of which Electronics	4136.11	134.49	4270.60	5446.04
6	Electricity	5415.12	0.00	5415.00	4.10
7	Cotton Textiles	22392.79	2183.16	24575.95	1654.77
8	Jute Textiles	853.90	41.75	895.65	40.31
9	Other Textiles	11385.32	1863.94	13249.26	1716.81
10	Sugar	7191.20	625.29	7816.49	1145.08
11	Tea	793.38	131.45	924.83	21.82
12	Food Processing	60647.01	6100.64	66747.65	2528.53
13	Vegetable Oils & Vanaspati	4642.81	688.82	5331.63	3434.74
14	Tobacco / Tobacco Products	161.56	125.55	287.11	151.19
15	Paper / Paper Products	4740.53	649.54	5390.07	873.32
16	Rubber / Rubber Products	7196.72	858.33	8055.05	1842.16
17	Chemicals / Dyes / Paints etc.	96613.85	2897.30	99511.15	63456.40
17.1	Of which Fertilizers	18258.14	1069.21	19327.35	8483.48
17.2	Of which Petrochemicals	54873.15	141.55	55014.70	44492.92
17.3	Of which Drugs & Pharma	12710.78	267.91	12978.69	2516.48
18	Cement	14332.70	1172.06	15504.76	4104.73
19	Leather & Leather Products	3051.37	379.83	3431.20	338.31
20	Gems & Jewellery	11630.98	756.04	12387.05	1223.66
21	Construction	42944.59	1337.12	44281.71	15126.71
22	Petroleum	42678.63	1123.52	43802.15	22414.01
23	Automobiles & Trucks	17102.16	1181.13	18283.29	7369.36
24	Computer Software	6171.00	27.74	6198.74	1080.97
25	Infrastructure	321807.62	38742.83	360550.45	87327.04
25.1	Of which Power	188577.08	16970.28	205547.36	28493.66
25.2	Of which Telecommunication	29312.14	5930.94	35243.08	9789.95
25.3	Of which Roads & Ports	52943.37	7280.83	60224.20	23657.12
26	Other Industries	219181.11	33580.32	252761.43	37501.35
27	NBFCs & Trading	375216.28	18214.24	393430.51	32614.73
28	Residual Advances	901802.14	21530.04	923332.18	26019.03
	Total	2322153.45	150130.73	2472284.18	438978.29

Table- B
DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2020*

INFLOWS	(₹ In crore)											TOTAL
	1 days	2-7 days	8-14 days	15-30 days	31 days & upto 2 months	More than 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
1 Cash	20315.47	0.01	0.00	0.10	20.16	0.50	0.45	0.20	0.32	0.40	0.00	20337.61
2 Balances with RBI	52586.03	2104.02	976.82	1583.05	2159.45	1882.16	4295.30	21496.64	22604.64	10067.26	26882.94	146638.31
3 Balances with other Banks	33024.21	2801.88	38561.44	2349.56	2931.14	5425.00	3273.60	2127.58	962.11	40.75	61.99	91559.26
4 Investments	10432.69	4468.56	4044.01	17336.59	21193.67	33883.05	46163.43	71638.77	187248.85	156583.98	516539.78	1069533.38
5 Advances	17100.59	23668.40	23609.94	48931.65	44975.84	49676.55	117399.52	220549.72	824170.09	408110.79	604569.39	2382762.48
6 Fixed Assets	4.05	0.00	0.00	0.00	0.00	0.00	0.46	0.00	11.52	13.85	39167.55	39197.43
7 Other Assets	7950.36	24382.42	25465.62	18786.54	17281.44	15490.14	22073.48	33126.72	17222.65	34630.11	75797.18	292206.66
TOTAL	141413.40	57425.29	92657.83	89987.49	88561.70	106357.40	193206.24	348939.63	1052220.18	609447.14	1263018.83	4042235.13

*Notes:

- Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH
As on 31.03.2020

Disclosures for Portfolios subject to Standardised Approach

Qualitative Disclosures

• **Names of Credit Rating Agencies used, plus reasons for any changes**

- As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, Brickwork, ACUTE Ratings and Research and INFOMERICs (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

• **Types of exposures for which each Agency is used**

- For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
- For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.

• **Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book**

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

Long-term Issue Specific Ratings (For the Bank's own exposures or other issuance of debt by the same borrower-constituent/counter-party) or Issuer (borrower-constituents/counter-party) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases :

- If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari passu or junior to the rated exposure in all respects.
- In cases where the borrower-constituent/counter-party has issued a debt (which is not a borrowing from the Bank), the rating given to that debt is applied to the Bank's unrated exposures, if the Bank's exposure ranks pari passu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than the maturity of the rated debt.

Quantitative Disclosures as on 31.03.2020

(₹ In crore)

		Amount
(b) For exposure amounts after risk mitigation subject to the Standardized Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.	Below 100% Risk Weight	20,26,503.14
	100% Risk Weight	6,05,905.83
	More than 100% Risk Weight	2,78,853.50
	Deducted	0.00
	Total	29,11,262.47

DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31.03.2020

Credit Risk Mitigation: Disclosures for Standardised Approach**(a) Qualitative Disclosures**

- Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting**

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

Where bank,

- has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt;
- is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy :

- Classification of credit risk-mitigants
- Acceptable credit risk-mitigants
- Documentation and legal process requirements for credit risk-mitigants
- Valuation of collateral
- Margin and Haircut requirements
- External ratings
- Custody of collateral
- Insurance
- Monitoring of credit risk mitigants
- General guidelines.

- **Description of the main types of collateral taken by the Bank**

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)

Gold

Securities issued by Central / State Governments

Debt Securities rated BBB- or better/ PR3/P3/F3/A3 for Short-Term Debt Instrument

- **Main types of Guarantor Counterparty and their creditworthiness**

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

- ◆ Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- ◆ Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

Information about (Market or Credit) risk concentrations within the mitigation taken:

The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as: -

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates,
- Fixed assets and current assets of the counterparty.

Quantitative Disclosures as on 31.03.2020

(₹ In crore)

(b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	1,18,787.09
(c) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	59,925.44

DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

As on 31.03.2020

Qualitative Disclosures	
(a) The general qualitative disclosure requirement with respect to securitisation including a discussion of:	
The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.	Nil
The nature of other risks (e.g. liquidity risk) inherent in securitised assets;	Not Applicable
The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them;	Not Applicable
@ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules.	
# A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.	
A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012).	Not Applicable
A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;	Not Applicable
(b) Summary of the bank's accounting policies for securitization activities, including:	
Whether the transactions are treated as sales or financings;	Not Applicable
Methods and key assumptions (including inputs) applied in valuing positions retained or purchased	Not Applicable
Changes in methods and key assumptions from the previous period and impact of the changes;	Not Applicable

	Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.	Not Applicable
(c)	In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.	Not Applicable
	Quantitative Disclosures: Banking Book	
(d)	The total amount of exposures securitised by the bank.	Nil
(e)	For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	Nil
(f)	Amount of assets intended to be securitised within a year	Nil
(g)	Of (f), amount of assets originated within a year before securitisation.	Not Applicable
(h)	The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
(i)	Aggregate amount of:	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type	Nil
(j)	Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	Nil
	Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil
	Quantitative Disclosures: Trading Book	
(k)	Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	Nil
(l)	Aggregate amount of:	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type.	Nil
(m)	Aggregate amount of securitisation exposures retained or purchased separately for:	Nil
	Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and	Nil
	Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.	Nil
(n)	Aggregate amount of:	
	The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.	Nil
	Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil

DF-7: MARKET RISK IN TRADING BOOK**As on 31.03.2020****(a) QUALITATIVE DISCLOSURES:**

- (1) The Bank follows Standardised Measurement Method (SMM) for computing capital requirement for Market Risk.
- (2) Market Risk Management Department (MRMD) is functioning as a part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- (3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
- (4) The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:

- (a) Market Risk Management Policy
- (b) Market Risk Limits
- (c) Investment Policy
- (d) Trading Policy
- (e) Stress Test Policy for Market Risk
- (5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (6) Risk management and reporting is based on parameters such as Modified Duration, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Lower and upper management Action Triggers, in line with global best practices.

- (7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (8) Value at Risk (VaR) is computed on a daily basis. Back-Testing of VaR number is carried out on daily basis. Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (9) Respective Foreign offices monitor risk of their investment portfolio, as per the local regulatory and RBI stipulations. Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.
- (10) Bank has submitted Letter of Intent (LOI) to RBI to migrate to advanced approach i.e. Internal Models Approach for calculating capital charge for market risk and.

(b) QUANTITATIVE DISCLOSURES:**CAPITAL CHARGE ON MARKET RISK**

Bank maintains Capital Charge for Market Risk under the Standardised measurement method as under.

Category	(₹ in Crores)
Interest rate Risk (including Derivatives)	31.03.2020 9,913.47
Equity Position Risk	6,109.75
Foreign Exchange Risk	172.00
Total	16,195.22

DF-8: OPERATIONAL RISK

As on 31.03.2020

Qualitative disclosures**A. The structure and organization of Operational Risk Management function**

- ◆ The Operational Risk Management Department functions in SBI as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer. In SBI, Chief Risk Officer reports to Risk Management Committee of the Board (RMCB)
- ◆ The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.

B. Policies for control and mitigation of Operational Risk in SBI**Domestic Banking Entities (SBI)**

The following Policies, Framework Documents and Manuals are in place in SBI:

Policies and Framework Documents

- ◆ Operational Risk Management policy, encompasses Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks
- ◆ Loss Data Management Policy;
- ◆ External Loss Data Management Policy;
- ◆ IS Policy;
- ◆ IT Policy;
- ◆ Cyber Security Policy
- ◆ Group Cyber Security Policy
- ◆ Business Continuity Planning (BCP) Policy;
- ◆ Business Continuity Management System (BCMS) Policy;
- ◆ Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures;
- ◆ Policy on Fraud Risk Management;
- ◆ Bank's Outsourcing Policy;
- ◆ Policy on Insurance;
- ◆ Operational Risk Appetite Framework (SBI) Document;
- ◆ Capital Computation Framework Document;

Manuals

- ◆ Operational Risk Management Manual
- ◆ Loss Data Management Manual
- ◆ Business Continuity Planning (BCP) Manual
- ◆ Business Continuity Management System (BCMS) Manual
- ◆ External Loss Data Manual

Domestic Non-Banking and Overseas Banking entities

Policies and Manuals, as relevant to the business model of Non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc..

C. Strategies and Processes**Domestic Banking entities (SBI)****Advanced Measurement Approach (Parallel Run)**

- ◆ In SBI, in order to successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at circles like RMCAOs, RMCCs, and also RMCs at the Business and Support Groups (RMC-R & DB, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- ◆ The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events and external losses are also captured to improve risk management practices.
- ◆ Excel based template for conducting Risk & Control Self-Assessment (RCSA) exercise through workshops has been introduced with the provision of Inherent Risk and Residual Risk, control element to arrive at and assess the effectiveness of the current control environment and heat maps to describe the Risk Levels. We have also introduced Theme Based RCSA recently. During current financial year RCSA exercise has been rolled out in selected branches/CPCs. Top risks identified in the RCSA exercises along with their mitigation plan are being addressed on an ongoing basis.
- ◆ Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism. KIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB. Top 10 KIs have been identified during current financial year for close follow up.
- ◆ Bank also periodically undertakes the process of Use-Test.
- ◆ Development of internal systems for quantifying and monitoring operational risk as required under Basel II guidelines is in place.
- ◆ The Bank had earlier received approval for the parallel run for AMA. However, due to recent revision in Basel III framework by the Basel Committee on Banking Supervision (BCBS), RBI has advised to discontinue submission of AMA Capital Computation.

Others

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- ◆ “Book of Instructions” (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- ◆ Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- ◆ Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- ◆ Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank’s Apex Training Institutes and State Bank Learning Centers.
- ◆ Insurance cover is obtained for most of the potential operational risks excluding frauds as per Bank’s policy on insurance.
- ◆ Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- ◆ In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity Management Policy and Manuals in place.
- ◆ Stringent Implementation of vacation policy.
- ◆ Conduct of RAW (Risk Awareness Workshop) at all branches.

Domestic Non-Banking and Overseas Banking entities

Adequate measures by way of systems and procedures and reporting has been put in place in the Domestic Non-Banking and Overseas Banking entities.

D. The scope and nature of Risk Reporting and Measurement Systems

- ◆ A system of prompt submission of reports on Frauds is in place in all the Group entities.
- ◆ A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- ◆ Significant risks thrown up in RCSA/RAW exercise, Scenario Analysis and loss data/NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- ◆ Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31st March 2020.

DF-9: INTEREST RATE RISK IN BANKING BOOK (IRBB)

As on 31.03.2020

1. Qualitative disclosures**INTEREST RATE RISK:**

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive.

The Asset - Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through Asset Liability Management Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. ALCO also develops the market risk strategy by clearly articulating the acceptable levels of exposure to specific risk types (i.e. interest rate, liquidity etc). The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by Asset - Liability Management Committee (ALCO) for managing interest risk.

1.1 RBI has stipulated monitoring of interest rate risk through a Statement of Interest Rate Sensitivity (Repricing Gaps) to be prepared on a monthly basis. Accordingly, ALCO reviews Interest Rate Sensitivity statement on monthly basis and monitors the Earning at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

1.2 RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest rate sensitivity under Duration Gap Analysis (IRS-DGA). Bank also carries out Duration Gap Analysis as stipulated by RBI on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through Duration Gap Analysis by recognizing the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

1.3 The following prudential limits have been fixed for monitoring of various interest risks:

Changes on account of Interest rate volatility	Maximum Impact (as % of capital and reserve)
Changes in Net Interest Income (with 1% change in interest rates for both assets and liabilities)	5%
Change in Market value of Equity (with 2% change in interest rates for assets and liabilities) – Banking Book only	20%

1.4 The prudential limit aims to restrict the overall adverse impact on account of interest rate risk to the extent of 20% of capital and reserves, while part of the remaining capital and reserves serves as cushion for other risks.

2. Quantitative disclosures**Earnings at Risk (EaR)**

(₹ in crore)

	Impact on NII
Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	5,716.23

Market Value of Equity (MVE)

(₹ in crore)

	Impact on MVE
Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	28,356.28
Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	14,178.14

DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

As on 31.03.2020

Qualitative Disclosure:

Credit Risk Management Department of the Bank uses scoring models for setting limits for amounts of counterparty exposure for Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Small Finance Banks & Payment Banks.

Credit Risk Management Department allocates the exposure limits to all business units, viz., CAG, CCG, R&DB, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.

Classification and recognition of collaterals

The Bank will accept, recognize and attribute value to collateral, both for internal sanctioning and/or regulatory capital relief purposes, only when the following conditions are fulfilled:

- There is a legal certainty of enforceability and effectiveness of collateral in all relevant jurisdictions
- All contractual and statutory requirements with respect to the loan and collateral documentation are fulfilled.
- The Bank has obtained a legal charge to the said collateral (including second/subordinate or paripassu charges, in addition to first legal charge).
- The legal mechanism by which the collateral is pledged or transferred ensures that the Bank has the right to liquidate or take possession of it in a timely manner, in the event of a default, insolvency or bankruptcy on the part of the counterparty or any third party.
- The Bank has clear and robust procedures for the timely liquidation of collateral to ensure that any legal conditions required for declaring the default of the counterparty and liquidating the collateral are fulfilled and collateral can be liquidated promptly.

For the purposes of eligibility for IRB capital computation, collaterals are required to satisfy all operational criteria outlined in RBI IRB guidelines.

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty

limits for banks are assessed using internal models considering a number of financial parameters like networth, capital adequacy ratio, rating etc. For corporates, the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

Quantitative Disclosure:

	(₹ in crore)		
Distribution of Notional and Current Credit Exposure	Notional	Current credit exposure	Exposure under Current Exposure Method (CEM)
a) Interest rate Swaps	306848.09	8063.55	11026.29
b) Cross Currency Swaps	61487.87	1736.82	2612.90
c) Currency Options	34849.15	1709.51	5322.88
d) Foreign Exchange Contracts	581626.49	11507.12	28915.05
e) Currency Futures	2400.34	4.58	48.01
f) Forward Rate Agreements	245.94	0.00	0.00
g) Others (please specify product name)	0.00	0.00	0.00
Total	987457.88	23021.58	47925.13
Credit Derivative transactions	NIL		

DF-11: COMPOSITION OF CAPITAL

As on 31.03.2020

(₹ in Crore)

Basel III common disclosure template to be used from March 31, 2017

Common Equity Tier 1 capital: instruments and reserves		Ref No. (with respect to DF - 12: Step 2)	
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	80007.93	A1 + B3
2	Retained earnings	124820.10	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18359.54	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1291.04	
6	Common Equity Tier 1 capital before regulatory adjustments	224478.61	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	1130.46	
8	Goodwill (net of related tax liability)	1549.99	D
9	Intangibles (net of related tax liability)	42.62	

(₹ in Crore)

Basel III common disclosure template to be used from March 31, 2017

Common Equity Tier 1 capital: instruments and reserves		Ref No. (with respect to DF - 12: Step 2)
10	Deferred Tax Assets	19.55
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	14.16
17	Reciprocal cross-holdings in common equity	337.85
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	28.68
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the common stock of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (26a+26b+26c+26d)	1396.52
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	1340.72
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	55.80
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
26d	of which: Unamortised pension funds expenditures	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	Total regulatory adjustments to Common equity Tier 1	4519.83
29	Common Equity Tier 1 capital (CET1)	219958.78
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	25605.65
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	25605.65
33	Directly issued capital instruments subject to phase out from Additional Tier 1	200.00
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	242.07
35	of which: instruments issued by subsidiaries subject to phase out	

(₹ in Crore)

Basel III common disclosure template to be used from March 31, 2017

Common Equity Tier 1 capital: instruments and reserves		Ref No. (with respect to DF - 12: Step 2)
36	Additional Tier 1 capital before regulatory adjustments	26047.72
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	10.58
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a+41b)	0.00
41a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	Total regulatory adjustments to Additional Tier 1 capital	10.58
44	Additional Tier 1 capital (AT1)	26037.14
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	245995.92
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	24243.90
47	Directly issued capital instruments subject to phase out from Tier 2	6851.70
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	771.21
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	13289.17
51	Tier 2 capital before regulatory adjustments	45155.98
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	89.00
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	0.00
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
57	Total regulatory adjustments to Tier 2 capital	89.00
58	Tier 2 capital (T2)	45066.98
59	Total capital (TC = T1 + T2) (45 + 58)	291062.90

(₹ in Crore)

Basel III common disclosure template to be used from March 31, 2017

Common Equity Tier 1 capital: instruments and reserves		Ref No. (with respect to DF - 12: Step 2)
60	Total risk weighted assets (60a + 60b + 60c)	2188803.87
60a	of which: total credit risk weighted assets	1763329.04
60b	of which: total market risk weighted assets	202440.32
60c	of which: total operational risk weighted assets	223034.51
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.05
62	Tier 1 (as a percentage of risk weighted assets)	11.24
63	Total capital (as a percentage of risk weighted assets)	13.30
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.98
65	of which: capital conservation buffer requirement	1.88
66	of which: bank specific countercyclical buffer requirement	0.00
67	of which: D-SIB buffer requirement	0.60
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	4.55
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00
71	National total capital minimum ratio (if different from Basel III minimum)	9.00
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	966.69
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	3376.05
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	13289.17 0.00
77	Cap on inclusion of provisions in Tier 2 under standardised approach	22041.61 0.00
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0.00
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0.00
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	0.00
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0.00
82	Current cap on AT1 instruments subject to phase out arrangements	20%
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	20%
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

Notes to the Template

Row No. of the template	Particular	(₹ in Crore)	
10	Deferred tax assets associated with accumulated losses	19.55	0
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	3376.05	0.00
	Total as indicated in row 10	19.55	0
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	0.00	
	of which: Increase in Common Equity Tier 1 capital	0.00	
	of which: Increase in Additional Tier 1 capital	0.00	
	of which: Increase in Tier 2 capital	0.00	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	0.00	
	(i) Increase in Common Equity Tier 1 capital	0.00	
	(ii) Increase in risk weighted assets	0.00	
50	Eligible Provisions included in Tier 2 capital	13289.17	0.00
	Eligible Revaluation Reserves included in Tier 2 capital	0.00	
	Total of row 50	13289.17	0.00

B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 Crore)

DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT

As on 31.03.2020

		(₹ in crores)		
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
A	Capital & Liabilities			
i	Paid-up Capital	892.46	892.46	A
	of which: Amount eligible for CET 1	892.46	892.46	A1
	of which: Amount eligible for AT1	-	-	A2
	Reserves & Surplus	2,50,167.66	2,39,114.48	B
	of which: Statutory Reserve	70,882.28	70,882.24	B1
	of which: Capital Reserves	13,943.12	13,943.12	B2
	of which: Share Premium	79,115.47	79,115.47	B3
	of which: Investment Reserve	1,189.46	1,189.46	B4
	of which: Foreign Currency Translation Reserve	10,224.02	10,221.78	B5
	of which: Revaluation Reserve on Fixed Assets	23,762.67	23,762.67	B6
	of which: Revenue and Other Reserves	38,380.15	32,462.96	B7
	of which: Reserves under Sec. 36(1)(viii) of Income Tax Act,1961	14,032.23	14,032.23	B8
	of which: Balance in Profit & Loss Account	(1,361.74)	(6,495.45)	B8
	Minority Interest	7,943.82	3,589.74	
	Total Capital	2,59,003.94	2,43,596.68	

(₹ in crores)

	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
	As on reporting date	As on reporting date	
ii Deposits	32,74,160.63	32,74,908.94	
of which: Deposits from banks	10,822.40	10,822.40	
of which: Customer deposits	32,63,338.23	32,64,086.54	
of which: Other deposits (pl. specify)			
iii Borrowings	3,32,900.67	3,33,125.84	
of which: From RBI	34,981.75	34,981.75	
of which: From banks	1,55,450.79	1,55,450.79	
of which: From other institutions & agencies	83,076.30	83,301.30	
of which: Others (pl. specify)	-	-	
of which: Capital instruments	59,391.83	59,392.00	
iv Other liabilities & provisions	3,31,427.10	1,68,145.03	
of which: DTLs related to goodwill			
of which: DTLs related to intangible assets			
Total	41,97,492.34	40,19,776.49	
B Assets			
i Cash and balances with Reserve Bank of India	1,66,968.46	1,66,947.51	
Balance with banks and money at call and short notice	87,346.80	86,058.71	
ii Investments	12,28,284.28	10,59,597.89	
of which: Government securities	8,93,561.36	8,32,039.33	
of which: Other approved securities	19,689.48	583.30	
of which: Shares	42,183.28	8,250.24	
of which: Debentures & Bonds	1,74,243.37	1,34,333.27	
of which: Subsidiaries / Joint Ventures / Associates	12,512.66	8,407.05	
of which: Others (Commercial Papers, Mutual Funds etc.)	86,094.13	75,984.70	
iii Loans and advances	23,74,311.18	23,73,945.53	
of which: Loans and advances to banks	81,537.02	81,525.77	
of which: Loans and advances to customers	22,92,774.16	22,92,419.76	
iv Fixed assets	40,078.17	39,325.46	
v Other assets	2,98,953.46	2,92,351.40	
of which: Goodwill	-	-	
of which: Other intangibles (excluding MSRs)	-	-	
of which: Deferred tax assets	3,500.19	3,479.12	C
vi Goodwill on consolidation	1,549.99	1,549.99	D
vii Debit balance in Profit & Loss account	-	-	
Total Assets	41,97,492.34	40,19,776.49	

Common Equity Tier 1 capital (CET1): instruments and reserves		Component of regulatory capital reported by bank	Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus	80007.93	A1 + B3
2	Retained earnings	124820.10	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18359.54	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	0.00
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1291.04	0.00
6	Common Equity Tier 1 capital before regulatory adjustments	224478.61	0.00
7	Prudential valuation adjustments	1130.46	0
8	Goodwill (net of related tax liability)	1549.99	D

B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 Crores)

DF 13 & 14

The disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e. www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures

DF-16: Equities - Disclosure for Banking Book Positions

As on 31.03.2020

Qualitative Disclosures

1	The general qualitative disclosure with respect to equity risk, including:	
	<ul style="list-style-type: none"> Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; 	All equity investment in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.
	<ul style="list-style-type: none"> Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices 	Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 para C-2 of Bank's Annual Report.

Quantitative Disclosures

		(₹ In crore)
1	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	762.43
2	The types and nature of investments, including the amount that can be classified as:	
	Particulars	Type
	Publicly traded	Subsidiaries
	Privately held	Associates, Subsidiaries, JVs & RRBs
		Book Value (In crore)
		2518.27
		3178.70
3	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	6216.46 (Gain)
4	Total unrealized gains (losses) ¹³	29.11
5	Total latent revaluation gains (losses) ¹⁴	Nil
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital	0.82 Crores
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements	0.04

¹³ Unrealised gains (losses) recognized in the balance sheet but not through the profit and loss account.

¹⁴ Unrealised gains (losses) not recognized either in the balance sheet or through the profit and loss account.

DF-17: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

AS ON 31.03.2020

ITEM	(₹ In millions)
1 Total consolidated assets as per published financial statements	41974923.40
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-1777158.50
3 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4 Adjustments for derivative financial instruments	467158.68
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	3547430.62
7 Other adjustments	-45304.25
8 Leverage ratio exposure (State Bank Group)	44167049.95

DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

As on 31.03.2020

ITEM	(₹ In millions)
On balance sheet exposures	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	40197764.90
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	-45304.25
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	40152460.65
Derivatives exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	217141.59
5 Add-on amounts for PFE associated with all derivatives transactions	250017.09
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8 (Exempted CCP leg of client-cleared trade exposures)	0
9 Adjusted effective notional amount of written credit derivatives	0
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11 Total derivative exposures (sum of lines 4 to 10)	467158.68
Securities financing transaction exposure	
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14 CCR exposure for SFT assets	0
15 Agent transaction exposures	0
16 Total securities financing transaction exposures (sum of lines 12 to 15)	0
Other off balance sheet exposures	
17 Off-balance sheet exposure at gross notional amount	10390332.00
18 (Adjustments for conversion to credit equivalent amounts)	-6842901.38
19 Off-balance sheet items (sum of lines 17 and 18)	3547430.63
Capital and total exposures	
20 Tier 1 capital	2459959.02
21 Total exposures (sum of lines 3,11,16 and 19)	44167049.95
Leverage ratio	
22 Basel III leverage ratio (%) (State Bank Group)	5.57%

State Bank of India (Standalone)

Tier 1 Capital	2307691.55
Total exposure	43391167.21
Leverage ratio	
Basel III Leverage ratio (%) SBI (Solo)	5.32%

DF- GR: Additional Disclosures on Group Risk

As on 31.03.2020

Qualitative Disclosure**In respect of Group entities *
[Overseas Banking entities and Non-Banking entities]****General Description on**

Corporate Governance Practices	All Group entities adhere to good Corporate Governance practices.
Disclosure Practices	All Group entities adhere to / follow good disclosure practices.
Arm's Length Policy in respect of Intra Group Transactions	All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security.
Common marketing, branding and use of SBI's Symbol	No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.
Details of Financial Support,# if any	No Group entity has provided / received Financial Support from any other entity in the Group.
Adherence to all other covenants of Group Risk Management policy	All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support' #:

- inappropriate transfer of capital or income from one entity to the other in the Group;
- violation of the Arm's Length Policy within which the Group entities are expected to operate;
- adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;
- evasion of capital or other regulatory requirements;
- operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

* Entities covered:

BANKING - OVERSEAS	NON - BANKING
State Bank of India (Canada)	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards & Payment Services Pvt. Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Pvt. Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI Global Factors Ltd.
State Bank of India (Botswana) Ltd.	SBI Life Insurance Co. Ltd.
State Bank of India (UK)	SBI Pension Funds Pvt. Ltd.
	SBI-SG Global Securities Services Pvt. Ltd.

Disclosures on indicators for identification of Global Systemically Important Banks (G-SIBs) as on 31st March, 2020 have been disclosed separately on the Bank's website www.sbi.co.in under the link Corporate Governance.

GREEN INITIATIVE

Dear Shareholder,

Green Initiative in Corporate Governance

In accordance with SEBI guidelines, we are issuing Annual Report in electronic form to those shareholders whose e-mail addresses are available.

Your Bank invites you to participate in the Green initiative by enabling the Bank to communicate with you through electronic mode i.e. e-mail. It will not only contribute to conservation of environment, but also bring in better efficiency in communication by obviating transit delays and losses. We request you to join us in this initiative by updating your email ID with your Depository Participant, if your holding is in demat form. Shareholders holding shares in physical form shall have to send their updated information/changes to the Registrar & Transfer Agent (RTA), M/s Alankit Assignments Ltd. through email to sbi.igr@alankit.com.

Further, while most of you hold shares of your Bank in demat form, some of you are still retaining the shares in physical form. The Shares held by you in physical form can be easily dematerialized i.e converted into electronic form. The various benefits derived out of dematerialization of shares are:-

- Immediate transfer of securities. No stamp duty on transfer of securities
- Reduction in risks associated with holding securities in paper form such as theft, damage due to fire, wear & tear etc., bad delivery in settlement process, fake / forged securities etc.
- Change in address recorded with DP gets registered electronically with all companies in which investor holds securities eliminating the need to correspond with each of them separately;
- Transmission of securities is done by DP eliminating correspondence with companies;
- Holding investments in equity, debt instruments and Government securities in a single account;
- Automatic credit into demat account, of shares, arising out of bonus/ split/consolidation/ merger etc;

If you are holding shares in physical form, please approach any Depository Participant (DP) (like SBICAP Securities Limited toll free number 1800223345 email- helpdesk@sbicapsec.com) of your choice for opening the Demat account. Fill in a Demat Request Form (DRF) and handover the relative shares certificate(s) to your DP for Dematerialisation of your shares. Shares will get converted into electronic form and will automatically be credited to your Demat Account.

If you are receiving dividend in the physical form, you are requested to furnish/ update bank account details with DP/RTA, as the case may be, to receive dividend electronically.

We are sure that you will appreciate the "Green Initiative" taken by your Bank and hope that you will enthusiastically participate in the effort.

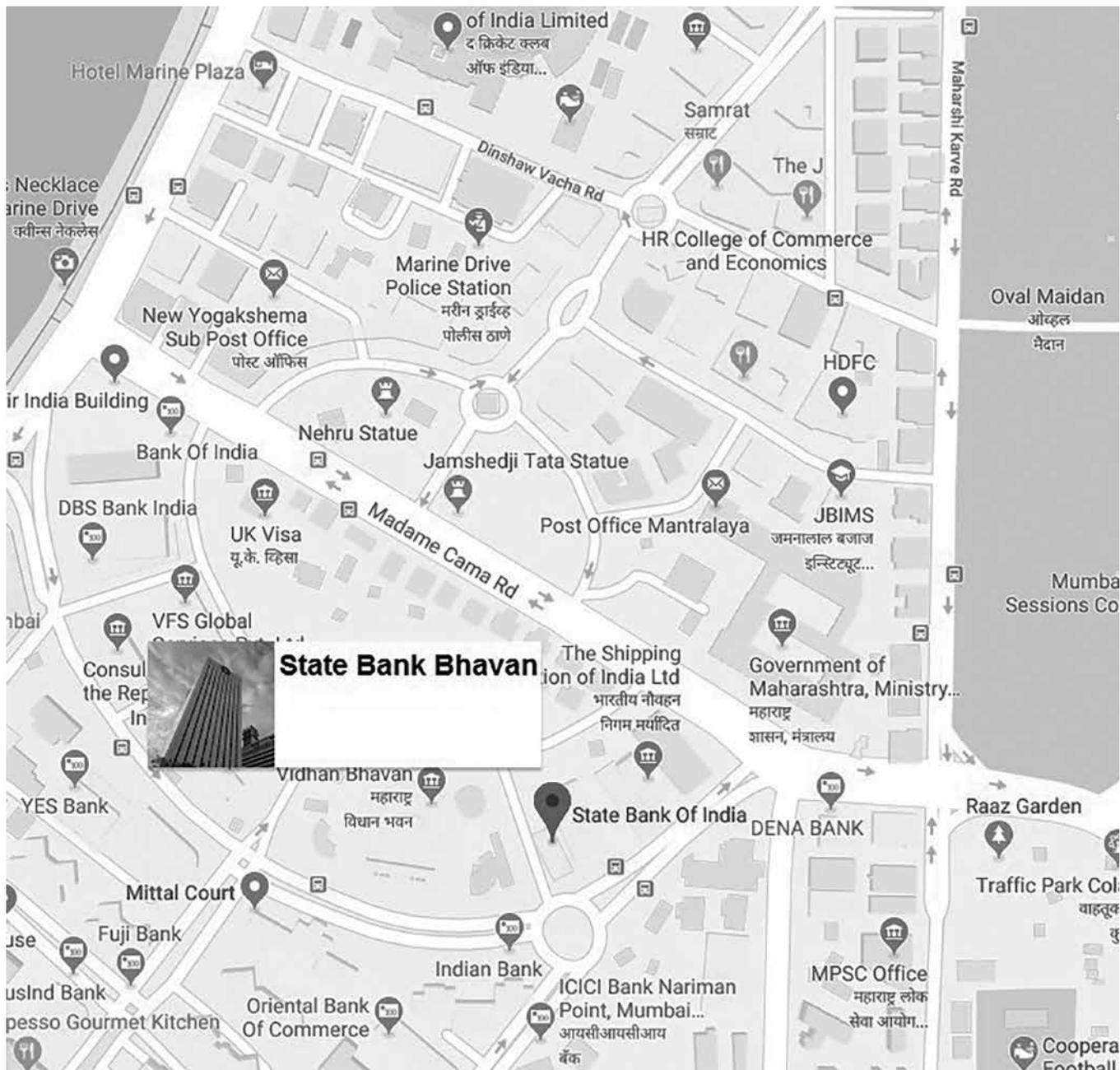
Kind Attention of shareholders is brought to Section 38A of the State Bank of India Act, 1955 inserted with effect from 15.09.2010 by the State Bank of India (Amendment) Act, 2010. As per the said section, a dividend declared by the State Bank which has not been paid to a shareholder or claimed by any eligible shareholder, within thirty days from the date of declaration shall be transferred to a special account called as "unpaid dividend account". Further, all unpaid dividend amount of period prior to the above amendment was already transferred to the said "unpaid dividend account." Any money transferred to the unpaid dividend account of the State Bank as above which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Bank to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013, for being utilised for the purpose and in the manner specified in that section. In view of the above, all shareholders are requested to ensure that any dividend payable to them, are claimed without any delay.

ROUTE MAP TO VENUE OF THE AGM

Venue: "SBI Auditorium", State Bank Bhavan,
Madame Cama Road, Nariman Point,
Mumbai-400021 (Maharashtra)

Distance from Churchgate Station : 0.95 km

Distance from Chhatrapati Sivaji Terminus : 2.20 km



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