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### State Bank of India Annual Report 2022

State Bank of India

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# Setting New Standards in Banking Excellence

Annual Report 2021 - 22



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## Notice

### STATE BANK OF INDIA

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

The 67<sup>th</sup> Annual General Meeting of Shareholders of the State Bank of India will be held at the “**State Bank Auditorium**”, **State Bank Bhavan, Madame Cama Road, Mumbai – 400021 on Wednesday, the 22<sup>nd</sup> June, 2022 at 3.00 P.M.** The Meeting will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility to transact the following business:

“To discuss and adopt the Balance Sheet and the Profit and Loss Account of the State Bank of India made up to the 31<sup>st</sup> day of March 2022, 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: 13<sup>th</sup> May, 2022

**(Dinesh Kumar Khara)**  
Chairman



## General instructions for accessing and participating in the Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) facility and voting through electronic means including remote e-voting

1. Pursuant to the General Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs followed by General Circular No. 20/2020 dated May 05, 2020 and General Circular No. 02/2021 dated January 13, 2021 and the General Circular No. 21/2021 dated December 14, 2021 ("MCA Circulars"), Annual General Meeting (AGM) can be conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Accordingly, physical attendance of the Shareholders at venue is not required. The Central Board of the Bank has decided to adopt the above guidelines issued by MCA in conducting Annual General Meeting of the Bank. Hence, Shareholders can attend and participate in the ensuing Annual General Meeting through VC / OAVM, which may not require physical presence of shareholders at a common venue. The deemed venue for the meeting shall be State Bank Auditorium, Corporate Centre of the Bank.
2. In view of the VC facility being provided to the shareholders of the Bank, the facility to appoint proxy to attend and cast vote for the shareholders as provided in Regulation 34 of SBI General Regulations, 1955 is not available for this Annual General Meeting. However, the shareholders being Body Corporates are entitled to appoint authorised representatives as provided in Regulation 32 and 33 of SBI General Regulations, 1955 to attend the Annual General Meeting through VC / OAVM and participate thereat and cast their votes through e-voting.
3. The Shareholders can join the Annual General Meeting in the VC / OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC / OAVM will be made available for at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.
4. The attendance of the Shareholder attending the Annual General Meeting through VC / OAVM will be counted for the purpose of reckoning the quorum under Regulation 24 of SBI General Regulations, 1955.
5. Pursuant to the provisions Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) read with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, (as amended), and the MCA Circulars, the Bank is providing facility of remote e-voting to its Shareholders in respect of the business to be transacted at the Annual General Meeting. Shareholders will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. The facility of casting votes by a member using remote e-voting system on 22<sup>nd</sup> June, 2022 the date of the Annual General Meeting will be provided by KFin Technologies Limited.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice convening the Annual General Meeting has been uploaded on the website of the Bank at [www.sbi.co.in](http://www.sbi.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the Annual General Meeting Notice is also available on the website of KFin Technologies Limited (agency for providing the remote e-voting facility) i.e. <https://emeetings.kfintech.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 No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and if conditions are conducive and the local authorities permit for conducting the Annual General Meeting, Meeting may be convened in terms of SBI Act, 1955 and SBI General Regulations, 1955.
8. In terms of Regulation 7 of SBI General Regulations, 1955, in case of joint holders, the person whose name appears first as per the Register of Shareholders of the Bank will be entitled to vote at the Annual General Meeting provided the votes are not already cast through remote e-voting.
9. Members who opt to be present through VC and who do not cast their vote through remote e-voting will be allowed to vote through e-voting at the Annual General Meeting.

### Instructions for members for remote e-voting are as given below:

**The remote e-voting period commences on 16<sup>th</sup> June, 2022 at 10.00 AM IST and ends on 21<sup>st</sup> June, 2022 at 05:00 PM IST. The remote e-voting module shall be disabled by KFin Technologies Limited for voting thereafter. Once the vote is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.**

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

### How do I vote electronically using KFin Technologies Limited e-Voting system?

- a) Instructions for remote e-voting through Portal of KFin Technologies Limited (for Demat and Physical Shareholders) are as under:
  - i. The Shareholders eligible to vote as on the cut-off date, shall use the following URL for e-voting: **https://evoting.kfintech.com** on opening of the same on **16<sup>th</sup> June, 2022** at 10.00 AM.
  - ii. Enter the login credentials (as informed by email by KFin Technologies Limited).
  - iii. After entering the details appropriately, click on LOGIN.
  - iv. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.**
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the EVEN i.e., **State Bank of India**. On the voting page, the number of shares as held by the shareholder as on the **cut-off date (18<sup>th</sup> March, 2022)** will appear. Shareholder(s) will have option to vote for the resolution by clicking on ASSENT or DISSENT. Click OK to confirm, else CANCEL to modify. **Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolutions.**
  - vii. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.

- viii. The portal will close as aforesaid and the facility will be disabled immediately upon closure.
- ix. The Bank has appointed M/s. Parikh & Associates, Company Secretaries, as the Scrutinizer to ensure that the e-voting process is conducted in a fair and transparent manner.
- x. 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: **cs@parikhassociates.com**
- xi. Shareholders acquiring shares between the cut-off date for e-voting and cut-off date for dispatch of the Notice for 67<sup>th</sup> AGM / Annual Report 2021-22 and have registered their e-mail IDs with their respective DP, shall be sent communication by the Registrar and Transfer Agent, for attending the AGM. Such shareholders may also visit Bank's website to get the details.
- xii. 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 **https://evoting.kfintech.com** or contact Mr. S. V. Raju, Deputy Vice President of Kfin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 (e-mail: **v-raju.sv@kfintech.com/v-nagaraja.ds@kfintech.com** phone no. 1-800-309-4001 (toll free)).

#### Login method for e-voting:

- **Applicable only for Individual members holding securities in Demat**

As per the SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

## Individual Members (holding securities in demat mode) login through Depository

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

NSDL	CDSL
<p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting.”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi.</li> <li>III. Login with user id and password.</li> <li>IV. Option will be made available to reach e-Voting page without any further authentication.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol>
<p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select “Register Online for IDeAS.”</li> <li>III. Proceed with completing the required fields.</li> </ol> <p>OR</p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>II. Proceed with completing the required fields.</li> </ol>	<p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> </ol>
<p><b>3. By visiting the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>	<p><b>3. By visiting the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.</li> </ol>

## Individual Members (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

### Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.



#### Members facing any technical issue - NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

#### Members facing any technical issue - CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 or 22-23058542-43.

• **Applicable for non-Individual members and members holding shares in physical form.**

Login method for non-individual members and members holding shares in physical form are given below:

**Procedure and Instructions for remote e-voting are as under:**

- Initial password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DPID - Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.
- After entering the details appropriately, click on LOGIN.
- You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- Upon successful login, the system will prompt you to select the EVEN i.e. State Bank of India.
- On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast the vote assenting / dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc.

together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at: [cs@parikhassociates.com](mailto:cs@parikhassociates.com) and may also upload the same in the e-voting module in their login.

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

- 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](mailto:investor.complaints@sbi.co.in)
- 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](mailto:investor.complaints@sbi.co.in) If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method given above, i.e. Login method for e-voting - Applicable only for Individual members holding securities in Demat.
- Alternatively, shareholders / members may send a request for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email id correctly in their demat account in order to access e-voting facility.

**Instructions for members for e-voting on the day of the Annual General Meeting are as under:**

- The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
- Only those Members / Shareholders, who will be present in the Annual General Meeting through VC / OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting.

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

### Instructions for shareholders for attending the Annual General Meeting through VC / OAVM are as under:

1. Shareholder will be provided with a facility to attend the Annual General Meeting through VC / OAVM through the KFin Technologies Limited e-Voting system. Members may access by following the steps mentioned above for access to KFin Technologies Limited e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join General Meeting" menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name, demat account number / folio number, email id, mobile number at: [investor.complaints@sbi.co.in](mailto:investor.complaints@sbi.co.in) latest by 18.06.2022 by 1.00 P.M. The same will be replied by the Bank suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions.

**Determination of voting rights** - Subject to the provisions contained in Section 11 of the State Bank of India Act, 1955, each shareholder who has been registered as a shareholder for a period of not less than three months prior to the date of a general meeting shall, at such meeting, have one vote for each fifty shares held by him or it. i.e. 18.03.2022.

Every shareholder other than the Central Government entitled to vote as aforesaid who, not being a company is present in person or by proxy or who being a company is present by a duly authorised representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each fifty shares held by him or it for the whole period of three months prior to the date of such meeting. i.e. 18.03.2022.

The duly authorized person representing the Central Government shall have one vote on a show of hands and, in case of a poll, shall have one vote for each fifty shares held by it for the whole period of three months prior to the date of such meeting. i.e. 18.03.2022.

The Scrutinizers shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the Annual General Meeting, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the Annual General Meeting, a consolidated Report of the total votes cast in favour of 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](http://www.sbi.co.in) and on the website of KFin Technologies Limited: <https://evoting.kfintech.com> immediately. The Bank shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Bank are listed.

**(Dinesh Kumar Khara)**  
Chairman

Corporate Centre,  
State Bank Bhavan,  
Madame Cama Road,  
Mumbai – 400 021  
Date : 13.05.2022

## Awards and Recognitions



**“Best Cash Management and Transaction Bank in India”** by Asian Banker Magazine, Singapore, under Transaction Finance Awards 2021.



**Kirti Puraskar** by the Government of India for **Best implementation of Rajbhasha among Public Sector Banks.**



**“Best Trade Finance Provider (India)-2022”** for the tenth consecutive year by Global Finance Magazine.



**“Silver Shield in Category 1-PSBs”** ICAI Awards for Excellence in Financial Reporting **“Annual Report of SBI”.**



**Gold** in the prestigious ET Human Capital Awards under the category **‘Excellence in Creating a Culture of Continuous Learning and Upskilling’.**



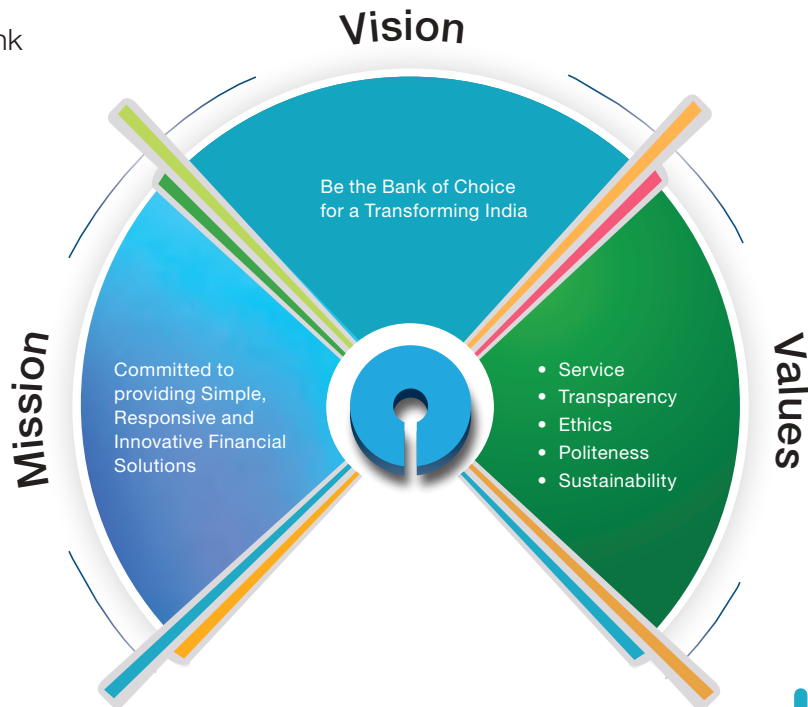
During FY2022, all departments under Finance vertical were **accredited with ISO 9001: 2015 Certification.**



## About SBI

With a legacy of over 200 years, State Bank of India is an Indian multinational, public sector banking and financial services institution. 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 of Service, Transparency, Ethics, Politeness and Sustainability.



## Our Services

### Personal Banking

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

**45.12** lakh/ SBI's Home loan Customer's accounts

### 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

### International Banking Group

SBI is a pioneer of the International Banking among the Indian Banks. The International Banking arm is a consistent contributor in transforming the industry landscape through its Overseas Banking Subsidiaries / Joint Ventures / Associates.

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

### SME Banking

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

**₹3.06** lakh cr./ Total SME Advances

### Corporate Banking

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

**₹8.71** lakh cr./ Total Corporate Advances

### 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.

**₹55.18** lakh cr./ Total Government Business Turnover

## SBI's Journey through Numbers

46.77<sup>cr.</sup>  
Customers

68,016  
BC Outlets

19,500<sup>SWAYAMS</sup>  
(Bar code based Pass book  
printing Kiosks)

22,266  
Branches

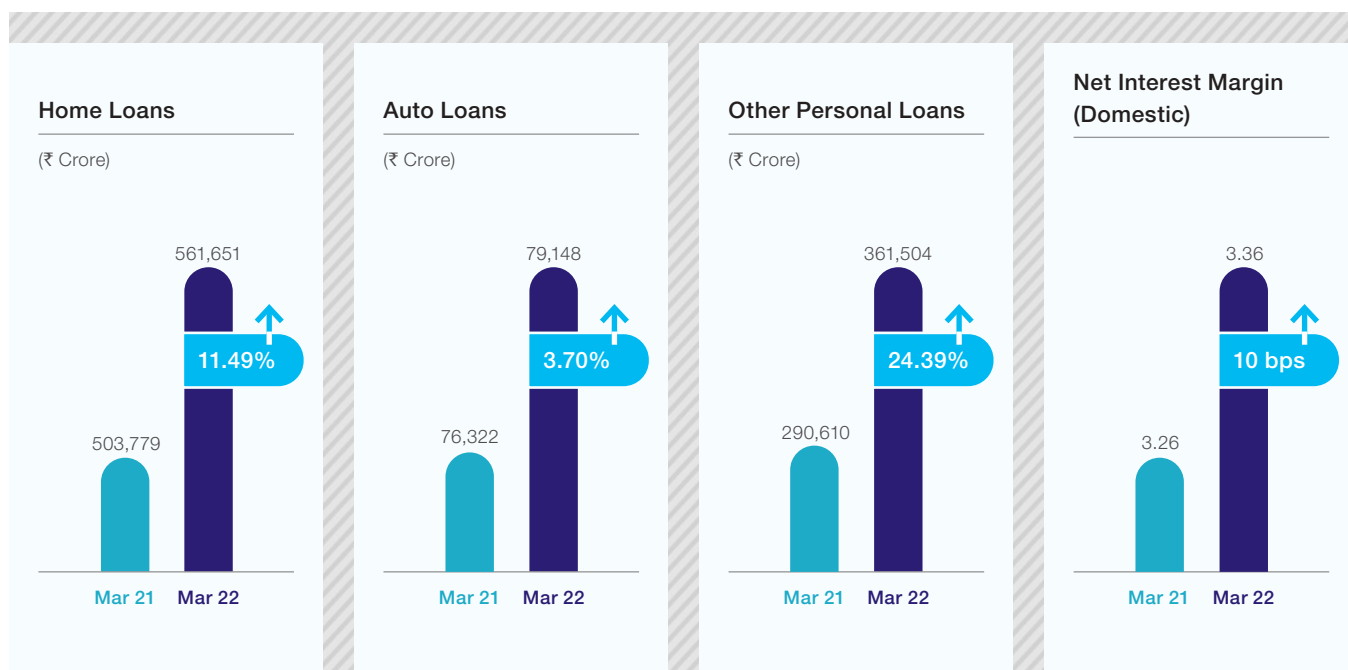
27.58%  
Market Share in Debit  
Card Spends

15.15%  
Market Share in no. of POS

95.5%  
Share of Transactions on  
Alternate Channels

65,030  
ATMs & ADWMs (Automated Deposit &  
Withdrawal Machines)

14.20<sup>cr.</sup>  
Financial Inclusion Accounts  
(BC Channel)



Setting New Standards  
in Banking Excellence.

SBI is no stranger to embracing technology disruptions.  
YONO is an omnichannel interface that is leading the digital revolution within the banking industry.

# For being Future Ready.



In our desire to future-proof our businesses, we have adopted fintech as an opportunity to automate decision-making and improve efficiency.



If the rising adoption of online and mobile banking in millennials is any indication, it is likely that the brick-and-mortar banking will have less relevance to the younger generation. The cashless economy is driving digital transformation faster than ever, with more banking organisations adopting digital banking. At SBI, we are highly cognisant of this trend, and we are leading the digital transformation drive to serve an increasingly digital India.

With our size, scale, and growth within the banking industry, we believe that we are in a much better position than most to survive and thrive in the digital age.

Today, digital technologies are unleashing innovations by enabling firms to build entirely new capabilities to become efficient, predictive, and future-ready. The impact of digital technologies is transformative and pervasive, and no part of the banking will be left untouched. Digital business ecosystems are changing banking.

Using technology, we have enhanced our ability to sense, think and act, and augment decision-making process.

What's more? We are using technology to capture deeper insights to address customer's pain points at various points of contact.

This is unifying all our systems for an enhanced customer experience. As a result, our customers can do more in lesser time. Our flagship all-encompassing digital platform, YONO, is testimony to our prowess in delivering cutting-edge digital services to millions of customers.

YONO is an integrated proposition serving banking and beyond needs of the customer - with innovative banking offerings such as YONO Cash, Yono Business, YONO Quick

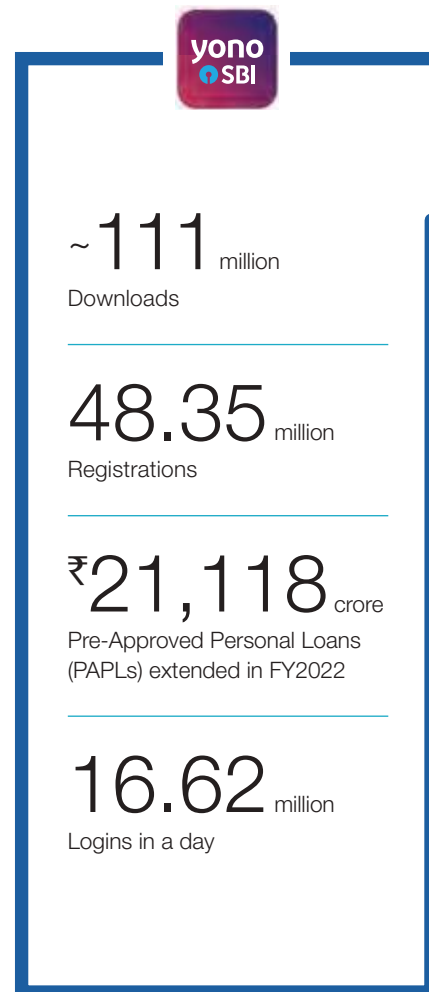
Pay, Pre-Approved Personal Loans and lifestyle and shopping options from 111 merchant partners.

Customers are increasingly choosing to bank with us online and YONO is seamlessly connecting us with them. As of 31<sup>st</sup> March 2022, YONO has set a record with 111.74 million downloads, 26K new digital Savings Bank accounts per day and 48.35 million registered users.

These numbers are telling indicators of the potential digital banking holds for SBI.



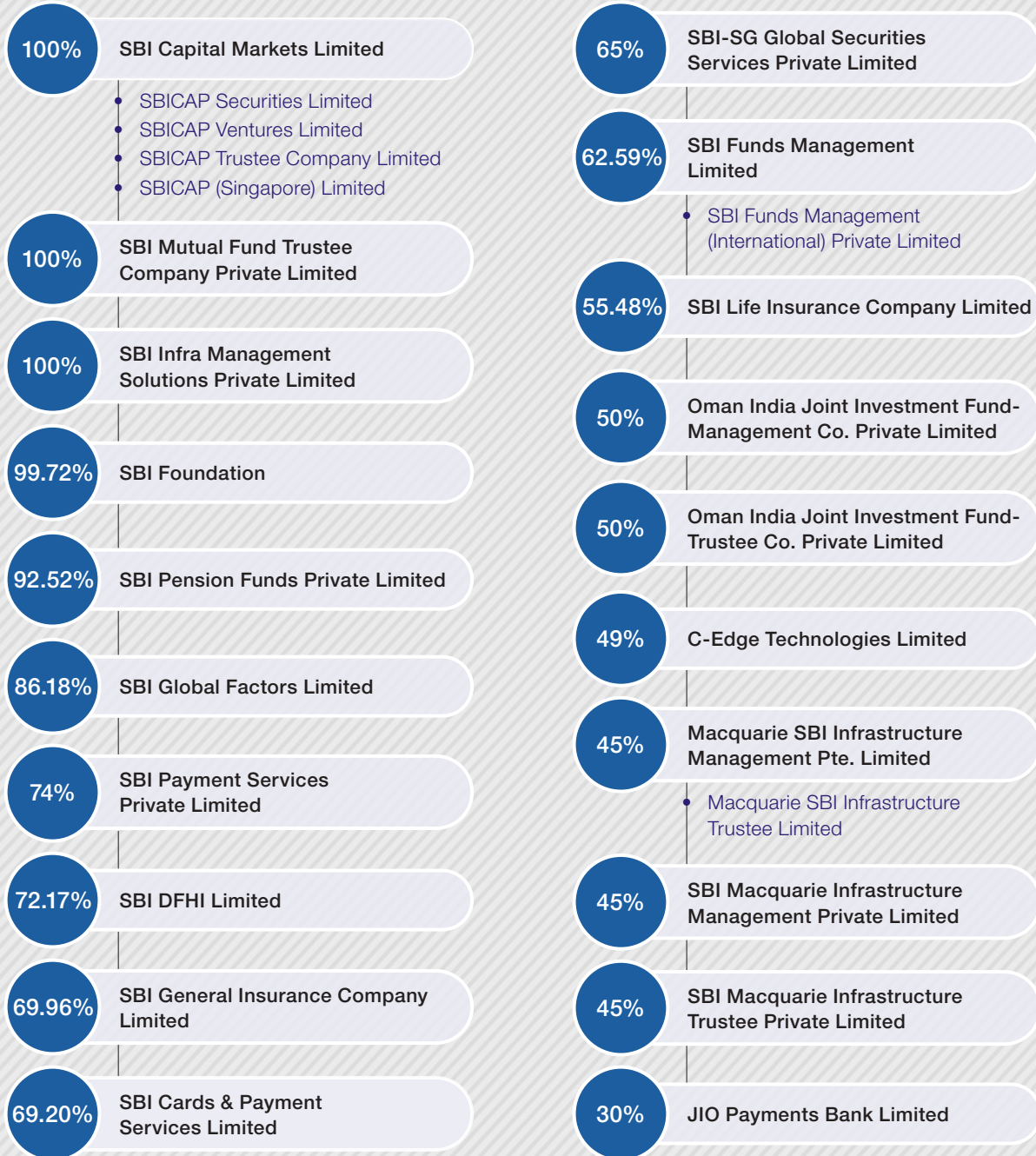
**At SBI, we are using the power of analytics to help us lower the barriers to omnichannel digital banking adoption.**



# SBI Group Structure

as on 31<sup>st</sup> March, 2022

## Non-Banking Subsidiaries / Joint Ventures

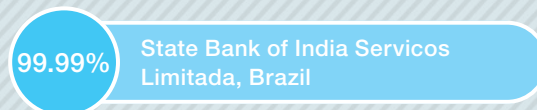




## Overseas Banking Subsidiaries / Joint Ventures / Associates



## Overseas Non-Banking Subsidiaries



# Financial Highlights: 10 years at a glance

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Liabilities</b>										
Capital (₹ in crore)	684	747	747	776	797	892	892	892	892	892
Reserves & Surplus (₹ in crore)	98,200	1,17,536	1,27,692	1,43,498	1,87,489	2,18,236	2,20,021	2,31,115	2,52,983	2,79,196
Deposits (₹ in crore)	12,02,740	13,94,409	15,76,793	17,30,722	20,44,751	27,06,344	29,11,386	32,41,621	36,81,277	40,51,534
Borrowings (₹ in crore)	1,69,183	1,83,131	2,05,150	3,23,345	3,17,694	3,62,142	4,03,017	3,14,656	4,17,298	4,26,043
Other's (₹ in crore)	95,404	96,927	1,37,698	1,59,276	1,55,235	1,67,138	1,45,597	1,63,110	1,81,980	2,29,932
<b>Total (₹ in crore)</b>	<b>15,66,211</b>	<b>17,92,748</b>	<b>20,48,080</b>	<b>23,57,617</b>	<b>27,05,966</b>	<b>34,54,752</b>	<b>36,80,914</b>	<b>39,51,394</b>	<b>45,34,430</b>	<b>49,87,597</b>
<b>Assets</b>										
Investments (₹ in crore)	3,50,878	3,98,800	4,81,759	5,75,652	7,65,990	10,60,987	9,67,022	10,46,954	13,51,705	14,81,445
Advances (₹ in crore)	10,45,617	12,09,829	13,00,026	14,63,700	15,71,078	19,34,880	21,85,877	23,25,290	24,49,498	27,33,967
Other Assets (₹ in crore)	1,69,716	1,84,119	2,66,295	3,18,265	3,68,898	4,58,885	5,28,015	5,79,150	7,33,227	7,72,185
<b>Total (₹ in crore)</b>	<b>15,66,211</b>	<b>17,92,748</b>	<b>20,48,080</b>	<b>23,57,617</b>	<b>27,05,966</b>	<b>34,54,752</b>	<b>36,80,914</b>	<b>39,51,394</b>	<b>45,34,430</b>	<b>49,87,597</b>
Net Interest Income (₹ in crore)	44,329	49,282	55,015	57,195	61,860	74,854	88,349	98,085	1,10,710	1,20,708
Provisions for NPA (₹ in crore)	11,368	14,224	17,908	26,984	32,247	70,680	54,529	42,776	27,244	14,087
Operating Result (₹ in crore)	31,082	32,109	39,537	43,258	50,848	59,511	55,436	68,133	71,554	75,292
Net Profit Before Taxes (₹ in crore)	19,951	16,174	19,314	13,774	14,855	-15,528	1,607	25,063	27,541	43,422
Net Profit (₹ in crore)	14,105	10,891	13,102	9,951	10,484	-6,547	862	14,488	20,410	31,676
Return on Average Assets (%)	0.97	0.65	0.68	0.46	0.41	-0.19	0.02	0.38	0.48	0.67
Return on equity (%)	15.94	10.49	11.17	7.74	7.25	-3.78	0.48	7.74	9.94	13.92
Expenses to Income (%) (operating)	48.51	52.67	49.04	49.13	47.75	50.18	55.70	52.46	53.60	53.31
Expenses to total Net Income)										
Profit Per employee (₹ in 000)	645	485	602	470	511	-243	33	578.98	828.35	1,292.72
Earnings Per Share (₹)*	210.06	156.76	17.55	12.98	13.43	-7.67	0.97	16.23	22.87	35.49
Dividend Per Share (₹)*	41.5	30	3.5	2.60	2.60	Nil	Nil	Nil	4.00	7.10
Share Price (on NSE) (₹)*	2,072.75	1,917.70	267.05	194.25	293.40	249.90	320.75	196.85	364.30	493.55
Dividend Pay out Ratio % (₹)	20.12	20.56	20.21	20.28	20.11	NA	NA	NA	17.49	20.00
<b>Capital Adequacy Ratio (%)</b>										
Basel-II Total Capital (₹ in crore)	1,29,362	1,45,845	1,54,491	1,81,800	2,06,685	2,34,056	2,41,073	2,66,596	3,01,980	3,34,829
%	12.92	12.96	12.79	13.94	13.56	12.74	12.85	13.13	13.82	13.85
Tier I Capital (₹ in crore)	94,947	1,12,333	1,22,025	1,35,757	1,56,506	1,84,146	1,94,655	2,17,477	2,44,421	2,69,708
%	9.49	9.98	10.1	10.41	10.27	10.02	10.38	10.71	11.19	11.16
Tier II Capital (₹ in crore)	34,415	33,512	32,466	46,043	50,179	49,910	46,418	49,119	57,559	65,121
%	3.43	2.98	2.69	3.53	3.29	2.72	2.47	2.42	2.63	2.69
Basel-III Total Capital (₹ in crore)	N.A	1,40,151	1,46,519	1,75,903	2,04,731	2,38,154	2,45,225	2,74,036	3,08,893	3,42,792
%		12.44	12	13.12	13.11	12.60	12.72	13.06	13.74	13.83
Tier I Capital (₹ in crore)	N.A	1,09,547	1,17,157	1,33,035	1,61,644	1,95,820	2,05,238	2,30,769	2,57,177	2,83,070
%		9.72	9.6	9.92	10.35	10.36	10.65	11	11.44	11.42
Tier II Capital (₹ in crore)	N.A	30,604	29,362	42,868	43,087	42,334	39,987	43,267	51,716	59,722
%		2.72	2.4	3.20	2.76	2.24	2.07	2.06	2.30	2.41
Net NPA to Net Advances (%)	2.1	2.57	2.12	3.81	3.71	5.73	3.01	2.23	1.50	1.02
Number of Domestic Branches	14,816	15,869	16,333	16,784	17,170	22,414	22,010	22,141	22,219	22,266
Number of Foreign Branches /offices	186	190	191	198	195	206	208	233	229	227

\*The face value of shares of the Bank was split from ₹10 per share to ₹1 per share - wef. 22<sup>nd</sup> November, 2014.  
The data is on ₹1 per share from 2014-15 onwards and ₹10 per share for earlier years.



## Ratings

as on 31<sup>st</sup> March, 2022

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

CARE : Credit Analysis & Research Limited

ICRA : ICRA Limited

CRISIL : CRISIL Limited

S&P : Standard & Poor's

## Central Board of Directors

as on 31<sup>st</sup> March, 2022



**Shri Dinesh Kumar Khara**  
*Chairman*



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



**Shri Ashwani Bhatia**  
*Managing Director*



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



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



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



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



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



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



**Shri Sanjeev Maheshwari**  
*Director Nominated by Govt*



**Shri Prafulla P. Chhajed**  
*Director Nominated by Govt*



**Shri Sanjay Malhotra**  
*Secretary (FS), DFS, Govt  
Director Nominated by Govt*



**Shri Anil Kumar Sharma**  
*Executive Director, RBI  
Director Nominated by Govt*

**Chairman**

Shri Dinesh Kumar Khara

**Managing Directors**

Shri Challa Sreenivasulu Setty

Shri Ashwani Bhatia

Shri Swaminathan J.

Shri Ashwini Kumar Tewari

**Directors elected under Section 19(c) of SBI Act**

Shri B. Venugopal

Dr. Ganesh Natarajan

Shri Ketan S. Vikamsey

Shri Mrugank M. Paranjape

**Directors under Section 19(d) of SBI Act**

Shri Sanjeev Maheshwari

Shri Prafulla P. Chhajed

**Director under Section 19(e) of SBI Act**

Shri Sanjay Malhotra

**Director under Section 19(f) of SBI Act**

Shri Anil Kumar Sharma



# Committees of the Directors

as on 31.03.2022

## Executive Committee of the Central Board (ECCB)

**Shri Dinesh Kumar Khara**, Chairman  
Chairman of the Committee

**Shri Challa Sreenivasulu Setty** - MD (R&DB) - Member

**Shri Ashwani Bhatia** - MD (CB & GM) - Member

**Shri Swaminathan J** - MD (R, C & SARG) - Member

**Shri Ashwini Kumar Tewari** - MD (IB, T & S) - Member

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

## Audit Committee of the Board (ACB)

**Shri Ketan S. Vikamsey**, Independent Director  
Chairman of the Committee

**Shri B. Venugopal**, Independent Director - Member

**Dr. Ganesh Natarajan**, Independent Director - Member

**Shri Mrugank M. Paranjape**, Independent Director - Member

**Shri Sanjeev Maheshwari**, Non-Executive Director - Member

## Risk Management Committee of the Board (RMCB)

**Shri Mrugank M. Paranjape**, Independent Director  
Chairman of the Committee

**Shri B. Venugopal**, Independent Director - Member

**Dr. Ganesh Natarajan**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Sanjeev Maheshwari**, Non-Executive Director - Member

**Shri Prafulla P. Chhajed**, Independent Director - Member

**Shri Ashwani Bhatia**, MD (CB & GM) - Member (Ex-Officio)

**Shri Swaminathan J**, MD (R, C & SARG) - Member (Ex-Officio)

## IT Strategy Committee of the Board (ITSC)

**Dr. Ganesh Natarajan**, Independent Director  
Chairman of the Committee

**Shri B. Venugopal**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Mrugank M. Paranjape**, Independent Director - Member

**Shri Prafulla P. Chhajed**, Independent Director - Member

**Shri Swaminathan J**, MD (R, C & SARG) - Member (Ex-Officio)

**Shri Ashwini Kumar Tewari**, MD (IB, T & S) - Member (Ex-Officio)

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

**Shri Sanjeev Maheshwari**, Non-Executive Director  
Chairman of the Committee

**Shri B. Venugopal**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Prafulla P. Chhajed**, Independent Director - Member

**Shri Challa Sreenivasulu Setty**, MD (R&DB) - Member (Ex-Officio)

**Shri Swaminathan J**, MD (R, C & SARG) - Member (Ex-Officio)

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

**Shri B. Venugopal**, Independent Director  
Chairman of the Committee

**Dr. Ganesh Natarajan**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Sanjeev Maheshwari**, Non-Executive Director - Member

**Shri Prafulla P. Chhajed**, Independent Director - Member

**Shri Challa Sreenivasulu Setty**, MD (R&DB) - Member (Ex-Officio)

**Shri Swaminathan J**, MD (R, C & SARG) - Member (Ex-Officio)

## Nomination & Remuneration Committee of the Board

**Shri B. Venugopal**, Independent Director  
Chairman of the Committee

**Dr. Ganesh Natarajan**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Mrugank M. Paranjape**, Independent Director - Member

**Shri Sanjeev Maheshwari**, Non-Executive Director - Member

## Board Committee to Monitor Recovery (BCMR)

**Shri Dinesh Kumar Khara**, Chairman  
Chairman of the Committee

**Shri B. Venugopal**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Mrugank M. Paranjape**, Independent Director - Member

**Shri Sanjeev Maheshwari**, Non-Executive Director - Member

**Shri Sanjay Malhotra**, GOI Nominee Director - Member

**Shri Challa Sreenivasulu Setty**, MD (R&DB) - Member (Ex-Officio)

**Shri Ashwani Bhatia**, MD (CB & GM) - Member (Ex-Officio)

**Shri Swaminathan J**, MD (R, C & SARG) - Member (Ex-Officio)

**Shri Ashwini Kumar Tewari**, MD (IB, T & S) - Member (Ex-Officio)

## Corporate Social Responsibility Committee (CSRC)

**Shri Challa Sreenivasulu Setty**, MD (R&DB)  
Chairman of the Committee (Ex-Officio)

**Shri Ashwani Bhatia**, MD (CB & GM) - Member (Ex-Officio)

**Shri B. Venugopal**, Independent Director - Member

**Dr. Ganesh Natarajan**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Mrugank M. Paranjape**, Independent Director - Member

**Shri Prafulla P. Chhajed**, Independent Director - Member

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

**Shri Swaminathan J**, MD (R, C & SARG)  
Chairman of the Committee (Ex-Officio)

**Shri B. Venugopal**, Independent Director - Member

**Dr. Ganesh Natarajan**, Independent Director - Member

**Shri Ketan S. Vikamsey**, Independent Director - Member

**Shri Sanjeev Maheshwari**, Non-Executive Director - Member

**Shri Prafulla P. Chhajed**, Independent Director - Member



# Members of Central Management Committee

as on 31.03.2022

**Shri Dinesh Kumar Khara**  
Chairman

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

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

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

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

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

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

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

**Shri Ravindra Pandey**  
Deputy Managing Director &  
Chief Information Officer

**Shri V. S. Radhakrishnan**  
Deputy Managing Director  
(Commercial Clients Group)

**Shri S. Salee**  
Deputy Managing Director  
(Agri, SME & FI)

**Shri Rana Ashutosh Kumar Singh**  
Deputy Managing Director (Strategy) &  
Chief Digital Officer

**Shri Prabodh Parikh**  
Deputy Managing Director &  
Chief Operating Officer

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

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

**Shri Sanjay D. Naik**  
Deputy Managing Director  
(International Banking Group)

**Shri Subrata Biswas**  
Deputy Managing Director  
(Stressed Assets Resolution Group)

**Shri R. Viswanathan**  
Deputy Managing Director &  
Group Compliance Officer

**Shri Om Prakash Mishra**  
Deputy Managing Director (HR) &  
Corporate Development Officer

**Shri B. Raghavendra Rao**  
Deputy Managing Director  
(Corporate Accounts Group)

**Shri Nitin Chugh**  
Deputy Managing Director &  
Head (Digital Banking & Transformation)

## 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 31.03.2022

### Ahmedabad

**Shri Shamsher Singh**

Chief General Manager (Ex-Officio)

### Amaravati

**Shri Sanjay Sahay**

Chief General Manager (Ex-Officio)

### Bengaluru

**Shri Nand Kishore**

Chief General Manager (Ex-Officio)

### Bhopal

**Shri Binod Kumar Mishra**

Chief General Manager (Ex-Officio)

### Bhubaneswar

**Smt. Vidya Krishnan**

Chief General Manager (Ex-Officio)

### Chandigarh

**Shri Anukool Bhatnagar**

Chief General Manager (Ex-Officio)

### Chennai

**Shri R Radhakrishna**

Chief General Manager (Ex-Officio)

### Guwahati

**Shri Ramesh R S**

Chief General Manager (Ex-Officio)

### Hyderabad

**Shri Amit Jhingran**

Chief General Manager (Ex-Officio)

### Jaipur

**Shri Rajesh Kumar Mishra**

Chief General Manager (Ex-Officio)

### Kolkata

**Smt. Ruma Dey**

Chief General Manager (Ex-Officio)

### Lucknow

**Shri Ajay Kumar Khanna**

Chief General Manager (Ex-Officio)

### Maharashtra

**Shri Ajay Kumar Singh**

Chief General Manager (Ex-Officio)

**Dr. Ganesh Natarajan**

Director\*

### Mumbai - Metro

**Shri Pravin Raghavendra**

Chief General Manager (Ex-Officio),

**Shri B. Venugopal**

Director\*

**Shri Ketan S. Vikamsey**

Director\*

**Shri Mrugank M. Paranjape**

Director\*

**Shri Sanjeev Maheshwari**

Director\*

**Shri Prafulla P. Chhajed**

Director\*

### New Delhi

**Shri Amitava Chatterjee**

Chief General Manager (Ex-Officio)

### Patna

**Shri Surender Rana**

Chief General Manager (Ex-Officio)

### Thiruvananthapuram

**Shri Shreekant**

Chief General Manager (Ex-Officio)

\*Directors on the Central Board nominated on the Local Boards as per Section 21(1) (B) of SBI Act 1955.

## Bank's Auditors

**M/s A S A & Associates LLP**  
Chartered Accountants

**M/s Guha Nandi & Co.**  
Chartered Accountants

**M/s Prem Gupta & Co.**  
Chartered Accountants

**M/s Umamaheswara Rao & Co.**  
Chartered Accountants

**M/s Shah Gupta & Co.**  
Chartered Accountants

**M/s Khandelwal Jain & Co.**  
Chartered Accountants

**M/s S C V & Co. LLP**  
Chartered Accountants

**M/s M.C. Bhandari & Co.**  
Chartered Accountants

**M/s Talati & Talati LLP**  
Chartered Accountants

**M/s V Singhi & Associates**  
Chartered Accountants

**M/s Suri & Co.**  
Chartered Accountants

**M/s K C Mehta & Co.**  
Chartered Accountants



**Kisan Ki Pragati**

**YONO Krishi**

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**yono SBI**

**Mandi**  
Market Place for all farm needs

**Mitra**  
Agro Advisory Hub

**Agri Gold Loan**  
Get Loan in Simple Steps

The banner features a central illustration of a farmer in a white shirt and orange turban, holding a sheaf of wheat. To the left is a tractor icon. To the right are three circular icons representing a market, two people, and a loan document. The bottom of the banner is decorated with a row of colorful vegetables like tomatoes and carrots.



## Chairman's Message

*Dear Shareholders,*

It gives me immense pleasure to place before you the highlights of your Bank's performance during FY2022. Details of the achievements and initiatives taken by your Bank are provided in the enclosed Annual Report for FY2022.



“

With the gradual improvement in economic activity, your Bank's business has continued to show double digit growth in FY2022.

– Dinesh Kumar Khara



## Economic Overview

After witnessing significant contraction related to COVID-19 pandemic in 2020, global economy recovered in 2021. However, the momentum was slowed down in Q2 by a deadlier variant of the virus, the impact of which was fortunately short lived helped largely by main vaccination drives across the world. Towards the end of Q4 FY2022, escalated geo-political tension arising from prolonged Russia-Ukraine conflict has led to increased financial volatility. Oil and other commodity prices have surged significantly, thereby worsening the already high inflation dynamics of both advanced as well as emerging/developing economies. Record inflation has led the US Fed to accelerate its monetary policy normalisation. This, in turn, has led to capital outflows from the emerging markets as risk-off takes centre stage. Global growth is thus expected to moderate to 3.2% in 2022. Even the global trade estimates for 2022 have been revised downwards to 3.0%.

Against this backdrop, the Indian economy grew by 8.7% in FY2022. On the external front, our merchandise exports performance remained buoyant growing by 14.53% and crossing the \$400 billion mark in FY2022. However, imports growth too remained strong at 55% during the year.

Meanwhile, RBI increased the repo rate recently by 40 bps in an off-cycle meeting to rein in inflation, while supporting growth. However, hardening of global crude and commodity prices amidst prolonged geo-political tensions, along with supply chain issues arising out of prolonged lock down in China could keep inflationary pressures on the upside. While India is expected to grow at 7.2% in FY2023, the current account deficit could breach 2.5% of GDP mainly due to geopolitical tensions and elevated crude oil prices.

## Your Bank's Performance

With the gradual improvement in economic activity, your Bank's business has continued to show double digit growth in FY2022.

### Deposits

During FY2022, your Bank's total deposits grew by 10.06% to surpass the ₹40 lakh crore mark of which domestic deposits grew by 9.80% to ₹39.20 lakh crore. The CASA deposits grew by 7.78% to ₹17.75

lakh crore contributed mainly by sustained growth of 10.45% in saving bank deposits. Amidst the low interest rate environment, CASA ratio of your Bank stood at 45.28% as of March FY2022. During the year, your Bank opened 98.75 lakh new Savings Bank Accounts, of which 63% have been opened through the YONO portal / app.

### Credit

During FY2022, your Bank's advances grew by 11% to ₹28.18 lakh crore, compared to growth of 4.8% in FY2021. While domestic advances grew by 10.27%, foreign offices advances grew by 15.42%. The domestic loan growth was led by robust growth of 15.11% in retail personal loans which now account for 41.6% of domestic advances. Agri & SME loans grew by 6.57% and 9.52% during the year to ₹2.28 lakh crore and ₹3.06 lakh crore, respectively.

The retail personal loans portfolio has crossed ₹10 lakh crore mark driven by Home loans and unsecured Personal loans, which grew by 11.49% and 28.50% respectively during FY2022.

### Investments

Your Bank's investment portfolio increased by 9.6% to ₹14.93 lakh crore in FY2022, of which 96% are domestic investments. Within the domestic investment portfolio, 60.77% is in HTM category while the rest is under AFS category. The yield on investment is in line with the interest rate scenario and has come down to 6.07% from 6.32% in FY2021.

### Profitability

During FY2022, as the economy recovered from the effects of COVID-19 during the second half, your Bank's performance displayed a smart recovery. The standalone net profit has increased by 55% over previous year to ₹31,676 crore in FY2022. Your Bank has also registered improvement on the asset quality front, provision coverage and NIM.

The Net Interest Income of the Bank registered a healthy growth of 9.03% over the previous year, to ₹1,20,708 crore. Growth in the lending book, together with control in slippages have contributed to higher interest income. Credit costs have also declined significantly by 57 bps to 0.55% in FY2022. The Operating Profit of your Bank for FY2022 was ₹75,292

crore in FY2022, an improvement of 5.22% over the previous year. The cost to income ratio has also declined marginally to 53.31% in FY2022 from 53.60% in FY2021.

Return on Assets increased by 19 bps to 0.67% in FY2022 compared to 0.48% in FY2021. There was a significant improvement in Return on Equity which moved up by 398 bps to 13.92% in FY2022 from 9.94% in the previous year.

“

Board of Directors of your Bank has declared a dividend of ₹7.10 per equity share (i.e 710%) for the financial year ended March 31, 2022.

## Asset Quality

The focus on managing stressed assets continued in FY2022 with all round improvement in every segment.

Your Bank has calibrated its strategy for managing stressed assets in line with eco system and was able to contain the slippage ratio within 1% in FY2022.

During FY2022, your Bank's gross non-performing assets (NPA) came down by ₹14,366 crore to ₹1,12,023 crore. Recoveries and upgradation during the year increased by 21.58% to ₹21,437 crore. Consequently, the gross NPA ratio of the Bank improved by 101 bps from 4.98% in March 2021. The net NPA of the Bank also improved to 1.02% as of March 2022.

The provisioning coverage ratio (PCR) of the Bank also improved to 75.04% as of March 2022 from 70.88% last year. Including AUCA, the PCR stood at 90.20% as of March 2022.

## Capital

The capital ratios of the Bank improved during the last financial year on the back of better planning, internal accruals and efficient risk management of the banking book. Capital Adequacy Ratio (CAR) as at the end of March 2022 stood at 13.83%, an improvement of 9 bps over March 2021.

The Tier II capital base also improved to 2.41% in March 2022 from 2.30% in the previous year.

## Dividend

I am happy to announce that the Board of Directors of your Bank has declared a dividend of ₹7.10 per equity share (i.e 710%) for the financial year ended March 31, 2022.

## Customer Convenience

We believe that the evolving customer expectations and shifting customer sentiments demand an agile approach that adapts to the evolving situation. Today, your Bank is focused on leading the FinTech charge, by leveraging digital transformation and customer engagement in innovative ways. To build and sustain the momentum for transforming India, your Bank has created the highest number of touchpoints at branches and other outlets.

As of March 22, your Bank has 22,266 branches, over 68,000 Business Correspondents and over 65,000 ATMs including 12,872 Automated Deposit & Withdrawal Machines (ADWMs). On an average, over 1.32 crore transactions are carried out every day through these ATMs / ADWMs.

To enhance customer convenience and customer delight, the following new facilities were introduced during the FY2022: (a) Facility to request for new cheque book and stop cheque request has been enabled at CSP outlets, (b) The facility of blocking of debit card has been enabled at CSP outlets.

With a presence across all time zones through its 227 locations in 30 countries, your Bank remains a front runner of International Banking among Indian banks. During FY2022, your Bank continued rationalising its overseas operations by a closure of an overseas Subsidiary- SBI Botswana Ltd, and merger of the Ilford branch of SBI UK Ltd. with its East Ham branch.

## Technology & Innovation

The future of banking is in the realm of technology. Surge in technology adoption since the outbreak of COVID-19 pandemic has prompted your Bank to take

several initiatives in the technology domain with a view to improve user experience and address emerging risks.

Your Bank has been working on upgrading ATM connectivity by arranging 4G connectivity to off-site ATMs. Your Bank is continuously working to improve the network experience and minimise outage. Alternate Secondary Links to the branches and offices have been put in place to reduce and eliminate downtime.

Your Bank has also devised an early warning and insights mechanism related to cybersecurity threats to comply with the RBI Cyber Security Framework by arranging a honeypot solution.

On the product side, your Bank has, over the years, developed a strong portfolio of products and services, and leverages technology to deliver and manage them in a personalised and customer centric manner. Your Bank is leveraging data analytics to gain a 360-degree view of the customer journey to customise need based financial products and services. Your Bank is simultaneously using technology to capture deeper insights to address customer pain points at various touchpoints.

Your Bank's flagship digital platform, YONO is delivering cutting-edge digital services to millions of retail customers, farmers, corporate clients and to customers of select overseas offices. To increase penetration and nudge customers into adopting technology, the YONO Lite app is now available in 12 Indian languages while the Yono Krishi app is available in 10 Indian languages.

Given the technology capability, your Bank has participated in various metro railway transit projects to digitise micropayments. Your Bank has been awarded Nagpur Metro, Noida Metro and MMRDA Lines 2A and seven metro projects to implement qSPARC technology on the RuPay platform.

Retail Loan Management Solution (RLMS) and Vendor Verification Module (VVM) were introduced in loan processing to ensure uniform underwriting standards, seamless delivery and end-to-end digitisation aimed at providing customer delight. Further digitisation of the entire home loan journey is at an advanced stage. In-house developed digital platforms like YONO and OCAS/RAAS are being promoted extensively as resource tools to maximise home loan business and increase our market share.

Your Bank has introduced Trade Regulatory Reporting and Compliance Solution (TRRACS) applications, which has led to a reduction in pending EDPMS/IRMs/Export Advances entries over a period of time.

For seamless cross border transitions, your Bank has completed integration with the real-time payment system in Singapore, namely G3-FAST. This will enable payment processing on a real-time basis enhancing the ability to deliver innovative and commercially attractive products while minimizing settlement risk.

Your Bank has also embarked upon a complete revamp of its e-Banking web platform for its overseas operations. Aiming to achieve dual objectives of cost-saving and increased efficiency, centralisation and off sharing of back-office processes has gained momentum with the migration of jobs from two more geographies, i.e., Canada and Singapore (in addition to UK and Bahrain).

The use of technology has also percolated in operations with migration of many task specific technology platforms. Various new IT initiatives have been rolled out in SARG vertical for better monitoring of legal cases in stressed accounts. This will further strengthen the transparency and efficiency of the recovery process.

## Strategic / New Initiatives

During FY2022, your Bank has continued undertaking strategic initiatives to achieve the long-term objectives set by the Bank. Some of the important initiatives are:

- Your Bank launched 'Samarthya', an engagement programme for all employees in the age group of 35 or below. The programme has been offered through a unique – "Smart Classroom". Both Officers and Clerical staff attend the programme promoting cross-pollination of perspectives and ideas. Over 67000 employees are to be trained under the programme, and 72% have already been covered in FY2022.
- Two new End-to-End Digital Loan Journeys were introduced, viz., Pre-approved Two-Wheeler Loan (SBI Easyride) and Pre-approved Business Loan (PABL) for PoS customers of our subsidiary SBI PSPL (SBI Payment Services Pvt Ltd.). Loans aggregating ₹21,898 crore have been extended digitally through Analytics-based products in FY2022.
- To enhance the level of knowledge of the frontline staff and enhance customer experience, your Bank has introduced a mass knowledge enhancement programme, "Project Utkarsh", It has also introduced the "Customer Service Index" for categorizing branches based on the quality of customer service.
- For opening new accounts in most customer categories (Individual & Non-individual) quickly and efficiently, image-based processing has

been introduced in the year 2021-22. For the convenience of customers account opening facility through Video KYC was launched on 22.04.2021. About 6.40 lakh accounts have been opened through this facility till March 2022.

- A facility for SMS alerts in 13 languages has been enabled facilitating customers to register for SMS alerts in their preferred language. Multiple initiatives like multi-streaming of SMS outflow from CBS to Delivery Platform, infra upgradation for handling a higher volume of SMS and modifying SMS generation and transmission processes in CBS to handle higher volumes have been taken to reduce delays in SMS delivery.
- Functionality of Video Life Certificate was launched in November 2021, to facilitate submission of Life Certificate by pensioners through Video Calling.
- A new application for loan collection was launched in April 2021, for recording the follow-up calls to delinquent account holders. During the current year, 2.55 crore calls were made using this application.
- A mentoring program for new female employees was launched during the year to ensure their smooth transition in the organisation.

Your Bank is actively onboarding customers on the FX-Retail platform rolled out by CCIL (Clearing Corporation of India Ltd.), through which customers benefit from transparent and competitive pricing. Your Bank has also made FX-All and e-Forex trading platforms available to customers.

## Subsidiaries

Through its subsidiaries, your Bank provides a wide range / bouquet of financial products and services to its customers.

On a standalone basis, SBI Capital Markets Limited posted a PAT of ₹339.70 crore for FY2022 as against ₹273.25 crore for FY2021. On a consolidated basis, it posted a PAT of ₹620 crore against ₹527 crores in the previous year. SBICAP Securities Limited, the broking arm of SBI Group, posted a net profit of ₹233.01 crore during the year ended FY2022 as against ₹207.12 crore in FY2021.

SBI General Insurance Company Limited has expanded its presence pan India through 137 branches. To date, the company serves around 8.7 crore customers. It registered a growth rate of 11% in FY2022 with a market share of 4.15%. It is ranked 7<sup>th</sup> amongst private insurers and 12<sup>th</sup> in the overall industry. It has generated a net profit of ₹131 crore in FY2022.

SBI Life Insurance Company Limited has retained its pole position in FY2022 amongst private life insurance companies in Individual New Business Premium, Individual Rated Premium, Total Rated Premium and Total New Business Premium. The company witnessed 23.4% growth in Total New Business Premium (NBP) vis-à-vis the industry growth of 12.9%. The company registered PAT of ₹1,506 crore in FY2022 against PAT of ₹1,456 crore in FY2021.

SBI Cards & Payments Services Limited delivered PAT of ₹1,616 crore in FY2022, a y-o-y growth of 64% over FY2021.

SBI Funds Management Limited is among the fastest-growing AMC's in the country and has grown 28.3% in FY2022 against the industry average of 19.5%. It has one of the largest investor base, with over 107 lakh live investor folios, including 31.50 lakh new folios added in FY2022. It posted PAT of ₹1070.65 crore during FY2022 as against ₹860.40 crore last year.

SBI Global Factors Limited, which provides factoring services for Domestic and International trade, registered a turnover of ₹4,773 crore for FY2022 as compared to turnover of ₹4,352 crore in FY2021.

SBI Pension Funds Private Limited is one of the seven Pension Fund Managers (PFMs) appointed for the management of Pension Funds under the Private Sector. The company's total Assets Under Management (AUM) as of 31<sup>st</sup> March 2022 stood at ₹2,82,476 crores (y-o-y growth of 26.89%). The company holds the leadership position amongst PFMs with a market share of 38.35%.

## Recognition & Awards

Your Bank's efforts in various areas of banking were acknowledged and it has won various awards during the year. Your Bank was recognised as "Best Cash Management and Transaction Bank in India" by Asian Banker Magazine, Singapore, under Transaction Finance Awards 2021. Your Bank has also been awarded the "Best Trade Finance Provider (India)-2022" for the tenth consecutive year by Global Finance Magazine. Your Bank won Gold in the prestigious ET Human Capital Awards under the category 'Excellence in Creating a Culture of Continuous Learning and Upskilling'.

Your Bank has been awarded the coveted Kirti Puraskar by the Government of India for Best implementation of Rajbhasha among Public Sector Banks.



## Environmental, Social & Governance (ESG) Practices

The objective of Corporate Social Responsibility (CSR) policy in your Bank is “to participate in activities which benefit community development, social responsibility and environmental sustainability, and reach out to socially & economically disadvantaged sections of society”. During FY2022, the total CSR spend stood at ₹204.10 crore (1% of the net profit of ₹20,410 crore for FY2021), with ₹102.56 crore allocated to the SBI Foundation. The focus areas of the Bank’s CSR activities for FY2022 included Rural and Slum area development, Health Care and Sanitation, Education, Environment Sustainability, Tribal Welfare, Empowerment of Women and Senior Citizens and supporting sports and athletes.

Your Bank has spent a total of ₹71 crore, i.e. 35% of the total CSR spends towards the fight against COVID-19.

Your Bank is also committed to adapt to the “Business Responsibility and Sustainability Report (BRSR)” framework in accordance with the directives issued by the Securities and Exchange Board of India (SEBI) in this regard.

In line with the country’s vision and global need for promoting Renewable Energy (RE), your Bank is also underwriting RE financing in a big way. The FY2022 saw the dual listing of SBI’s Green Bonds worth USD 650 million on the India International Exchange and the Luxembourg Stock Exchange. Your Bank has also shown its deep commitment to engaging with communities, NGOs and aligning with the national priorities to further environmental sustainability efforts. During the FY2022, more than six lakh trees were planted by your Bank across the country.

### Way Forward

Overall FY2022 has been a much better year compared to FY2021. The pace of economic activity has picked up and the momentum is expected to continue.

Nevertheless, FY2022 was not without its share of surprises. The outbreak of hostilities between Ukraine and Russia towards the end of FY2022 has severely affected the global economic landscape.

A panoramic view of the Bank’s financial performance over the last few years, shows discernible improvement in all parameters. Thus, despite the challenges posed by the operating environment, your Bank today has better loss absorbing capability. Bank’s risk management practices have delivered better results especially in containing the slippages.

“

I am more than hopeful that the performance achieved in FY2022 will show further improvement in FY2023.

The time is, therefore, opportune to undertake the much-needed transformation of the Bank with an eye on emerging trends in banking, especially in India. Your Bank will thus continue to accelerate its digital agenda both in front and back offices. The scope and reach of SBI YONO will be expanded further and with enhanced user experience. In business operations, your Bank will leverage advanced analytics for deeper insights on internal data and its best possible usage. Mutually beneficial partnerships with fin-techs and NBFCs will be explored further to increase penetration and reach of the Bank.

Your bank is comfortably placed in terms of growth capital in the current year. Opportunities for lending in promising sectors such as sectors identified under PLI scheme and renewables as well as electric mobility will be explored to diversify the portfolio.

Summing up, despite the economic headwinds, your Bank has adapted well to the challenges posed by the operating environment. I am more than hopeful that the performance achieved in FY2022 will show further improvement in FY2023.

Yours Sincerely,

**Dinesh Kumar Khara**

# Directors' Report

## I. Economic Backdrop and Banking Environment

### 1. Global Economic Scenario

The recovery of the global economy was hampered in Q4 of 2021, due to the resurgence of omicron variant which led many countries to re-impose lockdowns, travel restrictions and other containment measures which disrupted economic activities and supply chains. The domestic economic scenario has also been affected by geo-political events. RBI has lowered the FY23 GDP growth forecast to 7.2% from the earlier guidance of 7.8%. While possible upside could emanate from sustained domestic demand, Government's thrust on capex, a normal monsoon and healthier corporate balance sheets, the heightened geo-political tensions do pose downside risks to GDP growth.

Towards the end of FY 2022, the Russia-Ukraine conflict has led to heightened financial volatility. Price of crude and other commodities spiralled to multi-year highs. Amidst unsettled financial market conditions, demand for safe havens increased, thereby increasing the price of gold while diversification of reserves by central banks anchored other assets and currencies too. Meanwhile, emerging markets continue to witness capital outflows, as the US Fed accelerated its tapering of asset purchases, recently raised the Fed funds rate twice, and signalled aggressive rate hikes. Against this backdrop, global growth is expected to moderate to 3.2% in 2022.

Meanwhile, inflation is likely to remain elevated in the near term, and inflationary pressures are likely to subside in the later part of the year. The recent lockdown in China is a grim reminder of the brittle recovery and the necessity of adhering to appropriate measures to check the unabated spread of the virus.

The Russia-Ukraine conflict and lockdowns in China as part of its zero-tolerance approach towards the pandemic

are weighing down on the global trade dynamics. This has led the WTO to slash the global goods trade growth forecast to 3% in 2022 from its previous forecast of 4.7%.

Prolonged situation in Ukraine along with unanchored inflation expectations and supply disruptions pose a significant downside risk to global growth prospects. With growth clouded by risks and uncertainty, it is imperative for countries, especially the developing ones, to continue to strengthen their digital and health infrastructure. All countries also need to focus on tackling climate change and growth-enhancing policy interventions to promote inclusive development and reforms that broaden economic activity.

### 2. India's Economic Scenario

The recovery in real GDP growth with the ebbing of the second wave lost some momentum in H2FY2022 with the emergence of the Omicron variant which was fortunately short lived. However, India's economy grew by 8.7% in FY2022 as against the NSD's earlier estimate of 8.9%.

Gross Value Addition in agriculture and allied activities expanded by 3.3% in FY2022, supported by adequate monsoon, good reservoir levels and improved soil moisture, which helped rabi acreage increase by 1.5% over the previous year. Food grain production touched a new record in FY2022, with both Kharif and Rabi output exceeding the final estimates for the year.

Industrial activity lost some momentum in the second half of FY2022, as manufacturing was affected by supply-side shortages and input cost pressures. Mining activity was supported by coal and natural gas, offsetting the contraction in crude oil production. Hence, industrial GVA decelerated sharply from 23.1% in H1 to 0.9% in H2.

Services sector activity grew by 7.1% in H2 and crossed its pre-pandemic level. The contact-intensive services, viz., trade, hotels, transport, and communication, inched towards normalisation, though their rebound was held back by the Omicron variant.

Merchandise exports and imports remained buoyant in FY2022. Exports at \$42.2 billion in March 2022 touched a new record and remained above \$30 billion for the 13<sup>th</sup> consecutive month. During FY2022, merchandise exports at \$419.6 billion surpassed the target of \$400 billion. The \$300 billion mark in exports was achieved in FY12, and it took almost a decade to add an incremental \$100 billion in exports.

Merchandise imports reached an all-time high of \$60.7 billion in March 2022 and remained above \$50 billion for the seventh consecutive month. Overall, India's merchandise exports increased by 43.8% in FY2022 vis-à-vis a decline of 6.9% in FY2021, while imports grew by a whopping 55.1% in FY2022 compared to a 16.9% contraction in FY2021. India recorded a current account deficit of 1.2% of GDP in April-December 2021 against a surplus of 1.7% in April- December 2020.

Though CPI inflation is projected to average below 6.0% in FY2023 by RBI, there remain several risks to this forecast. The risks could emanate from a further hardening of global crude and other commodity prices due to geopolitical tensions, longer supply chain disruptions, a larger pass-through of input cost pressures and volatility in the global financial markets induced by an affirmative normalisation of monetary policy by the advanced economies. An early end to supply chain disruptions, a muted pass-through to output prices, correction in global commodity prices and, an easing of geopolitical tensions would help in containing inflation within the projected levels.

As per RBI estimates, real GDP is expected to grow by 7.2% in FY2023. Upside to growth could emanate from sustained expansion in domestic demand, a boost in private investment activity, buoyed by the Government's thrust on capital expenditure, a normal monsoon and healthier corporate balance sheets.

### 3. Banking Environment

The COVID-19 pandemic was the first significant test of the global financial system since the global financial crisis of 2008. Globally and in India, the banking and non-banking sectors have weathered the COVID-19 disruptions reasonably well, supported by cogent policy measures, which helped maintain the soundness of the banking and financial system. The timely policy interventions both by the Government and the RBI helped alleviate the stress experienced by individuals, MSMEs, corporates and lenders by making credit available on easy terms.

With the gradual return of normalcy, signs of recovery became visible in H1 of FY2022 during the festive season. ASCB credit grew by 9.6% in FY2022, compared to 5.6% growth in FY2021. Retail loans have emerged as the primary driver of bank credit in FY 22 and have now the largest share (28.4%) in the outstanding credit of ASCBs, displacing industrial loans (26.7%).

However, ASCB's aggregate deposits growth slowed to 8.9% in FY2022, compared to 11.40% in FY2021, due to the base effect, lower interest rates and a flight to capital markets / digital asset classes in the expectation of higher returns. Amidst improving credit offtake, growth in banks' holdings of G-secs decelerated, pulling down their excess SLR investments to 9.6% of net demand and time liabilities (NDTL) as of March 25, 2022, from 11% as at the end of March 2021.

The asset quality of ASCBs improved during FY2022, with the non-performing

assets (NPA) ratio declining to 6.5% in December 2021 from 6.8% a year ago.

Digital transactions continued to register robust growth in FY2022. Retail payments expanded strongly across the payment modes. UPI witnessed near 100% growth in volume and value of transactions. RTGS, NEFT, IMPS, and NACH also demonstrated remarkable growth. Transactions under the Bharat Bill Payment System (BBPS) clocked a triple-digit increase in volume.

### 4. Outlook

Towards the end of FY2022, the build-up of tension between Ukraine and Russia and the subsequent sanctions have led to supply chain risks becoming more pronounced. Increase in prices of agricultural commodities, energy products, metals and other essential commodities have had a cascading impact on the global economy and consequently the banking sector. The build-up of inflation has prompted aggressive rate hikes in advanced economies.

Considering these developments, the Monetary Policy announcement by RBI in April 2022 highlighted considerable risks that need constant monitoring and warrant concrete actions while keeping rates unchanged. This was, however followed by an off-cycle policy rate and CRR hike by RBI in early May 2022.

The normalisation of LAF corridor through the introduction of Standing Deposit Facility (SDF) and subsequent rate hike in May 2022 clearly indicate that the interest rate cycle is turning. In the G-Sec market, yields have gone up since the rate hike announcement in May 2022.

India's GDP growth for FY2023 has been projected at 7.2%, which is among the highest in the world. Nonetheless, there is uncertainty on how the demand will pick up during this financial year. Private final consumption is still below the pre-pandemic year and may see some erosion

in the current year due to higher inflation. However, investment demand has picked up gradually and there has been substantial increase in new investment announcements amounting to ₹19 trillion in FY2022. Further, sectors benefiting from Production Linked Incentive (PLI) scheme are also expected to see an increase in capex in FY2023. Going forward, good prospects of Rabi output augur well for rural demand. The recent opening of precautionary vaccine dose for all segments of the population is also a positive development.

In this backdrop, the Bank's business needs careful assessment. Your bank has calibrated its business strategy in tandem with evolving needs, constantly adopting best practices while prioritising the safety of hundreds of millions of customers and our people, without compromising on delivery of uninterrupted services since the outbreak of the pandemic. Yet the emergence of geopolitical risks alongside the recurrent bouts of COVID-19 infections have again underscored the need to be on guard and re-evaluate the adequacy of contingency buffers to cover unanticipated losses.

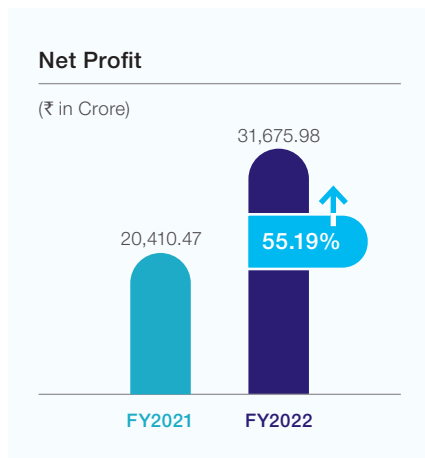
The conflict in Ukraine has also opened up opportunities for India notably in agriculture sector. Further, free trade agreements with Australia and the UAE are also expected to create a number of growth opportunities. Reordering of global supply chains also presents a unique opportunity to India, a proposition that holds tremendous potential.

To sum up, the outlook on the economy and the Bank's business will depend upon the evolving geopolitical situation and its impact on global commodity prices and logistics. Opening up of the economy has reduced the need for a fresh stimulus package and the current momentum appears sustainable. Thus, for the Bank it is imperative that business keeps adapting to the new operating environment.

## II. Financial Performance

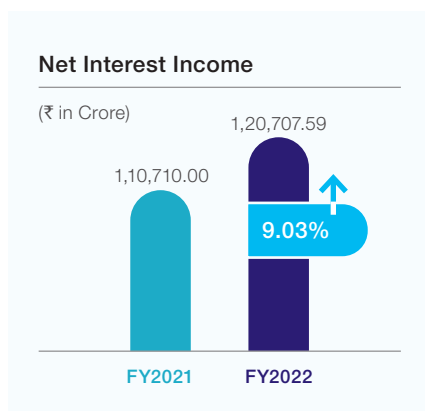
### Net Profit and Operating Profit

The Net profit increased by 55.19% to ₹31,675.98 crore in FY2022 from ₹20,410.47 crore in FY2021. The Operating Profit of your Bank for FY2022 increased by 5.22% to ₹75,292.37 crore from ₹71,554.15 crore in FY2021 (Including exceptional item of ₹1,539.73 crore from stake sale from SBI Life in FY2021).



### Net Interest Income

Net interest income increased by 9.03% to ₹1,20,707.59 crore in FY2022 from ₹1,10,710.00 crore in FY2021. Total interest income increased from ₹2,65,150.63 crore in FY2021 to ₹2,75,457.29 crore in FY2022 registering a growth of 3.89%. Total interest expenses increased from ₹1,54,440.63 crore in FY2021 to ₹1,54,749.70 in FY2022. Interest expenses on deposits during FY2022 recorded a decline of 0.83%, compared to the previous year.



### Other Income

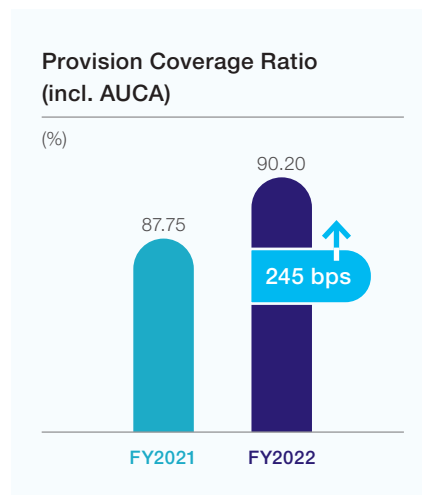
Other income (excluding exceptional item) decreased by 3.32% to ₹40,563.91 crore in FY2022 from ₹41,956.64 crore in FY2021.

### Operating Expenses

Operating expenses (excluding exceptional item) of the Bank increased by 4.03% to ₹85,979.13 crore in FY2022 from ₹82,652.22 crore in FY2021.

### Provisions and Contingencies

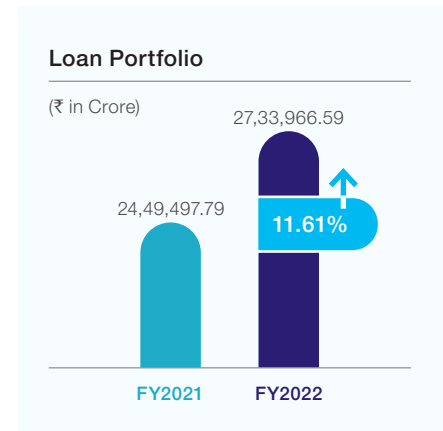
Total provision and contingency decreased by 29.22% from ₹51,143.68 crore in FY2021 to ₹36,198.00 crore in FY2022. Major provisions made in FY2022: Provision of ₹14,086.85 crore for non-performing assets (as against 27,244.35 crore in FY2021) and Investment Depreciation of ₹3,440.10 crore (as against ₹3,014.50 crore in FY2021). The Provisioning to Gross Non-Performing Assets ratio (including AUCA) of the Bank as on 31<sup>st</sup> March, 2022 is 90.20% (Previous Year 87.75%). PCR (excluding AUCA) as on 31<sup>st</sup> March 22 is 75.04% (70.88% as on March 21).



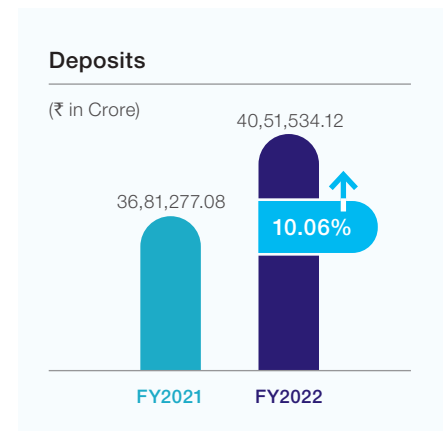
### Assets and Liabilities

Total assets of your Bank have increased by 9.99% to ₹49,87,597.41 crore as at the end of March 2022 from ₹45,34,429.63 crore at the end of March 2021. During the period, the loan portfolio increased by 11.61% to ₹27,33,966.59 crore from ₹24,49,497.79 crore. Investments increased by 9.60% to ₹14,81,445.47 crore from ₹13,51,705.21 crore. A major portion of the investment in

the domestic market was in government securities.



Your Bank's aggregate liabilities (excluding capital and reserves) rose by 9.97% to ₹47,07,509.35 crore as on 31<sup>st</sup> March 2022 from ₹42,80,554.44 crore as on 31<sup>st</sup> March 2021. The deposits rose by 10.06% and stood at ₹40,51,534.12 crore as on 31<sup>st</sup> March 2022 against ₹36,81,277.08 crore as on 31<sup>st</sup> March 2021. The borrowings increased by 2.10% to ₹4,26,043.38 crore as at the end of March 2022 from ₹4,17,297.70 crore as at the end of March 2021.



### Reserves and Surplus

An amount of ₹9,502.79 crore (as against ₹6,123.14 crore in FY2021) was transferred to Statutory Reserves. An amount of ₹538.16 crore (as against ₹1,465.12 crore in FY2021) was transferred to Capital Reserves. An amount of ₹4,647.87 crore in FY2022 (as against ₹1,928.20 crore in FY2021) was transferred to Investment Fluctuation Reserve.



### Dividend

Your Bank has declared a dividend of ₹7.10 per share @ 710% for the year ended March 31, 2022.

### Progress of Implementation of IND AS

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



## III. Core Operations

### 1. Retail & Digital Banking Group

Retail and Digital Banking is the largest business vertical of the Bank, with 99.45% of total branches and 98.15% of the entire human resource of your Bank and comprising eight strategic business units. Your Bank is committed to customer delight at all its branches. The ever-evolving customer preferences, especially amongst the younger population is transforming the retail banking landscape.



Inauguration of President's Estate Branch, New Delhi

Your Bank's customer base is steadily increasing across the country, making Retail Banking the most prolific segment of your Bank, both in terms of deposit mobilisation and extending customised credit. Your Bank continues to be the most prominent Home Loan provider in the country and the largest dispenser of Education Loans, demonstrating its steadfast commitment to serving society.

resumption of activities with relaxations in lockdowns pan India has helped in gathering momentum.

The HL/HL related portfolios of your Bank has grown from about ₹1 lakh

crores in 2011 to ₹5.62 lakh crores as on 31.03.2022. The Home loan portfolio accounted for 23.87% of whole Bank advances. Your Bank has disbursed close to ₹1.46 lakh crore of Home loans and Home related loans during FY 2022.

Your Bank continues to be at the forefront of the digital banking domain with a steady stream of technology-driven innovations across various channels - digital, mobile ATM, internet, social media and branches. It has a multi-channel delivery model offering its customers a wide choice.

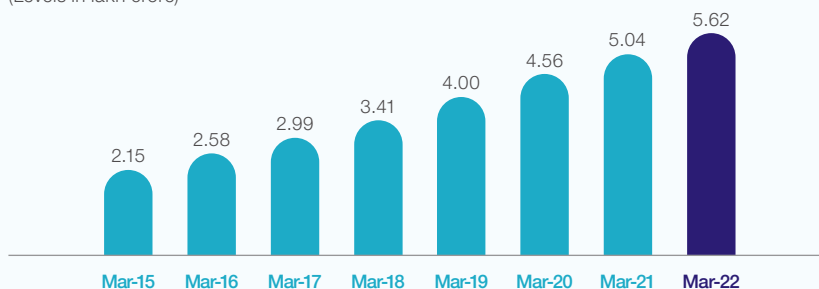
#### A. Personal Banking

##### 1. Home Loan

Your Bank continues to be the Largest Home Loan provider in the country. Even though outbreak of the 2<sup>nd</sup> wave of pandemic affected real estate badly,

#### Journey over the Years (Home Loan Levels):

(Levels in lakh crore)



**Market Share:** Your Bank have been continuously outpacing the growth curve and garnered market share of 35.3% in home loans among ASCBs.

**Affordable and PSL:** Your Bank's affordable housing portfolio stands at 58.19% of its total home loan portfolio, while PSL stood at 34.15%.

**Central Nodal Agency (CNA) for PMAY subsidy:** Your Bank has been nominated as CNA by Ministry of Housing and Urban Authority(MOHUA), the only commercial bank in the country (other CNAs are HUDCO & NHB). As CNA for PMAY-CLSS scheme, your Bank has processed over 64,272 subsidy claims aggregating to ₹1,500 crore, earning income of ₹17.10 crore during FY 2022.

**Asset Quality:** Maintaining healthy Asset Quality was a challenge amid Covid-19 pandemic of the economy. Your Bank's constant proactive monitoring and follow up, soft reach out calls to customers resulted in NPA in HL falling below Mar'21 level to 0.50% by end of March 2022.

Based on RBI's Covid Relief forbearance/dispensation of moratorium & restructuring of retail loans, your Bank provided relief by way of restructuring 74,003 home loan accounts in the 2<sup>nd</sup> Phase.

**Initiatives:** Your Bank has always been instrumental in customizing and developing sustainable, creative solutions and continuously striving towards making SBI the 'No. 1 Choice of Customers' for home loans. Towards sustainable development goals, financing of cost of rooftop Solar Photo Voltaic System as part of project cost is now included in Home Loans.

**Digitisation of Loan Journey:** Retail Loan Management Solution (RLMS) and Vendor Verification Module (VVM) were introduced in loan processing to ensure uniform underwriting standards, seamless delivery & end to end digitisation of the product to ensure customer delight.

In-house developed contactless digital platforms like YONO & Online Customer Acquisition Solution (OCAS) / Retail Assets

Acquisition Solution (RAAS) are being promoted extensively as resource tools to maximise Home Loan business and boost Bank's market share further.

**Document Management Solution (DMS)** is an initiative to digitise and centralise the maintenance of Home Loan documents, to increase customer convenience which is rolled out in all CPCs.

**Tie-Ups with Builders:** Onboarding maximum projects under Builder Tie Up (BTU) provides much-needed leg-up fillip to Home Loan portfolio and improves sourcing quality besides considerably improving TAT. Your Bank has so far approved 8,578 residential projects (RERA approved) with penetration of 22.47% in these Tied Up projects.

## 2. Auto Loans

Your Bank took various initiatives to maintain volumes and market share, focusing on customer delight and convenience. Your Bank has entered into tie-up with India's two largest OEMs, MSIL & HMIL, by which an eligible customer can generate an instant in-principle sanction letter while booking the Car on the OEM platform. Your Bank was No. 1 on both platforms among all financiers. A new Car Loan journey on YONO was started for customers not maintaining an account with SBI. 13% of total disbursements are from a pre-approved suite. With a focus on sustainability and supporting the environment, your Bank has been offering loans for Electric PVs at a concessionary interest rate and with an extended loan tenor. In two-wheeler financing, your Bank has developed an e2e digital product, "SBI-Easyride" where the customer does not need to visit branch for the sanction of loan and disbursement.

## 3. Education Loans

Your Bank takes pride in being the largest Education Loan provider in the country. Your Bank has helped 76,301 deserving students realize their dreams by providing financial assistance of ₹10,291 crore during the year. 40% of the loans were extended to girl students (up from 37% in March 2021). To broaden the scope of Education Loans, book quality business and enhance customer satisfaction, your Bank has taken the following steps:

- Shortlisted 235 top-rated premier and reputed institutions for extending Education Loans under the Scholar Loan scheme at relaxed norms and concessional interest rates.
- Penetration through Flagship product "Global Ed-vantage Education Loans" for studies abroad was improved by extending Doorstep services in select cities.
- To ensure better tracking of loan applications and faster loan sanctioning, your Bank's Loan Origination System (LOS) was integrated with GOIs Vidya Lakshmi Portal (VLP).

## 4. Personal Loans

Personal Loans are amongst the most popular products in your Bank, and your Bank is a leader in this market segment. Your Bank is aggressively catering to the needs of the salaried class (both government and private), pensioners and self-employed/other customers. Your Bank is also extending loans to Salaried customers of other Banks through SBI Quick Personal Loans. As of 31.03.2022, the Personal Loan portfolio (Xpress credit and Pension loan) reached ₹2,85,448 crores with a YTD growth of 28.06% (₹62,119 crores). The growth is contributed primarily by the flagship product Xpress credit (₹54,934 crores), which had YTD 28.49% growth.

Your Bank launched a new unsecured Personal Loan product, "SBI KAVACH LOAN", in June 2021 for customers requiring funds for Covid treatment wherein we offered loans up to ₹5 lakhs at concessional rate of interest. We extended 1,80,056 loans amounting to ₹3,686 crores under these product.

## 5. Consumer Durable Loans for e-Commerce Purchases:

Your Bank offers two e2e products, namely POS EMI Loan and Online EMI Loan. While POS EMI loan is being provided through Pine Labs POS machines at various shops, malls, stores, and showrooms, your Bank has entered into a tie-up with Bill Desk and PayU to offer Online EMI Loan at select online shopping portals. These products are available to 1.11 crores pre-approved customers based on

their account behaviour and other AI/ML technology parameters.

## 6. Liability and Investment Products

The total deposits at your Bank grew by 10.06% during FY2022.

The total Term Deposits grew by ₹2,21,926 Crores (11.53%) during FY2022.

The total Savings Bank Deposit grew by ₹1,43,123 Crores (10.45%) during FY2022.

CASA Deposits of your Bank grew by 7.78% during FY2022. Your Bank opened 98.75 lakhs new regular Savings Bank accounts during the Financial Year.

## 7. Doorstep Banking Services

In a move towards customer convenience and ease of banking, your Bank is extending Doorstep Banking Services through agents to all customers at the top 100 banking centers for 5 key services including cash deposits & withdrawal, pick up cheques, Statement of Account, TD Advice. Additional two new services for pick up of Nomination Form and Fund Transfer request were added during the current FY.

However, Senior Citizens more than 70 years of age and Differently Abled Persons are being extended Doorstep Banking Services at all banking centres. Registration for Doorstep Banking Services is also made available through the YONO Lite app.

## 8. Video Customer Identification Process (V-CIP)

To bring the banking facility closer to customers, your Bank offers the opening of Savings Bank accounts digitally through the V-CIP process from the comfort of the home, office & convenience and more than 6 lakhs customers have joined us through V-CIP up to March 2022.

## 9. Corporate and Institutional Tie-ups for Salary Package

This year, your Bank focused on opening Salary Package Accounts for Corporate, Defence, Railways and State Govt employees through Corporate Salary Relationship Managers. The total Salary Account customer base as of Mar'22 reached more than 179 lakhs with

the opening of 4.77 lakhs new Salary Package Accounts during FY2022. 1,291 new Corporate tie-ups were established during the current FY. 292 dedicated and customized Salary Package Microsites have been created for employees of various entities to create awareness about benefits available to them under CSP.

## 10. Digital Personal Loan Offerings

While offering products on multiple platforms for portfolio growth with higher profit margins, your Bank has kept in mind customer convenience with Ease of Banking and delivered the following variants through YONO. Customers can avail of the offerings on a 24X7 basis, without any physical documentation and branch visit.

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

The Bank has sanctioned 11.40 lakh digital loans involving ₹21,118 crores during FY2022 compared to 11.60 lakh digital loans involving ₹15,997 crores during FY2021.

## 11. NRI Business

As of 31 March 2022, your Bank has around 36 lakh NRI Customers, who are being catered through 450 dedicated Specialized NRI Branches / NRI Intensive Branches in India, our foreign offices in 30 countries, 227 Global Banks as Correspondent Banks and tie-ups with 45 Exchange Houses and five Banks (in the Middle East) to facilitate remittances. To provide a one-stop service to NRI Customers' a Global NRI Centre (GNC)' has been set up at Ernakulam for all non-financial services of the Bank.

Your Bank is leading in the NRI Banking space in India with a market share of 22.38% (as of Jan 2022).

Your Bank has launched the following services in FY 2021-22 for the benefit of NRI clientele:

- The Daily limit for Forex Outward remittances through FX-Out (INB Channel) from NRE Account is enhanced from ₹10 lacs to ₹18 lacs per day.

- IMPS facility extended for NRI Customers for instant financial transactions in Internet Banking and Mobile Banking.
- Interest Certificate available to NRI Customers over INB for the previous two years (both financial and calendar years).

## 12. Precious Metals

**Sovereign Gold Bonds (SGB):** The Government of India introduced a sovereign Gold Bond Scheme during FY 2015-16 to promote Digital Gold. Your Bank, during FY 2021-22, mobilized 3,052 Kg Gold (₹1452 Crores) under the scheme.

**Gold Monetization Scheme (GMS):** To mobilize gold lying idle in households and institutions, the Government of India introduced Gold Monetization Scheme during FY 2015-16. During FY 2021-22, your Bank mobilized 2,901 Kg Gold.

## Other Gold Business

**Metal Gold Loan (MGL):** In addition to mobilizing Gold under GMS, Bank offers Metal Gold Loan to jewellers engaged in manufacturing gold ornaments for domestic and export purposes. During FY 2021-22, your Bank extended Metal Gold Loans of 15.94 MT amounting ₹7,461 crore.

**Sale of Gold (SOG):** The Bank also offers the Sale of Gold (SOG) Scheme to Jewellers/Traders. During FY 2021-22, your Bank sold 2.7 MT Gold under the Scheme.

## 13. Wealth Management Business

The Bank's Wealth Management Services are offered at 74 major centres across the country through a network of 172 Wealth Hubs and five e-Wealth Centres.

SBI Wealth has shown exponential growth in terms of Investment AUM and clients during FY2022. The Investment AUM has increased from ₹8,592 Crore to ₹14,317 crore, and the number of Clients increased from 2,55,196 to 2,97,246. The AUM of Clients also increased from ₹2,07,167 Crore to ₹2,52,061 Crore for the same period.

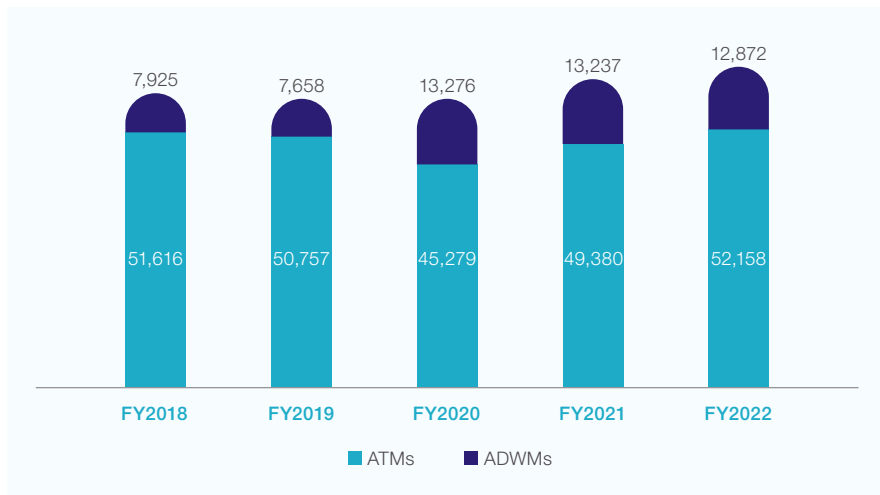
SBI Wealth has been chosen as one of the Best Brands of 2021 by The Economic Times.

## B. ANYTIME CHANNELS

### 1. ATMs and ADWMs

Your Bank has one of the largest ATM networks in the country, with 65,030 ATMs, including Automated Deposit and Withdrawal Machines (ADWMs), as of 31<sup>st</sup> March 2022. Your Bank has its ATM

presence throughout the country, even in the most challenging locations. These include a floating ATM at the Dal Lake, Srinagar; on the jetties of Ernakulam and Vypeen in Kerala; in the Tea Gardens of Assam; and on the islands of Andaman & Nicobar, and Lakshadweep among others.



SBI also has set up (Mobile ATMs), which help extend customer service during emergencies and calamities like floods, cyclones, lockdowns, among others. These mobile ATMs are also sent to various sites like Army Base, Housing societies, Govt. Office locations, IT-Tech Parks among others.

Bank's market share in the number of installed ATMs and ADWMs is 29.8% and handles the highest share of cash (34%). On average, ~1.32+ crore transactions are recorded every day at your Bank's ATMs and ADWMs.

Your Bank adopts cutting-edge technologies and regularly upgrades and replaces the ATMs for Safe & Secure Banking.

To strengthen the security of ATM cash withdrawals against skimming, cloning, and theft of cards by fraudsters, your Bank has implemented 24x7 OTP verification feature for all cash withdrawal transactions of ₹10,000 and above, apart from processing each transaction through the more secure EMV Chip of the card.

**SWAYAM Barcode based passbook printing kiosks:** Your Bank has installed 19,500 SWAYAMs (Barcode based passbook printing kiosks).

**Green Channel Counter (GCC):** Your Bank has deployed GCC terminals at retail branches for transactions through Debit cards to promote Green Banking. Transactions facilitated are- cash withdrawal, cash deposit, funds transfer within SBI accounts, Balance Enquiry, Green PIN generations and PIN Change and Mini Statement. Transactions are enabled only on EMV compliant GCC Terminals.

**Green Remit Card (GRC):** The GRC is a cash deposit card through which funds can be deposited to a pre-defined account of your Bank by GCCs, CDMs and ADWMs. Cash deposit facilities through GRC are available 24\*7 at CDMs and ADWMs and are helpful, especially for migrant workers. The transaction limit for GRC is ₹25,000 per transaction with a monthly cap of ₹1,00,000.

### Cheque Deposit Kiosk (CDK) and Smart CDK:

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

### 2. Positive Pay System

As per RBI directives, your Bank has implemented the Positive Pay System (PPS) for all cheque payments (Cash/ Transfer/Clearing) effective from 1<sup>st</sup> January 2021. This is a measure to prevent frauds perpetrated through cheque tampering/alteration. Positive Pay System involves re-confirming critical details of the cheque by drawer to the Bank, which would be cross-checked with the presented cheque at the time of payment processing. Registration for availing PPS can be done through any of the Bank's Branches or alternate channels, viz. RINB, CINB, Mobile Banking (Yono Lite), YONO (Mobile App) and providing details of cheque on issuance can be done through the same channels and SBI Quick (SMS) additionally. As of 31<sup>st</sup> March 2022, more than 49 lakhs of your Bank's customers have opted for Positive Pay System.

### 3. Setting up of Cyber Cell

To combat Cybercrimes, the Ministry of Home Affairs has rolled out a cybercrime reporting Portal with a dedicated email and a helpline number 1930 to report cybercrime incidents by the Victims. To support this new initiative of the Government of India, Cyber Crime Cells have been set up at all 17 Circles, for attending to customer complaints in respect of cyber frauds. As of 31<sup>st</sup> March 2022, 89,871 complaints have been attended, and ₹9.40 crore are placed under 'hold' or 'saved'.



#### 4. Customer Value Enhancement

Your Bank is a Corporate Agent of SBI Life Insurance Co. Limited and SBI General Insurance Co. Limited. It has a Distribution Agreement with SBI Mutual Fund, SBI Cards & Payment Services Limited and SBI Cap Securities Limited to distribute their products. Your Bank also distributes mutual fund products of UTI Mutual Fund, Tata Mutual Fund, Franklin Templeton Mutual Fund, L&T Mutual Fund, ICICI Mutual Fund and HDFC Mutual Fund. In addition, all branches are authorized to open NPS accounts under National Pension Scheme.

Initiatives and successes for FY2022 are mentioned below:

##### SBI General

The current year has witnessed significant migration of transactions over digital channel. During the year approx. 51 lakh PAI policies were mobilized through YONO. Health Insurance contributes 20% of the total premium mobilized.

##### SBI Cards & Payment Services Limited

Your Bank is leveraging technology for customer segmentation, which has resulted in the sourcing of approximately 16.54 lakh cards through SBI branches in FY2022. Card issuance through digital journey has been received very well by customers and is on a rising trend.

##### SBI Pension Funds Pvt. Ltd.

Your Bank has upgraded its systems to provide end-to-end digitization for instant NPS account opening. Your Bank mobilized over 1.75 lac NPS accounts during FY 22 with a market share of 22%.

##### SBICAP Securities Limited (SSL)

Bank has sourced over 7 lakh Demat and Trading accounts, contributing more than 85% business mobilization of SSL. An e2e Demat and Trading account journey has been launched on YONO.

#### 5. Internet Banking and E-Commerce

YONO is a flagship mobile banking and lifestyle app and one-stop-shop offering, not just financial services but also a gamut of investment, insurance, and shopping solutions. With a Digital-First approach, it is part of Bank's continuous endeavour to

provide innovative digital banking solutions to all customers across the country.

YONO has crossed many milestones with 111.74 million downloads and 48.35+ million registrations, till 31.03.2022, with increasing momentum in adoption and progressively higher user engagement.

##### Key Performance Highlights of YONO for FY2022:

SIM Binding feature was implemented on YONO App on 22.08.2021 to enhance the security features. This feature will ensure that the App will function only on the device where the SIM of the Bank's Registered Mobile number is present.

**Customer Onboarding:** Significant momentum was observed in new customer onboarding, with ~96% of eligible savings accounts being opened through the YONO platform.

**NPS account opening through YONO mobile app** has been launched on 27<sup>th</sup> Sept 2021. It is a complete end-to-end process wherein the customer is not required to submit the physical form to CRA (Central Recordkeeping Agency). PRAN is generated instantly. 49,051 accounts have been opened, during the year which represents 29.60% of accounts opened at the Whole Bank level.

**YONO Krishi:** YONO Krishi, a comprehensive multi-lingual platform for agriculture segment customers, launched in 2019, is an initiative by the Bank to make our farmer customers future-ready by offering them constant digital innovations pertaining to their agricultural needs. By the end of FY2022, more than 24 lakhs YONO Agri Gold Loans amounting to ~₹37,500 crore were sanctioned through YONO Krishi.

**Simplified KCC Review** through the YONO process was launched in August 2020, wherein the customer can get their KCC account reviewed online without visiting the branch in a paperless, presence less manner.

**SAFAL (Simple and Fast Agriculture Loan)** - A Pre-approved loan, first of its kind in the Agriculture segment, was launched in September 2021. The product

is available for farmers engaged in Dairy activity and associated with Corporates under Tie up through an arrangement with Bank. Farmers can avail of loans up to ₹3.00 Lakh without collateral security through this simplified, digitized process with minimal documentation. 316 SAFAL loan accounts amounting to ₹1.69 crore, and 34 Corporates have been onboarded by the end of FY2022.

**Online marketplace:** In FY2022, 111 merchant partners were live on the B2C Market Place platform (including Mitra and Mandi), witnessing 6 lakh+ transactions amounting to ~₹1,255 crore + worth of Gross Merchandise Value during the FY2022. This platform generated more than 20,000 auto loan leads for your Bank.

## 2. SMALL AND MEDIUM ENTERPRISES

Your Bank is a pioneer and market leader in SME financing with 829 SME intensive & dedicated branches across India. With over 18 lakh customers, the SME portfolio of ₹3,05,517 crore, as of 31<sup>st</sup> March 2022, accounts for nearly 10.83% of your Bank's total advances. Your Bank has always held SMEs as an important segment, considering their role in the Indian economy and for their contribution to the country's manufacturing output, exports, and employment generation. Being committed to providing innovative and straightforward financial solutions, your Bank's approach to drive SME growth rests on the following three pillars: a) Customer Convenience, b) Risk Mitigation, and c) Technology-based digital offerings and process improvements.

### 1. Customer Convenience

To build and sustain the momentum for transforming India, the Bank has created the highest number of touchpoints in branches and other channels. To enhance the ease of business for the Small and Medium Enterprises, your Bank has modified its existing delivery model of the Small and Medium Enterprises Centre (SMEC) and created Asset Management Teams (AMTs) to maintain end-to-end relationships with the customers for loans up to ₹50 lakh. Loans above ₹50.00 lakhs are handled by the Relationship Manager (SME) for better customer connect. As of 31<sup>st</sup> March 2022, 1,810 RMs (SME) were active across India.

To focus on improving our connection with customers and strengthening our SME business, 104 Assistant General Managers (SME) have been posted across all zonal offices.

## 2. Digital Offerings

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

### Loan Life-Cycle Management, Online Loan Application and Online Lead Status:

Your Bank hosts an online loan application and tracking facility for MSME borrowers on the corporate website. Loan Organisation Software (LOS-SME) and Loan Lifecycle Management (LLMS) adopt uniform credit dispensation standards to ensure quality and preserve corporate memory.

### Customer Relationship Management (CRM):

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

### Contactless Lending Platform (CLP):

State Bank of India in collaboration with SIDBI and other PSBs has developed a Contactless Lending Platform (psbloansin59minutes.com) for loans to MSME. CLP provides easy access for loans to SMEs registered on the GST platform and filing Income Tax returns. Using the platform, your Bank is sourcing leads for loan requirements from ₹1.00 lakh to ₹500.00 lakh. In FY2022, 7,661 MSME loans have been sanctioned, amounting to ₹2,526.90 crore.

### Project Vivek

Project Vivek heralded a paradigm shift in your Bank's appraisal system from traditional Balance Sheet based funding to a more objective appraisal system of leveraging cash flow and other information sources bringing objectivity to better risk assessment. It reduces Turn Around Time (TAT), resulting in a better customer experience. In FY2022, 35,589 proposals were processed under Project Vivek. Further, technical enhancements were done to the project during the year to improve the underwriting process. The simplified Automated Quick Renewal process under Project Vivek is being popularised to simplify the process of renewal of Fund Based Working Limit.

### SME Gold Loan

Your Bank has introduced a simplified product, viz., SME Gold Loan, to provide short term credit support to MSME Units against the security of Gold Ornaments/ jewellery with simplified assessment and easy sanction. MSME units bridge their liquidity gaps with ease.

### Pre-Approved Business Loan (PABL)

Your Bank has launched a simplified PABL product – An analytics product for sanctioning loans up to ₹10 lakhs for current account customers. Your Bank also launched the Digital Retailer Finance programme. A total of 1,800 retail traders supported a pilot run.

### SME Finance For CAs under CLP

This is simplified, scoring based product available on the Contactless Lending Platform (CLP). Under the product, collateral free loans are offered to CAs and covered under CGTMSE with EBLR linked pricing.

### COVID-19 Enablers

In line with the RBI's regulatory package, sanctions are given under GECL to ensure prompt disposal and release of funds. GECL scheme will continue till 31<sup>st</sup> March 2023.

Your Bank is also participating in the Sanjeevani scheme for SME loans for the healthcare sector for existing hospitals, nursing homes, clinics and medical colleges.

Your Bank also participates in disbursing Aarogyam Healthcare Business Loans, which covers the entire healthcare ecosystem under the product. The stakeholders included are hospitals, nursing homes, diagnostic centres, pathology labs, manufacturers, suppliers, importers, and logistic firms engaged in critical healthcare supply.

### 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. 1<sup>st</sup> October 2019.

### Trade Receivables Discounting System (TReDS)

The Bank was the first among all PSBs to register as a financier on the TReDS platform, set up to provide finance to MSMEs. We have presence on all the three TReDS platforms in the country, i.e. RXIL, M1 exchange and Invoicemart. Your Bank has been actively participating in the online biddings on the platform and has been offering very competitive rates for the benefit of MSMEs. In FY2022, 14,208 Bills aggregating ₹2,668 crore were discounted.

### Supply Chain Finance

Leveraging Bank's state-of-the-art technologies and vast branch network, your Bank continues to be a significant 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 31,000 dealers and over 12,260 vendors with total sanctioned limits of over ₹38,680 crore (e-DFS) & ₹5,825 crore (e-VFS). Thirty-seven new tie-ups were established during the financial year, including CG Power & Industrial Solutions Limited, Skoda, Honda India Power Limited, Bajaj Auto Limited, Nestle India Limited, Ambuja Cement Limited, Trident Limited, and Tata Consumer Products Limited, among others. New e-DFS limits of ₹5643 crore were sanctioned in this financial year up to 31<sup>st</sup> March 2022. To ring-fence the supply chain portfolio, your Bank has put suitable risk mitigation measures and risk-based pricing for the Supply Chain Portfolio. Being the country's largest lender, your Bank has also undertaken a leadership role in implementing proactive measures

to support the dealers availing of the e-DFS facility during the covid pandemic related business slowdown. Your Bank has simplified e-VFS processes and built a front-end digital interface for a vendor to enhance customer experience.

### 3. Business Partnerships and Tie-ups

**Warehouse Receipt Finance:** Your Bank has introduced a Warehouse Receipt Financing scheme (WHR) for financing against Warehouse Receipts issued by collateral managers having a tie-up with the Bank. Under the scheme finance is extended to traders/ owners of goods/ manufacturers etc. Further, WHR issued by Central Warehousing Corporation (CWC) and State Warehousing Corporation (SWC) would also be eligible for WHR finance. SBI has also tied up with repositories NERL &

CCRL for financing against e-NWR and NEML (a subsidiary of NCDEX) for the e-auctioning of NPA/stressed accounts under WHR Financing scheme.

### 3. Rural Banking - Agri Business

Your Bank's lending under Agriculture & Allied activities has crossed the milestone of ₹2,27,000 crore during this financial year, catering to more than 1.42 crore farmers. During the year, the Agriculture Gold loan portfolio has increased to ₹73,601 crore in FY2022 from ₹66,878 crore in FY2021.

Under Atmanirbhar Bharat schemes viz. Agri Infrastructure Fund (AIF), Animal Husbandry Infrastructure Development Fund (AHIDF) and PM Formalization of Micro Food Processing Enterprises (PM FME), your Bank has disbursed loans to 1,400 borrowers amounting to ₹806 crore.



*Atmanirbhar Bharat schemes viz. Agri Infrastructure Fund (AIF), Animal Husbandry Infrastructure Development Fund (AHIDF) and PM Formalization of Micro Food Processing Enterprises (PM FME) has changed the landscape of Agri Business.*

### 1. Micro Credit:

Your Bank has won the National Award for the Highest SHG bank linkages consecutively for 2017-18, 2018-19, 2019-20 and 2020-21 instituted by the Ministry of Rural Development, New Delhi.

Your Bank has the second-highest market share in SHG loans outstanding among all banks, with outstanding loans of ₹24,023 crore to 8.71 lakh SHGs as of 31.03.2022, covering more than 85 lakh women members. SBI's market share of loans under the National Rural Livelihood Mission is the second-highest among PSBs, which is 25.80% as of 31.03.2022.

Since the inception of Deendayal Antyodaya Yojana (DAY-NRLM), your Bank has financed 29,35,453 SHGs under Bank-SHG Linkage and disbursed ₹66,821 crore up to 31.03.2022.

Your Bank has disbursed ₹882 crore under the e-Mudra scheme for Microfinancing enterprises up to ₹50,000 since inception. In the Current Financial year, 1,24,763 loans have been sanctioned, and ₹562 crore have been disbursed up to 31.03.2022.

Your Bank has launched "PM SVANidhi Loans" with effect from 02.07.2020 to support the livelihoods of street vendors during the Covid-19 pandemic. In FY 2021-22, we have disbursed 3,48,041 loans, amounting to ₹406 crore to Street Vendors under both tranche I & II, as of 31.03.2022.

### 2. Digital step, collaborations:

Currently, your Bank has an Agri Gold loan and KCC review on YONO Krishi digital platform. Your Bank has launched YONO Krishi SAFAL Dairy during the year, an end-to-end digital product for financing dairy farmers. Your Bank has also embarked upon digitising all the journeys in Agriculture.

To address high volume and low-value ticket loans in Agri-Business with a digital optimisation strategy, your Bank is onboarding AgriTech-BCs with differentiated Business Models. These AgriTechs will help source, service, and collect Agri and Microcredit products.

Credit disbursements to the farmers over the years are as follows:

### Flow of Credit to Agriculture

(₹ in crore)

Year	Target	Disbursement	% Achievement
FY2019	1,16,315	1,56,385	134
FY2020	1,27,947	1,77,473	139
FY2021	1,74,468	1,98,268	114
<b>FY2022</b>	<b>1,92,500</b>	<b>2,19,396</b>	<b>114</b>

To enhance our reach to the unserved & underserved populace, we have signed MoUs with seven NBFC MFIs under the Co-lending model.

Your Bank has executed agreements with 19 National Business Correspondences (BCs) and 42 State Level BCs to collect repayments in Standard overdue accounts. 57,145 Customer Service Points (CSPs) have been mapped with 14,657 branches for collection on 31.03.2022.

### 3. Financial Inclusion (FI)

Your Bank has aligned its business goal with national priorities, and focused attention is given to a range of financial inclusion activities. SBI has made impressive strides toward financial inclusion through a vast network of Business Correspondents (BCs) and Customer Service Points (CSPs). As of 31<sup>st</sup> March 2022, your Bank has 68,016 CSPs providing access to around 26 banking products and services in unbanked areas while reducing footfalls in the branches. The BC/CSP channel has recorded ~54.44 crore transactions amounting to ₹2,87,857 crore during FY2022.

The BC/CSP channel is increasingly becoming one of the most crucial drivers of financial inclusion initiatives of the Bank. The channel has opened 14.20 crore BSBD accounts with ₹42,450 crore deposits and has brought the unbanked/under-privileged section of the society under the ambit of the formal Banking system. To fulfil the needs of social security measures, low-cost microinsurance products (PMJJBY, PMSBY) and pension schemes (APY) are provided to the unorganised sector in a significant way, covering around 10 crore customers.

### 4. Imparting Financial Literacy (FLCs)

Your Bank has set up 341 FLCs across the country to impart free financial literacy, credit counselling, and the propagation of electronic payment systems. Furthermore, as a part of the RBI initiative to propagate awareness of financial products among the rural masses, your Bank has also set up 189 Centre for Financial Literacy (CFLs) at the block level, which will be scaled up to 235 in the near future.

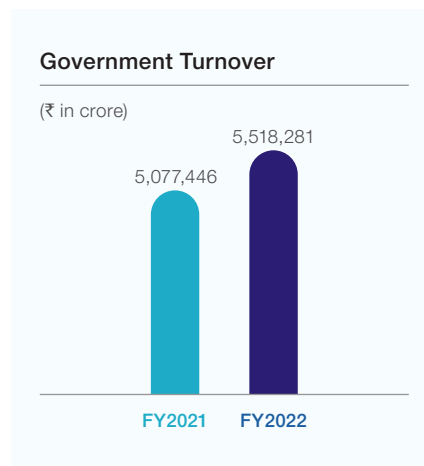
### 5. Rural Self Employment Training Institutes (RSETIs)

Your Bank has set up 152 RSETIs spread across 26 States and 3 Union Territories. RSETIs act as social change agents, empowering rural youth towards sustainable livelihood through skill development and training, helping them establish their micro-enterprises, thereby creating rural employment and wealth creation. During the ongoing pandemic, the Bank's customer service points across the country served under challenging terrains/conditions to meet the financial requirements of the people in need.

### 4. Government Business

Your Bank is at the forefront in conducting Government Business and is an accredited banker to major Central Government Ministries and Departments. SBI is the market leader in Government Business, with a market share of over 63% in Central Government Turnover.

Particulars (₹ In crore)	FY2021	FY2022
Government Turnover	50,77,446	55,18,281
Commission	3,618	3,713



It is a matter of pride that SBI is one of the significant bankers to the Government of India. Your Bank is continuously engaged in developing customized technology solutions to keep pace with the Government's digital initiatives facilitating the transition to the online mode, providing greater efficiency and transparency, resulting in ease of doing business and

ease of living for the citizens. SBI is actively engaged in implementing Social Security Schemes of the Government of India, namely PM Kisan Samman Nidhi Yojana, Pradhan Mantri Kisan Maandhan Yojna, and PM Garib Kalyan Yojna for PMJDY Women Beneficiaries. The key initiatives for FY2022 include:

**PM Kisan Samman Nidhi Yojana:** As an accredited Bank to the Ministry of Agriculture & Farmers Welfare, your Bank facilitated the distribution of ₹62,439 crore under the scheme.

**Direct Benefit Transfer (DBT):** All the major schemes of Direct Benefit Transfer (DBT) of GOI and State Governments are being implemented through your Bank on a pan India level. State Bank of India is the sole banker for processing the Direct Benefit Transfer of LPG subsidy (DBTL).

**Ministry of Rural Development:** Your Bank has successfully onboarded Haryana, Assam & Rajasthan State Governments on e-Tendering Solution for collecting EMD by NRIDA (National Rural Infrastructure Development Agency). The onboarding process for Pradhan Mantri Gram Sadak Yojna is in process. All the remaining State Governments are scheduled to be onboarded in a phased manner.

**Ministry of Defence (MoD):** Ministry of Defence has launched a SPARSH portal for centralized processing pension of Defence pensioners. Your Bank has entered into an agreement with MoD for providing various services to defence pensioners on the SPARSH portal through our 446 (defence pensioner intensive) branches.

**Armed Forces Battle Casualties Welfare Fund (Maa Bharti ke Sapoot):** Ministry of Defence has planned to launch 'Maa Bharti Ke Sapoot' to raise funds for Defence Personnel. Your Bank has opened an account in the name of "Armed Forces Battle Casualties Welfare Fund" to receive online donations from the citizens through SBI Payment Gateway.

**Ministry of Railways:** The Ministry of Railways developed an exclusive Portal for e-Freight. SBI has integrated SB MOPS with their Portal. For collecting receipts, the Ministry of Railways has developed



e-Receipts Systems (MERS). SBI has integrated with MERS through SB MOPS to collect the funds and has provided a seamless system for the settlement of funds.

**Department of Posts:** MoU has been executed for the Centralized Integrated Payment System (CIPS) to take care of entire Postal Payments.

**Centrally Sponsored Schemes (CSS) under Single Nodal Account mechanism:** Govt. of India has issued directions for implementing the Single Nodal account (SNA) mechanism (subsidiary accounts of implementing agencies (IA) with allocated limits) for monitoring the utilization of funds released under Centrally Sponsored Schemes (CSS). Your Bank has onboarded TCS to develop a new application for CSS under the SNA mechanism as per GOI guidelines.

**Pension Payments:** Your Bank has been administering pension payments to 52.96 lakh pensioners. New pension accounts of 3.40 lakh pensioners have been added in FY2022. Your Bank has launched a Video Life Certificate facility for pensioners which allows pensioners to submit their Life Certificates through video.

**Small Savings Schemes:** Your Bank services more than 85.04 lakh PPF accounts, 22.74 lakh Sukanya Samridhi Yojana (SSA) accounts and 11.69 lakh Senior Citizen Savings Schemes (SCSS) accounts, making it the highest among all the authorized banks. During FY 2021-22, 4.62 lakh PPF accounts, 2.43 lakh SSA accounts and 1.40 lakh SCSS were added.

**Online extension of PPF accounts:** This feature has been rolled out to customers to renew their PPF accounts online. The facility has been rolled out for sending an SMS alert to the PPF customers reminding them of the account renewal if they wish to extend.

## 5. Digital & Transaction Banking (D&TB) - Marketing

D&TB Marketing, erstwhile known as the Transaction Banking Unit (TBU), leverages the latest technology to provide clients with comprehensive transaction-related

products and solutions. The objectives of TB business in your Bank are to adopt new technology initiatives catering to clients' bulk transaction requirements and other value additions like customised MIS, integration with ERP, and a dedicated single point Client Support Cell, among others. Study and analysis of transaction patterns enable your Bank to develop non-traditional techniques for assessing other Banking requirements like Credit, Fund Management, Cross-Selling and other services for clients.

Technology advancements are continuously implemented towards back-end processes and robust customer service delivery channels. The key to customer satisfaction is delivery, and to deliver the finest services to our clients, your Bank has added new solutions like VAN based Cash & Cheque Collections, Digi Voucher & NACH off-us.

Your Bank has a multi-channel delivery model, which allows it to offer its clients a choice to carry out transactions through any channel, at any time and any place. Your Bank offers a wide range of TB products to Corporates, Mid-Corporates, Government Departments, Financial Institutions, NBFCs, Insurance Companies, Banks, Mutual Funds and SME Clients to facilitate their fund management requirements.

The Corporate customers are serviced by a dedicated team comprising of several sub-teams focused on specific areas to facilitate specialisation and tailored product offerings to clients. Your Bank was recognised as "Best Cash Management and Transaction Bank in India" by Asian Banker Magazine, Singapore, under Transaction Finance Awards 2021.

Current Account (CA) balances contribute directly to the profitability of your Bank by reducing the Cost of Deposits (COD) and improving Net Interest Margin (NIM). CA remains a critical component of the CASA deposits. SBI has a bouquet of CA products which are competitive in the market and meet the requirements of different customer segments. Your Bank has taken various initiatives to improve the CA business, and they include:

### People:

- Training on YONO Products, CKYC & Online Current Account opening held for RMCAs (Relationship Manager Current Accounts).
- High-value Current Accounts (CAs) mapped to RMCAs.
- SSL executives being provided for Feet on Street (FOS) support.
- Updation of the KRAs in line with the revised role.
- Two days of training for soft/ hard skills at SBICB Hyderabad for RMCAs, including 4-days training for navratna centre RMCAs.

### Process:

- Revised AOFs, which are more User-friendly.
- Online CA Opening facility.
- CKYC for Digital transmission of AOF & KYC documents. It will help in improving TAT in the CA opening. SOP, Trainings, SMS, emails for the same.
- Functionality for Back-end conversion of CAs to CCOD for compliance with RBI guidelines.
- CIC Report (for compliance with RBI guidelines) made available for operating functionaries.

### Products:

- Integration of MCA SPICe Form for CA opening (Under development).
- Shubharambh Start-up Current Account for Start-up entities.

### Technology:

- Enhanced CA visibility on SBI Corporate Website.
- Mobiliser Code for mapping of Marketing Executives.
- CA Re-imagined Journey through YONO business to simplify CA opening process.

As on Mar 2022, Daily Average Balances in Current Accounts have positive YOY growth of ₹23,938 crore (12.96%) from ₹1,84,669 crore (March 2021) to ₹2,08,607 crore (March 2022).

**SBlePay:** SBI is the only bank in India to have its own 'Payment Aggregator Services' (SBlePay), which was launched in March 2014. Unlike other banks, which rely on the services of private aggregators, SBI has an in-house aggregator, which, when coupled with SBI's own PG services, gives SBI the security and a distinct cost advantage over other aggregators and banks. Additionally, Government merchants prefer having their data handled by SBlepay over private aggregators.

Your Bank has on-boarded over 1391 merchants, including Central/State Govt. Departments, Universities, Charitable trusts, private Merchants/ institutions, among others. Your Bank is integrated with 40 significant Banks for INB transactions. It uses SBI PG for Debit and Credit Cards of VISA, Master and Rupay, and Prepaid Card, directly integrated with Amex and PayPal. It also has Cash & Cheque (Branch Payment), NEFT & UPI, and UPI QR Code as a payment mode. The link-based payment option has been rolled out for merchants to accept online payments without needing a Website.

Merchant on-boarding on SBlePay registered a YoY growth of 73.87% by on-boarding 346 merchants in FY2022 over 199 merchants in FY2021. YoY growth in Fee Income went up by 70.71% from ₹26.1 crore in FY2021, to ₹44.45 crore in FY2022. The turnover in transaction value registered a Y-o-Y increase of 55.30%, with transactions amounting to ₹84,934 crores in FY2022 over ₹54,690 crores in FY2021.

**SBI e-pay plans:** Increasing payment options by integrating with Payment Wallets, Channels.

- On-boarding large Corporates, Private merchants & Universities with large transaction volumes.
- Integrating with typical Portals/ Technology service providers for continuous business through a single integration.
- Digital on-boarding of a merchant with the online upload of merchant KYC and on-boarding agreement.
- Validation of GSTIN & PAN while on-boarding the merchants digitally

## YONO Business

YONO Business is an integrated platform (available on both mobile App and desktop) designed to serve a whole range of banking needs –Trade Finance, Forex, Cash Management, Internet Banking and Supply-chain finance – for corporate customers across categories, from the biggest conglomerates to emerging start-ups.

Key Performance Highlights of YONO Business (as of 31<sup>st</sup> March 2022):

- YONO-B platform adoption: 17.53 lakhs Corporate Users have used YONO Business by the end of FY2022.
- Customer Onboarding: 1,39,413 New to Digital customers were onboarded till FY2022 through the YONO Business portal.
- Import LCs: Processed issuance of 23,883 Import LCs amounting to ₹1,67,279 crores with 66% being Digital LCs, a jump from 7% in FY2019.
- Forex Rate Booking: Facilitated forex booking of more than ₹23,602 crore with 23,618 transactions by the end of FY2022.
- PABL/PABL-POS: 13,372 of Pre-Approved Business Loans (PABLs) amounting to ₹551.92 crores were opened by the end of FY2022.
- YONOB Mobile App Adoption: The registered user base of the YONOB mobile App is 6.19 lakhs by the end of FY2022. Total downloads since 1<sup>st</sup> July 2020 (date of launch) are 20.01 lakh.
- Current Account Opening: Facilitated online requests for the opening of 1,01,248 current accounts by the end of FY2022.
- API Banking: API Sandbox environment has been created where customers can explore the sandbox and subscribe for UAT and production. Payment APIs enable posting from the customer's ERP to Bank's CBS via YONO Business. Two types of Payment APIs are available: STP (direct posting) and non-STP (request initiated from customer's ERP and approved by corporate checker in YONO Business).

## 6. Corporate Banking

### A. Corporate Accounts Group (CAG)

Corporate Accounts Group (CAG) is a dedicated Business Unit (BU) of your Bank. It handles SBI's 'high-value credit' portfolio as a specialised and efficient delivery platform. The CAG BU has four specialised Branches headed by General Managers located in India's top three commercial centres, namely Mumbai (2), Delhi (1), and Chennai (1).

In SBI, CAG BU is a one-stop-shop that 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 BU 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 and comprehensive solutions to the clients, including structured products within a specified time frame. The prime objective of the plan 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 BU.

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

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

- For Capital Market Requirements – SBI Capital Markets Limited (SBICAPS)
- For Treasury and Investments – SBI Gilts Ltd and SBICAP Securities Limited
- For Investments – SBI Mutual Fund Limited

- For General and Life Insurance – SBI General Insurance Company Limited and SBI Life Insurance Company Limited
- For Receivables factoring – SBI Global Factors Limited
- For Custodial Services Banking to Foreign (FII, FPI, FVCI) & Domestic Institutional Clients – SBI Societe Generale Global Securities Services Pvt. Limited (SBI-SG)

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

**Corporate Solutions Group (CSG)** - looking at 360° banking requirements of corporate customers in significant sectors, namely FMCG, Auto, Agri, Pharma, and IT, to cover their entire ecosystem and with a focused thrust on existing as well as new-to-bank customers.

**Financial Institutions Group (FIG)** - to address credit, transactional, general banking and non-banking requirements of Financial Institutions such as Insurance Companies, Brokerage Firms, Banks (Private and Foreign), Mutual Funds, FDI and FPI entities.

The total loan portfolio of CAG BU as of 31<sup>st</sup> March 2022 was ₹6.18 lakh crore (fund based – ₹4.02 lakh crore and non-fund based – ₹2.16 lakh crore) compared to a total loan portfolio of ₹5.42 lakh crore (fund based – ₹3.61 lakh crore and non-fund based – ₹1.81 lakh crore) as on 31<sup>st</sup> March 2021. Demand for credit has picked up in the second half of FY2022, resulting in ₹0.76 lakh crore net credit growth at the CAG BU. Major top corporates of the country and Navratna PSUs are esteemed customers of the CAG BU.

## B. Treasury Operations

Global Markets performs domestic Treasury Operations of your Bank and is responsible for deploying surplus funds to achieve desired risk-adjusted returns. Global Markets' portfolio comprises investments in SLR (Statutory Liquidity Ratio) 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 its customers'

foreign exchange and risk management requirements.

### Interest Rate Movements & SLR and Non-SLR portfolio

Global Markets manages your Bank's domestic Investment Portfolio and maintains regulatory requirements of CRR (Cash Reserve Ratio) and SLR (Statutory Liquidity Ratio). COVID-19 pandemic continued to significantly impact economies and financial markets worldwide, with geopolitical tensions further exacerbating market sentiment.

One of the primary features of FY 2021-22 has been rising global inflation, mainly due to higher commodity prices and supply chain and logistics disruptions. In India, CPI has remained above RBI's target of 4% throughout the year and has continued to rise steadily above 6% in the last few months, mainly due to upward pressure on crude, edible oil prices and other commodity prices.

During FY 2022, RBI continued to take various monetary measures to support economic growth. To facilitate Government's extensive borrowing programme during the first half of the year, RBI introduced G-Sec Acquisition Program (G-SAP). RBI also continued unconventional measures viz., Targeted Long-Term Repo Operations (TLTROs) for Small Finance Banks, Liquidity Facility for All India Financial Institutions (AIFIs), asymmetric Open Market Operations (OMOs), simultaneous Sale and Purchase of securities, etc. With ample liquidity in the banking system, the earlier relaxation in CRR requirements was gradually withdrawn, starting from March 2021. Relaxation to avail funds under Marginal Standing Facility (MSF) by dipping into the Statutory Liquidity Ratio (SLR) up to an additional one per cent of Net Demand and Time Liabilities (NDTL), i.e., cumulatively up to 3 per cent of NDTL, was also made available till 31<sup>st</sup> December 2021. RBI also undertook Variable Rate Reverse Repo operations of different tenors under the Revised Liquidity Management Framework to manage durable and transient liquidity.

The fiscal deficit for FY 2022-23 is estimated at 6.40% of GDP as against 6.90% (revised estimates) in FY 2021-22. The Centre has announced a record gross

borrowing of ₹14.31 lakh crore as against market expectations of about ₹12.50 lakh crore resulting in a sharp rise in bond yields. Following monetary and liquidity tightening by major Central Banks, along with high inflation numbers, the Indian 10-year benchmark bond yield closed at 6.84% on 31<sup>st</sup> March 2022.

Your Bank has prudently managed the excess liquidity position and is well placed to handle the expected moderation in liquidity. Your Bank has invested in a mix of high-quality corporate bonds and Government securities while maintaining low-interest-rate sensitivity in preparation for a rise in yields.

### Equity Markets

Global and domestic Central Bank liquidity and swift economic recovery from the second wave of COVID-19 helped our equity market outperform global indices in the first half of the financial year. However, equities corrected in the second half of the year as market participants weighed inflationary pressures, commodity prices, a slowdown in growth, hawkish FED, and geopolitical tensions. Indian equities posted decent returns in the current financial year, with the Nifty 50 index recording 18.88% year-on-year gains and ending the year with the second-best returns in seven years. The domestic benchmark equity index Nifty 50 traded between a high of 18,604 and a low of 14,151 during the FY2022.

Your Bank actively participated in the rally in equity markets, calibrating the investment book as per market dynamics. The year also saw a flurry of IPOs, including new-age tech companies, with solid listing gains. Your Bank's active participation in the primary market, including InvITs and REITs, has proven fruitful, generating high returns. Your Bank manages the equity portfolio by realigning the book according to market movements while keeping a tab on domestic and global macros towards achieving substantial risk-adjusted returns.

### Private Equity / Venture Capital Fund

Your Bank has been an active participant in the Alternative Investment space during FY 2021-22 and has supported start-ups through direct equity participation.

During the year, your Bank sanctioned investments of more than ₹1,500 crore in Private Equity / Alternative Investment Funds.

### Forex Markets

Global Markets 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 and providing liquidity to markets. Your Bank is a leading player in USD-Rupee Spot and USD-Rupee Forward markets and has a high market share in merchant foreign exchange flows. Your Bank is the leader in providing liquidity in the CCIL Fx Clear platform. The volume traded in Currency Futures puts your Bank in the bracket of leading client Banks of exchange houses. Your Bank is actively onboarding customers on the Fx-Retail platform rolled out by CCIL, through which customers will benefit from transparent and competitive pricing. Your Bank has made FX-All and e-Forex trading platforms available to customers looking at their requirements.

Last year, RBI allowed Indian Banks to participate in the offshore USD-Rupee markets, also known as the NDF market or Non-deliverable Derivative Contracts (NDDCs). Accordingly, your Bank has started participating in the offshore USD-Rupee market and is a significant player. India's merchandise trade volumes showed robust growth of 49.80% Year-on-Year during FY 2021-22, which has also improved merchant volumes for your Bank.

### Derivatives

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), Rupee Interest Rate Futures (IRF), Foreign Currency Interest Rate Swaps (IRS), Foreign Currency to Rupee Interest Rate Swaps (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. These

products and their customised versions are offered to your Bank's customers to hedge their interest rate and foreign exchange exposures. Your Bank also uses derivatives for trading and balance sheet hedging purposes.

Your Bank has smoothly completed the transition from LIBOR to Alternative Reference Rates (ARRs) for all LIBOR settings, phased out from 31<sup>st</sup> December 2021. For the last few months, your Bank has been actively spreading awareness amongst customers about the transition. The Bank has started ARR-based products like FCNR(B) loans, PCFC / EBR loans from 1<sup>st</sup> January 2022.

Derivative transactions carry market risk: the probable loss your Bank may incur due to adverse interest and exchange rate movements. It also carries credit risk, 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 have also executed ISDA with your Bank.

Your Bank has various committees and departments to monitor multiple types of risks. The Asset Liability Management Committee (ALCO) oversees the efficient management of liquidity risks. Market Risk Management Department (MRMD) identifies, measures, and monitors market risks 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 RBI guidelines.

### C. International Operations

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

Overseas Subsidiaries/ Joint Ventures	Share Holding (%)
<b>Subsidiaries</b>	
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	99.34
Nepal SBI Bank Limited	55.00
<b>Foreign Non-Banking Subsidiary</b>	
SBI Servicos Limitada, Brazil	99.99
<b>Joint Associate</b>	
Bank of Bhutan Limited	20.00





**Global Presence:** The Bank's first global footprint was with the branch of Bank of Madras in Colombo, Sri Lanka, in July 1864 (First amongst Indian Banks). With

a presence across all time zones through its 227 locations in 30 countries, the State Bank of India has gradually spread its wings across the globe. It has become a

pioneer of International Banking among the Indian PSBs. IBG is managing the overseas offices of SBI.

During FY2022, your Bank continued consolidating its overseas network by rationalising operations with sub-optimal performance and improving cost efficiencies. Your Bank has closed an overseas Subsidiary-Bank SBI Botswana Ltd, and the Ilford branch of its subsidiary-SBI UK Ltd., has been merged with the East Ham branch. During this period, your Bank has not opened new branches/offices because of its focus on consolidation and the prevailing global scenario due to the Covid 19 Pandemic. Overall IBG had 227 offices at the end of FY 2022 with 55 branches/ offices, 8 subsidiaries with 161 branches/ offices, along with 6 representative offices & 5 managed exchange JV/ Associates.

**Resilience by your Bank during a pandemic:** Your Bank continues to exhibit its stability in overseas geographies by building upon its business volumes despite heterogeneous challenges encountered in new variants of the Covid pandemic.

IBG adapted well to optimize its cost of resources given the liquidity flush in the market by substituting its high-cost resources with various low-cost alternatives by diversifying its liability base. It has also leveraged its digital offerings, such as SBI YONO, by launching in new geographies to improve penetration through contactless offerings to raise retail deposits.

Despite various pandemic related challenges, IBG has maintained its focus on business by registering a good growth in its overseas credit portfolio (over 15%) during the year while maintaining asset quality. Besides meticulous credit monitoring, IBG has been agile in managing assets showing signs of stress to minimize the possibility of losses on account of further deterioration in asset quality. Further, it has maintained its connection with the clientele through various outreach initiatives with exporters, and banks, among others, to reinforce the existing relationships and forge new ones.

IBG has maintained profitability during the year despite the shrinking of spreads and challenges in credit growth. It has exhibited marked improvement in vital

parameters such as Net Interest Income, Non-Interest Income, and Operating Profit, among others, on a YoY basis. It is continuing to leverage new income streams such as Merchant Banking and Receivables Financing, among others, to supplement its profitability.

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

**Credit Contribution & Business Driver:**

While your Bank is an active partner of Indian corporates in their global growth strategy, by arranging debt in Foreign Currency by way of ECBs through syndicated deals in conjunction with other Indian and Foreign Banks and bilateral arrangements, it has been increasing its presence in Local Credits by partnering with Local/ Global Banks. Your Bank sanctioned Foreign Currency loans to the tune of USD 7.69 billion to Indian related corporates and USD 16.72 billion to overseas entities by 31.03.2022.

**Sustainability:** Foreign offices have participated in the credit facilities having sustainability linked pricing to the extent of USD 1 billion.

**Trade Finance:** Your Bank offers a bouquet of Trade Finance products and services to exporters and importers through an extensive, well equipped branch network that operates in all the time zones in India and abroad. The objective of the Global Trade Department (GTD) of IBG is to support Foreign Offices (FOs) for orderly growth of the Trade Finance portfolio, formulate policies and innovate new products for FOs as per the market demands and changing regulatory norms. GTD facilitates Trade Credits to Indian Corporates for their imports by centralized handling of the Quote process and plays an essential role in synergizing business flows between Domestic and Foreign offices to maximize returns. It also organizes trade-related workshops/ Conferences, by partnering with Trade bodies viz., BAFT (Bankers Association for Finance and Trade), GTR (Global Trade Review). Workshops are also organized by partnering with ICC, FIEO among others, to provide a platform for networking with

Exporters/ Regulators,/ Industry majors. The trade finance business portfolio constitutes ~ 31% of the IBG advances portfolio. SBI has been awarded "The Best Trade Finance Provider (India)-2022" for the tenth consecutive year by Global Finance Magazine.

**Overseas Treasury Management:**

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

- Liquidity Management
- Dealing Room Operations
- Investments

TMG-IBG manages the 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) and Syndicated Loans. In addition to this, TMG also utilizes various means of borrowings to keep the cost of resources in check. To optimize the cost of resources during FY2022, the TMG has prepaid some of the high-cost borrowings and replaced them with lower-cost funds. TMG is actively engaged with Multilateral / Supranational entities in arranging foreign currency finance/refinance at competitive pricing.

During the FY2022, Bank has issued Formosa bonds to the tune of USD 300 Mio in January 2022 at the tightest pricing ever for a 5-year bond issued by any Indian Bank. This was also the first Formosa issuance by any commercial bank in India.

TMG also manages the Investment Book of your Bank's foreign operations, which currently stands at ~USD 7.06 Bn. These investments provide stable interest income for IBG and also help in the maintenance of liquidity ratios. The department also monitors and provides guidance to dealing rooms at important centres and facilitates Money Market, Forex and Derivative functions at FOs.

Currently, there are five main dealing rooms in London, New York, Hong Kong, Bahrain and IFSC Gift City that work on a hub and spoke model to help smaller Foreign Offices in their operations. Your Bank is also working to develop IBU Gift City as

another fund-raising centre. In FY2022, your Bank has expanded the business of trading in Rupee Non-Deliverable Forwards (NDF) through Hong Kong, Singapore and IFSC BU (Gandhinagar), Your Bank is looking forward to expanding this activity to other centres as well.

TMG has coordinated the LIBOR transition activities at your Bank. Your Bank has successfully met the transition timeline of 31<sup>st</sup> Dec 2021 for transition to ARR other than USD LIBOR. All the branches' domestic and foreign offices are ready to offer products linked with ARR and have started offering ARR related products from 1<sup>st</sup> Jan 2022.

**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 etc. The highlights of the year are:

- Tie-up with 45 Exchange Companies and five Banks for channelising inward Rupee remittances from overseas to India.
- During FY22, GP&S handled 55,467 Export bills (in USD and Euro) on behalf of domestic branches and 16,500 Foreign Currency Cheque collections aggregating to USD 14.98 billion.
- During the same period, GP&S handled 9.666 million online inward remittance transactions amounting to USD 6.693 billion, received from various global centres.
- 164 Vostro Accounts for different Correspondent Banks/ Exchange Companies/ SBI Foreign Offices are maintained.
- Pan India Nodal Office for handling ACU transactions for SBI.

**Retail Strategy:** Your Bank has been a "window to India" for NRIs residing in different parts of the world through

its specialized retail and remittances products. The notable achievements for the year are:

YONO SBI, one of the most ambitious and secure digital offerings of the Bank, has now been extended to customers at our overseas offices. It has been successfully launched in the UK, Canada, Mauritius, Nepal, Maldives, Bangladesh, South Africa, Sri Lanka, and Bahrain with non-face to face account opening facility operational in UK and Canada. We are planning to launch SBI YONO in Singapore and USA during FY23. More than 83,000 overseas customers have been onboarded through YONO.

"Namaste UK" product of YONO SBI UK has been launched, enabling prospective Indian Expats to open an Account with SBI UK, even before landing in the UK from India itself. A similar product has also been launched in Canada for Student GIC accounts for Indian students enrolled in Canadian universities. We plan to launch a similar product in Singapore in the coming months.

"One View" feature of YONO Global allows Foreign Offices customers to view their Domestic SBI Accounts through YONO Global App, practically merging all enquiry features of Domestic YONO SBI with Global version. More than 3900 SBI Foreign Office customers are already using this feature.

**Financial Institutions Group (FIG) – Correspondent Relations:** The Group facilitates linkages of your Bank with international stakeholders viz. Financial Institutions (FIs), Foreign Govt. Agencies and Developmental Financial Institutions (DFIs), among others, facilitate synergy between IBG and other business Verticals such as Corporate Accounts Group, Commercial Clients Group, Retail Banking Group, and Global Markets.

FIG functions as a pivot in maintaining and reviewing Correspondent Banking relationships with a network of 224 banks in 56 countries. It also supports RMAs (Relationship Management Application) established by domestic and foreign offices, and your Bank has 4,255 RMA's with 845 Banks in 116 countries as of

now. FIG adopts a data-driven approach through its FI CRM (Financial Institutions – Customer Relationship Management) application, which provides a 360-degree view of engagements with partner banks.

FIG strives to make SBI the preferred global Banker for all Indian Public sector and private sector banks by utilizing the SBI network's wide presence and product capabilities in 30 countries. FIG leverages on the relationships with domestic and foreign Financial Institutions for business development in areas of Cross border Trade finance, Syndicated Loans, Treasury and forex solutions and other transaction banking activities.

The relationship value is factored in the Bank's decision-making process, including raising resources, opening new Nostro/Vostro accounts, and strategic tie-up arrangements with banks.

**IB-DOMESTIC:** Your Bank is well equipped to provide a wide range of products and services to exporters and importers through an extensive branch network that operates domestically and internationally. International Banking-Domestic (IBD) serves as a single point of contact between the Domestic Offices and Foreign Offices in areas related to Trade Finance and International Banking. IBD aims to improve synergies and trade flow between Domestic Offices and Foreign Offices/ Correspondent Banks and the trading community by forming a strong link between them.

IBD facilitates the growth of Export Credit by actively involving branches, trade bodies & other stakeholders. As a result, your Bank's Export Credit portfolio (outstanding credit) witnessed an increase of 32.98% as of 31<sup>st</sup> March 2022 (YoY basis).

To facilitate the Trade community, Forex Service charges are being rationalized and aligned with the market every year by IBD. IBD also enables system-related enhancements and updates in Exim Enterprise/SWIFT.

Centralized Co-ordination Cell Foreign Bank Guarantee (CCC-FBG) for processing Inward and Outward Foreign Bank Guarantee has been exclusively set up



under the aegis of IB-Domestic to provide a one-stop solution to Correspondent Banks/ Foreign Offices/ Domestic Banks/ Domestic Offices seeking Domestic/ Foreign Bank Guarantees based on their counter guarantees.

IBD is instrumental in improving FEMA compliance across your Bank. The department ensures timely submission of RBI/FEMA related returns and issuing instructions concerning revisions in FEMA/ RBI guidelines.

**Technology Initiatives at Overseas Offices:**

Your Bank continues to leverage technology solutions to automate processes, enhance customer experience and manage risk. Your Bank has been consistently leveraging digital channels to provide an omnichannel experience to Bank's customers across all geographies. YONO Global App has emerged as the prime fulcrum for providing banking services to retail customers. With almost 50% of the customer base using the app to access banking services, the platform has evolved with enhanced features such as online account opening and real-time payments enabled via QR Codes, bill payments, among others

Your Bank has also embarked upon a complete revamp of its e-Banking web platform following the latest functionalities and industry standards. This has been completed across six geographies during the year. Aiming to achieve dual objectives of cost-saving and increased efficiency, consolidation of back-office processes has gained momentum with the migration of jobs from 2 more geographies, i.e., Canada and Singapore (in addition to the UK and Bahrain). Your Bank has ensured that all the compliance aspects – including data privacy and proper governance for these services are provided by entering into internal service level agreements as per industry standards.

With Compliance remaining the principal focus, your Bank has ensured the roll-out of regulatory prescribed IT developments as per defined time frames across all geographies. These include card tokenization and online refund functionality in Bahrain. Other developments include online customer consent registration for



Chairman Shri Dinesh Kumar Khara's visit to UAE during Dubai EXPO 2020



Shri Ashwini Kumar Tewari (MD – IB, T&S) and Shri Sanjay D Naik (DMD, IBG) during their branch visit to Colombo, the oldest overseas operations of SBI.



LSE Market opening by Mr Dinesh Kumar Khara, Chairman with Shri Ashwini Kumar Tewari (MD – IB, T&S) and Shri Sanjay D Naik (DMD, IBG) and dignitaries Alderman Vincent Keaveny, Lord Mayor of the City of London 2021-22 and Julia Hoggett, CEO, London Stock Exchange plc on the eve of centenary celebrations of SBI London.



data sharing and Go-AML reporting for AML-CFT controls.

Your Bank has embarked upon automation of Regulatory reporting through a state-of-the-art centrally provisioned reporting system at its foreign offices/subsidiaries during the year. It plans to complete the roll-out by FY2023. Your Bank has completed online integration with Singapore's real-time immediate payment system, namely G3-FAST. It will enable payment processing on a real-time basis (24x7x365), maximizing the ability to deliver innovative and commercially attractive products while minimizing settlement risk.

## 7. Commercial Clients Group (CCG)

### Commercial Clients

The CCG vertical handles the credit needs of medium & large corporate clients, with funding requirements of above ₹50 cr. CCG has 51 branches spread across the country, including 3 direct branches headed by GMs. The vertical also includes specialised branches catering to specific industries like Diamond, Ceramics and Capital market. The mandate of the vertical is to cater to the complete needs of this segment of corporate clients, manage the associated risks and sustain growth.

The vertical is headed by the Deputy Managing Director and overseen by the MD (CB & GM), and 5 CGMS manage

the portfolio, (including 1 CGM for Project Finance) and 1 CGM overseeing Operations. CGMs in the CCG are assigned as the group relationship owners to improve the quality of coverage and enable an integrated view of exposure and earnings amongst others across the entire group. The business model of the CCG is also based on the Relationship Management concept with each Relationship team headed by a Relationship Manager & supported by skilled credit analysts and operating functionaries. The Relationship team is hence equipped to handle the entire customer requirement and draws upon the skill sets available in various SBUs where required to fully meet customer requirements. CCG has also formed the Centralised Resolutions Team handling the specialised requirements of customers requiring resolution due to the pandemic as well under the June 7 2019 RBI guidelines and for the monitoring of the approved resolution plan for customers with exposure more than ₹200 crores. Timely and comprehensive intervention is the most important aspect for resolution.

Some key initiatives to promote Export Credit Growth were taken during the year. These include:

**Extension of T-Bill Rates to Rupee Export Credit:** External Benchmark (T-Bill Rate) linked interest rates are extended to WCL and LC Bill Discounting facilities to encourage top-rated borrowers to increase utilisation of limits. Considering the present competitive market, the T-Bill rate linked to

interest rates has also been extended to rupee export packing credit facilities.

**Exporters' Meet:** Various exporters' meets were conducted across India to increase exporters' awareness of the banking facilities offered by SBI.

**TRRACS Software:** Your Bank has introduced Trade Regulatory Reporting and Compliance Solution (TRRACS) Software, which has led to a reduction in pending EDPMS/IRMs/Export advances entries over a period of time, and we could succeed in the removal of these entries substantially, enhancing customer satisfaction.

Apart from these initiatives, a Digital Interface on Pricing and Knowledge (DIPAK), a pricing tool, has been made available to operating functionaries and sanctioning committees to enable data-driven pricing of corporate loans. This has been actively used in all the branches of CCG and has helped the vertical in better pricing of products.

### Project Finance and Structuring SBU

Your Bank's Special Business Unit, known as Project Finance and Structuring Strategic Business Unit (PF&S SBU), deals with the appraisal and arrangement of funds for large projects in infrastructure and other sectors such as Power, Roads, Ports, Railways, Airports, and Refinery amongst others. It also covers other non-infrastructure projects in industries such as Metals, Fertilisers, Cement, Oil and Gas, and Glass, amongst others, with a certain

threshold on minimum project cost. The PF&S SBU also supports other verticals for vetting their significant ticket term loan proposals. To strengthen the policy and regulatory framework for financing infrastructure, it provides advice to various Ministries of Government of India and the RBI with respect to lenders' views on new policies, Model Concession Agreements and broader issues being faced in infrastructure finance.

There has been a step up in investment in the infrastructure sector by the government along with various initiatives, sectoral reforms and incentives, such as the National Infrastructure Pipeline (NIP), National Monetization Plan (NMP), Performance Linked Schemes (PLI), Disinvestment of Public Entities, Sustainable Lending, Gati Shakti, and National Single Window Systems (NSWS). This has resulted in an inflow of new projects, particularly in sectors such as City Gas Distribution, Road, Power Renewables, Metro Rail, Green Hydrogen, and Warehousing, among others.

Based on sustained liaising with Government Ministries, Authorities, and specialised Marketing endeavours, your Bank is well poised to garner more business opportunities and maintain a leadership position in the infrastructure lending space. Your Bank is closely monitoring all the projects under implementation and expects to tide over the impact of the COVID-19 pandemic through the short to medium term.

Your Bank has also set up an experienced team of 'Structuring Specialists' to support deal structuring for significant proposals across lending, bonds, International Banking, and Structured/Mezzanine Finance.

## 8. Stressed Assets Management

Today, SARG stands as one of the most important verticals of your Bank, and the GNPA of your Bank is on a 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.



Triumph Offshore Private Limited



Toll Operate Transfer



Ramagundam Fertilizer and Chemical Limited



Hindustan Urvarak and Rasayan Limited



Nayara Energy Pvt Ltd

## The movement of NPAs in the Bank and recovery in written-off accounts during the last five financial years:

(₹ in crore)

Particulars	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Gross NPA	2,23,427	1,72,750	1,49,092	1,26,389	1,12,023
Gross NPA	10.91%	7.53%	6.15%	4.98%	3.97%
Net NPA	5.73%	3.01%	2.23%	1.50%	1.02%
Fresh Slippages + Increase in O/s	1,00,287	39,740	54,510	29,332	26,776
Cash Recoveries / Up- gradations	14,530	31,512	25,781	17,632	21,437
Write-Offs	40,196	58,905	52,387	34,403	19,705
Recoveries in AUCA	5,333	8,345	9,250	10,297	7,782
PCR (Incl. AUCA)	66.17%	78.73%	83.62%	87.75%	90.20%
PCR (Excl. AUCA)	50.38%	61.86%	65.21%	70.88%	75.04%

Coming out of challenges posed by pandemic aftermath, your Bank is taking all pre-emptive measures by extending assistance to its borrowers to face the new challenges & continue as performing assets. However, the current level of NPA has significantly come down over the years due to consistent recovery efforts including:

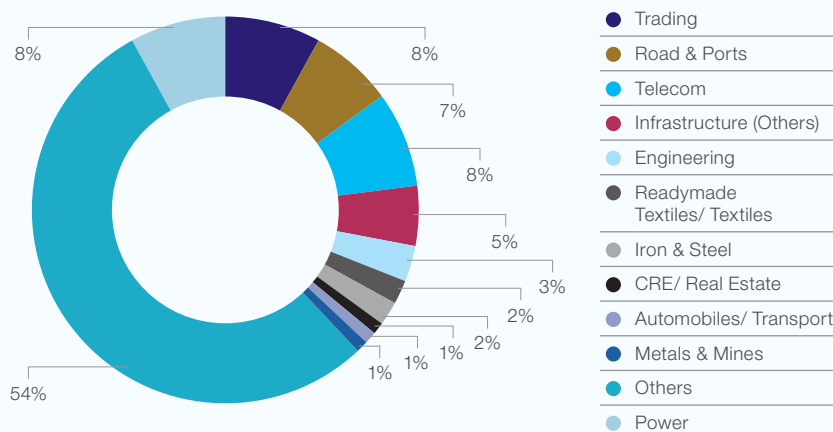
- Insolvency and Bankruptcy Code (IBC) 2016 for resolution of stressed assets has provided Bank with a time-bound, transparent, and effective mechanism to tackle stressed assets. Resolutions have been achieved in some of the high-value NPA accounts referred to the NCLT under the code. The cases referred to NCLT for resolution are monitored at a specialised NCLT cell at SARG. A total of 994 cases (whole Bank) were referred to the NCLT on 31<sup>st</sup> March, 2022, out of which 773 cases have been admitted. Furthermore, 152 cases have been resolved, including some high-value accounts from RBI's 1<sup>st</sup> & 2<sup>nd</sup> reference lists.
- The OTS/Compromise route is also explored to recover sticky loans from eligible cases. Bank's Board approved OTS scheme for various products, non-discretionary and non-discriminatory, is also offered to all qualified borrowers for maximising resolutions.
- RBI's 7<sup>th</sup> June, 2019 circular on a prudential framework for resolution of high-value distressed assets has provided a new avenue for time-bound resolution of these accounts. Your Bank is actively exploring resolution under this model.

- In non-NCLT cases, recovery is explored through action under the SARFAESI Act and suit filing in DRTs and courts. The sale of mortgaged properties is explored through the common e-Auction platform <https://ibapi.in> ('eBKray – Indian Banks Auctions Mortgaged Properties Information) under the aegis of IBA.

**Sector Specific Targeted Approach:**

The Stressed Assets Resolution Group (SARG) focussed on prioritising the resolution of NPAs through a sector-specific approach. Currently, the vertical is headed by the Deputy Managing

Director and overseen by the Managing Director (R, C & SARG) and two Chief General Managers overseeing the sector-wise portfolio and a CGM (Operations) monitoring the credit portfolio of accounts with an outstanding up to ₹50 crore and accounts under liquidation. The Account Management Teams function under the guidance of six General Managers. As of March, 2022, SARG has 17 Stressed Assets Management Branches (SAMBs) and 47 Stressed Assets Recovery Branches (SARBs) across the country, covering 56% and 88% of your Bank's NPAs and AUCA, respectively.

**Industry-wise percentage distribution of the NPA portfolio (as of 31<sup>st</sup> March 2022)**



**Compromises and NCLT:** Apart from normal recovery, a significant portion of the recovery at SARG comes from compromises and NCLT. The vertical also introduces special OTS schemes (non-

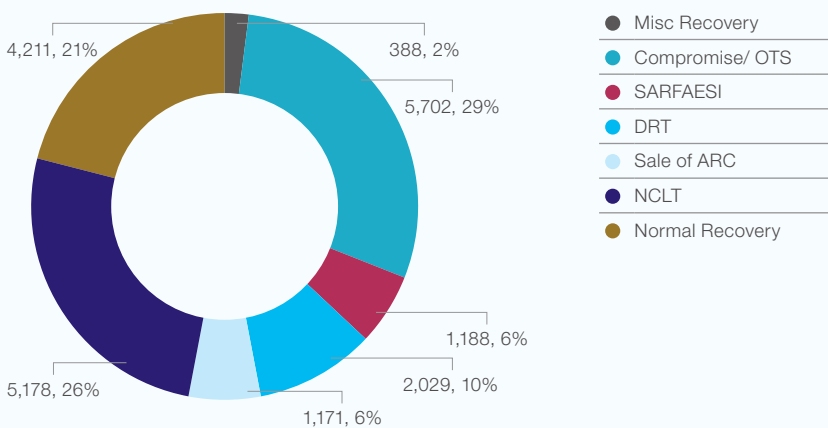
discretionary and non-discriminatory) from time to time. A team has been set up to look after the sale of assets to Asset Reconstruction Companies (ARCs) on a Cash or Security Receipts (SR) basis.

period of the Covid Pandemic. The human capital of your Bank has demonstrated high motivation and spirit to face the new age challenge on the front of technology.

The Human Resources (HR) policies focus on making your Bank an employee-oriented, profitable and growing business organisation over a more extended period of time.

The summarised HR Profile of the Bank as of 31<sup>st</sup> March 2022 is as under:

**Recovery (₹ In Crore) Made Through Various Modes & Percentage Share In Total Recovery (31.03.2022)**



Category	FY2021	FY2022
Officers	1,08,772	1,11,549
Associates	1,00,796	99,259
Subordinate staff & Others	36,084	33,442
<b>Total</b>	<b>2,45,652</b>	<b>2,44,250</b>

**Innovation in the Resolution of Stressed Assets:** SARG introduced specific innovative methods and gave first-mover advantage to your Bank in areas such as arranging mega e-Auction of a large number of properties on a Pan-India basis. For this purpose, the Bank is also making extensive use of a common landing platform for PSBs (<https://ibapi.in> in 'eBKray' - Indian Banks Auctions Mortgaged Properties Information).

Resolution under IBC is a market-oriented mechanism where a higher number of bidders for a particular stressed corporate debtor result in better valuation and maximisation of recovery for lenders. Hence, a marketing team has been set up at SARG to reach out to a broader investor base and showcase our stressed asset undergoing resolution under/ outside IBC.

The transfer of eligible assets to NARCL is also being monitored at SARG with requisite enablers already implemented to ensure the smooth migration of

identified assets. Around 22 accounts with aggregate exposure of approximately ₹17,000 crore are proposed to be transferred to NARCL in phases.

Various new IT initiatives have been rolled out, including LITMAS (Litigation Management System), to better monitor legal recourses undertaken in the stressed accounts for expediting recovery. It will further strengthen the transparency and efficiency of the process.

## IV. Support and Control Operations

### 1. Human Resources and Training

#### A. Human Resources

Your Bank believes in and acknowledges the critical role of its employees in achieving its present and future organisational goals. SBI recognises the employees' focussed efforts to steer the Bank's performance to greater heights even during the turbulent

### Productivity Enhancement Initiatives

Your Bank adopts a branch-based model for manpower planning to ensure optimal utilisation of Human Resources. The model is based on the productivity parameters at the branches like identified work drivers of operations, transaction load factors, number of advance accounts, feedback from the operating units and organisational structure, among others.

Your Bank has streamlined its promotion and transfer process, and these are now completed in the first quarter of a financial year. This gives the branches and other units the required assurance and stability to actively focus on business activities during the major part of the year. In FY2022, despite the challenges posed by the Covid-19 pandemic, the promotion process was completed within the stipulated time.

Your Bank's Career Development System (CDS) under project "Saksham" ensures a transparent, credible data-backed performance evaluation process for the assessment of employee performance. The system ensures accountability, performance, visibility, and greater alignment between individual and organisational goals.

Specialised skills are critical to success for a bank with a large footprint and diversified



roles. Your Bank has defined seven Job families and career paths, viz. Credit and Risk, Sales, Marketing and Operations, HR, Finance and Accounts, Treasury & Forex, IT and Analytics for its officers in Scale-II to V to ensure deep domain knowledge and foster expertise.

Your Bank has put a policy on succession planning for the senior leadership positions to ensure a smooth transition at all the critical executive-level placements. Succession planning exercise has been completed for essential profiles of all DMDs, CGMs, and GMs during FY2022.

"SBI GEMS", a mechanism to promote recognition and develop organisational memory of such recognition, is in place in your Bank.

### Recruitment

Your Bank is actively recruiting specialised talent on a lateral and contractual basis in Wealth Management, IT, Information Security, Risk, Credit, and Audit, among others to meet the demands of the fast-changing business landscape and the regulatory requirements.

Your Bank is making extensive use of digital platforms in the recruitment process to reach out to a broader pool of candidates. Recruitment notifications and advertisements are published on LinkedIn, naukari.com, iim.jobs, among others besides publishing recruitment notification on Facebook & Instagram handles. The use of social and digital media in recruitment process has enabled Bank to reach out to a larger pool of tech-savvy and aspiring candidates. Bank has also tied up with professional bodies such as ICAI to reach out to a good talent pool of candidates for specialist positions.

Your Bank has formulated a comprehensive policy for engagement of its retired employees on a contractual and short term basis for identified assignments such as marketing, recovery of stressed assets, digital initiatives, risk management, audit and compliance, ATM monitoring, and channel management, among others. This will facilitate filling the skill gap and help the Bank reduce its expenses to income ratio.

**Gender Diversity:** Gender Sensitivity and Inclusiveness have always been the cornerstone of your Bank's HR policy. Out of the total workforce, the representation of women is 26.55% spread across all geographies and levels of hierarchy.

**Reservations & Equal Opportunity:** Your Bank meticulously follows the GOI

directives on reservation policy for SC/ST/OBC/EWSs/PWD. The Bank has a representation of SC, ST, OBCs and differently-abled persons among all the cadres of its workforce. Your Bank has implemented reservations applicable to "Economically Weaker Sections" in direct recruitment from 1<sup>st</sup> February 2019 in terms of the GOI guidelines.

### Representation as of 31<sup>st</sup> March 2022

Cadre	Total	SC	ST	OBC	EWS	DAPs*
Officers	1,11,549	20,366	9,419	25,764	246	2,415
Clerical	99,259	15,750	7,686	25,987	693	2,475
Sub staff	33,442	8,101	2,164	8,662	0	206
<b>Total</b>	<b>2,44,250</b>	<b>44,217</b>	<b>19,269</b>	<b>60,413</b>	<b>939</b>	<b>5,096</b>

\* Differently Aabled Persons

### Industrial Relations & Staff Welfare:

Your Bank has a harmonious relationship with the staff and officers' federations. Your Bank has been continuously emphasising a healthy work environment, mutual respect and empathy at the workplace to foster a healthy and happy workforce. Your Bank took several transformative initiatives during the year for Staff Welfare to ensure that your Bank remains at the forefront of banking in India and your Bank's employees are equipped to meet the challenges of tomorrow.

**COVID-19 Pandemic:** The 2<sup>nd</sup> wave of covid pandemic hit the country hard at the beginning of FY2022 and took a heavy toll on lives, which included many SBI employees. However, it did not deter the unwavering spirit of the Bank's committed frontline staff, who ensured to deliver uninterrupted financial services across the length and breadth of the country by fine tuning its existing model of work, even with reduced staff strength due to pandemic related restrictions and associated lockdowns. Your Bank has undertaken an intensive vaccination drive pan India for all employees and their family members by arranging vaccination camps in association with reputed hospitals, health care providers and local authorities. The proactive vaccination drive has achieved almost 100% of eligible employees getting partially vaccinated and more than 90% fully vaccinated. For the

sake of the national cause, around 2.50 lakh employees voluntarily came forward on the occasion of the 66<sup>th</sup> Foundation Day of the Bank and donated an amount of ₹62.62 crore to the PM CARES Fund. This shows your Bank's unwavering commitment to supporting the nation in its fight against the Covid-19 pandemic. This was the second time in successive years that State Bank Employees have contributed to the PM CARES Fund. Last year, they also contributed ₹100 crore for the same cause.

### Care & Assistance for Retired Employees:

In compliance with GOI and RBI directives, your Bank has implemented a revision in family pension payable at a uniform rate of 30% without any cap. An "Audio Visual guide" demonstrating the step-by-step process of submitting a video life certificate on "Jeevan Pramaan Portal" has been launched to help the pensioners. Your Bank has also extended the facility of submitting a "video-based life certificate" through the "MyHRMS" app to SBI family pensioners.

### B. Training: Changing the Game

The objective of training in your Bank has always been to enhance the workforce's knowledge, skills, and attitude, for superior business performance and customer orientation. The Strategic Training Unit (STU) of your Bank has introduced significant game-changers into the training

eco-system to create a smarter and more impactful learning journey for your Bank's employees. The initiatives taken during the year by our six top-notch Apex Training Institutes (ATIs) and 50 State Bank Institutes of Learning and Development (SBILDs) have been successful and much appreciated.

**Creating Unique Programmes for High Impact Learning**

**“Samarthya” Engagement Programme for Young Employees:** Your Bank launched Samarthya, an engagement programme for all young employees in the age group of 35 or below, in December 2021. The programme has been designed for blended learning through a unique new hybrid channel – “Smart Classroom”. Both Officers and Clerical staff attend the programme as a group, promoting rich cross-pollination of perspectives and ideas. Over 67,000 employees are to be trained under the programme, and 72% have been covered in FY2022. The programme's objective is to impart to the young employees, a clearer picture of the ethical and professional standards expected of them together with a positive service orientation, so that they genuinely epitomise our legendary organisation that has been serving India for more than 200 years.

**“Leadership Lessons”:** Your Bank organised a series of interactive, virtual Power talks by top management and eminent external luminaries, for newly promoted GMs/ DGMs. For grooming and strengthening the leadership skills of the newly promoted officials by learning from the experiences and perspectives of top management and eminent industry/ leadership experts.

**“Specialised Training Programmes”:** Your Bank organised Specialised Training Programmes for 130 Top Executive Grade officials in the specialised areas of International Banking & Global Market, Human Resources and Digital Banking & IT, to prepare future leaders in these domains.

**Pioneering Learning Channels for Uninterrupted Skilling**

**Smart Classrooms:** The Smart Classroom infrastructure has been newly created at Administrative, Regional and Local Head

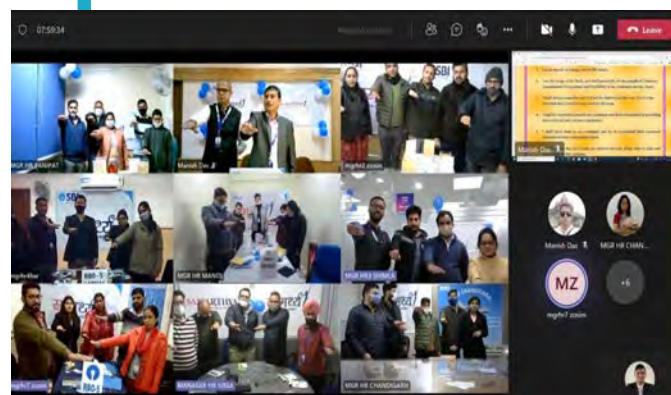


*E-Launch of Samarthya by Top Management of your Bank*

Offices of your Bank throughout the country. It has opened up new training capacities while working around the pandemic disruptions. More than 400 Smart Classrooms impart training to more than 2,000 employees a day. A Smart Classroom is a classroom where virtual pedagogy-based training is provided to a small group of employees based in a geographic region. It combines elements of online learning and peer presence/ interactions in a focused classroom-like situation, for greater engagement and training efficacy.

**Audio learning:** A fillip was given to Podcast based learning through “SBICB-on-Air” podcasts on General Banking with 59 episodes & more than 15,000 listens and “Gurukul Vani” on topics related to Credit, Risk, NPA, etc., with more than 54,000 listens.

**e-Panel Discussions:** With the advent of social distancing, your Bank has convened 23 e-panel discussions for the current knowledge needs of the employees with participation from renowned industry experts and top management.



*Participants in Smart Classrooms- a unique new hybrid learning channel*

**Theme-based Fridays:** Under this initiative, theme based webinars on topics in different domains are conducted every Friday. The Themes have been designed to best suit the requirements of the operational staff in the context of the current banking environment. Twenty-seven such webinars were conducted with an average participation of 225 staff.

**Multi Theme Portal of Virtual Case Study Discussion Board (CSDB):** The multi-theme functionality of CSDB was launched this year. Case studies on several themes are hosted on the portal every fortnight, and employees compete to complete a quiz and answer questions based on the Case Study. Peer learning is promoted through a virtual "Discussion Board". The host ATI also arranges for an e-panel discussion with panellists from the respective vertical, external speakers and faculty. Since its commencement in 2020, more than 97000 employees have participated in the initiative

#### Focus on Quality for Deep-rooted Learning

**Revamp of RBCs:** 42 mandatory internal Role-Based Certifications (RBCs) have been designed and placed on SharePoint and the mobile platform for anywhere, anytime accessibility. These e-Role Based Certifications are followed by an entirely case study-based certification examination for a deeper understanding and practical application of the concepts. 98% of the eligible officers and 97% of the eligible award staff cleared their e-RBCs during the year.

**Massive Open Online Courses (MOOC) such as e-Lessons:** In addition to the repository of elective e-learning content, which is available to employees, in FY-2021-22, four new mandatory e-lessons on relevant subjects have been developed in a new MOOC format for enhanced engagement and user interest. 95% of eligible employees have completed these e-lessons.

**Research:** The Research wings at ATIs partnered with BUs for studies on the financial and industry trends and carried out studies on learner interest and training efficacy to ensure the alignment of training to business needs. A total of 70 studies were undertaken in FY2022.

**External Academic Connect:** Your Bank creates exclusive programmes for prestigious organisations, which helps us keep abreast of external developments, hones the training skill of faculty and also catalyses interchange of ideas, all of which distils into better training quality for SBI employees. Bank's clientele range from Regulatory bodies and Government departments to Public and Private Sector Banks, Corporates- both domestic and international, and reputed B-Schools.

#### Contemporary Content Aligned with User Needs

**Gender Equity:** Samya 2.0 by ATI is a collection of interventions which reinforce gender parity and sensitivity in the workplace. During the year, the highlights of the initiative were 10 case-let based quizzes, 10 webinar programmes for employees, an e-compendium on situation analysis and an annual magazine putting forth the views of women leaders in your Bank.

**Inclusiveness:** A week-long specialised training programme for Visually Impaired (VI) & Hearing Impaired (HI) employees working from home was conducted, in collaboration with SBI Foundation to ensure their engagement even when exempted from attending office. Twenty-three such programmes were conducted during FY2022.

**Aspirational Courses:** 10 Aspirational Courses have been designed by different ATIs, to encourage employees to enrich their knowledge and skills beyond role objectives. The aim is to help employees in future career progression, by giving them the means to upgrade themselves with knowledge and skills in areas that may be related/unrelated to their current role.

**Upholding Corporate Concerns:** Your Bank cares deeply about providing excellent customer service and creating safe workplaces. Comprehensive training support in the form of customised content design, training to Faculty /mentors for impactful delivery and effective programme delivery is ensured for sustaining User Department Projects such as **Project "Utkarsh"** on Customer Service and **Project "Maitreyi"** on Mentoring the Mentors for equipping the identified senior

women officers to guide the younger women employees, understand their problems and help them resolve conflicts.

**Quality at Core:** The objective of "Quality at Core" was to create a sustainable independent troubleshooting mechanism at 691 identified branches, leveraging the tenets of the Quality Circle (QC) Concept to resolve problems related to banking and operations. The SBILD Faculty guides them in the implementation of the projects. In FY2022, all branches under the intervention have successfully implemented two projects each.

**Online Assessment Centre:** To gauge the competencies of senior officials of the Bank, an Online Assessment Centre/framework was developed to assess and evaluate the leaders' competencies viz-a-viz organisational competency framework, followed by sharing of Individual Developmental Plans (IDPs) and a guided development journey. In FY2022, 2233 assessments were completed, IDPs shared with the officers, and their Development Journeys (DJs) initiated.

**Family-friendly event to foster positivity:** SBI Wizards, an annual quiz competition in which family members of employees also participate, is in its second year. More than 16000 families registered for this annual mega-event.

#### Leveraging Digital for Self-motivated learning

Continuous self-learning was implemented using exciting content, delivered through online modes; on an average 10,000 employees participate every month in the daily quizzing portal, My Quest Today. Further, several users registered for Gamified learning App- Play2Learn, crossed 69,000 and askSBI – the in-house search engine was used by 92.74% of branches of your Bank in FY2022.

#### Creating a Distinctive External Identity

**Tie-up with NSE:** SBI has a robust in-house training infrastructure, world-class digital learning content and proficiency to deliver specialised training on diverse subjects. To explore the avenues of association to market in-house content/courses, your Bank was invited by NSE Academy to host SBI's E-Learning content



on their digital platform. SBI entered into an agreement with NSE Academy in June 2021 to host courses on their NSE Knowledge Hub.

**MOU with edX:** As a part of an agreement with edX, your Bank is offering its Massive Open Online Courses (MOOCs) on the edX platform. In FY2022, 25 courses were hosted on the edX platform, in different domains, taking the total number of faculty-developed courses hosted by SBI on edX, to 37 with 29,000+ learners worldwide.

**Apprenticeship-** Contributing to Nation Building: Your Bank has engaged more than 2455 apprentices under the Apprentices Act, 1961. After completing their Basic Training, they are now undergoing a year-long on-the-job training (OJT) at our branches across the country.

### Growing Sustainably

Your Bank believes in responsible consumption to positively impact the world. ATIs & SBILDs use clean energy using solar plants and employ water conservation and rainwater harvesting systems; many have captive Sewage Treatment Plants (STPs) with recyclers and vermicomposting for recycling biodegradable wastes. We also maintain all ATIs & SBILDs as "Plastic Free Zones" where single-use plastic is not used. Four of six ATIs are certified as Green Buildings by Indian Green Building Council, with three rated Platinum and one Gold.

### Milestone & Recognition

**State Bank Staff College (SBSC), Hyderabad celebrates its Diamond Jubilee:** Established on December 2, 1961, in Hyderabad, SBSC is one of the earliest such training institutes in the country. For the past six decades, Staff College has trained generations of bankers within the State Bank of India and officers from other banks in India and abroad. The institute also conducts training programmes for educational institutions and government officials. Most of the Top Management of State Bank of India, over the years, received their initial grooming at State Bank Staff College. The Staff College celebrated its Diamond Jubilee, in a commemorative function, held at its

premises at Begumpet, Hyderabad. The event was graced by Chairman.

Your Bank won Gold in the prestigious ET Human Capital Awards under the category 'Excellence in Creating a Culture of Continuous Learning and Upskilling'.

## 2. Information Technology

### A. Network Infrastructure Improvement:

Your Bank has taken several initiatives during the year to ensure smooth operations and customer satisfaction. Your Bank has been working on upgrading the ATM connectivity by arranging 4G connectivity to off-site ATMs. Your Bank is relentlessly working to improve the network experience and minimise branch isolations. Your Bank has arranged Alternate Secondary Links to the branches and offices to reduce the impact due to the link failures. Several unreliable and high-latency network links have been replaced with low-latency wired and terrestrial wireless links. Your Bank has devised to receive early warnings and insights related to complex cybersecurity threats and comply with the regulatory requirement per RBI Cyber Security Framework by arranging a honeypot solution. Your Bank, in its endeavour to better manage its network operations, has established an advanced AI/ ML and Analytics based Network Operating Centre.

### B. YONO

YONO, the path-breaking and secure digital offering of your Bank, launched on 24<sup>th</sup> November 2017, has already crossed 111.74 million downloads and has touched 16.62 million logins in a day. With the user-friendly interface, attractive branding, round the clock availability, and new innovative features in the App, YONO has helped the Bank reposition its Brand image as New Generation Bank, with a sustainable competitive advantage having various unique and state of the art technological features. YONO is a single touchpoint and one-stop solution for various Banking, Financial & Lifestyle needs of the customer through a convenient, intuitive, and user-friendly omnichannel interface through a Mobile App (both android & iOS) offering customers one view for an enhanced digital experience.

Customers can conveniently avail of pre-approved loans without visiting the branch, involving little to no paperwork. They can also access various financial products from the Bank's Joint Venture Companies comprising SBI Life, SBI Caps, SBI Cards, SBI Mutual Fund and SBI General Insurance. YONO Cash, a game-changer functionality, allows the customers to make cardless withdrawals from SBI ATMs and PoS.

YONO Krishi is a comprehensive multilingual platform for agriculture segment customers offering simplified finance for Agri Gold Loan, KCC Review, SAFAL Dairy (Pre-Approved Agri Loan), advisory/market intelligence related service (Mitra), Market linkages through online Market Place for agri-products (Mandi), Bachat (Financial Super Store for farmers investment and insurance needs).

YONO has always been committed to providing enhanced user experience to customers, obviating the need to visit the brick-and-mortar branch and continuously strives to offer new, secure, convenient, responsive, and innovative financial solutions to the customers. During the FY2022, your Bank has provided transformational journeys. These include Insta Plus Video KYC Account Opening, SBI Easy Ride Pre-Approved 2-wheeler Loan, NPS Account Opening, SAFAL Dairy Pre-approved Agri Loan, Online Demat and Trading Account Opening, Car Loan New to the Bank (NTB), SIM Binding during App Registration, Government schemes through YONO, SBI Kavach Personal Loan scheme etc. and 86 other enhancements.

### C. Channels & Operations

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

Your Bank works both as a payment aggregator and payment gateway. A unique PCIDSS certified secured platform facilitates seamless e-commerce transactions between businesses, merchants, Customers and financial institutions for various payment modes. The platform is provided through Bank's Payment Aggregator (SBI e-Pay) and Payment Gateway (SBIPG) applications by integrating with thousands of Merchants at the one end and many Payment Channels such as Banks, Wallets and



Cards at the other end. SBlePay (Bank's Payment Aggregator Solution) is PCIDSS, and ISO27001:2013 certified.

During the financial year, SBlePay has added 343 new merchants, including prestigious merchants such as Central Power Research Institute, Indian Institute of Information Technology, Nagpur, Uttar Pradesh Metro Rail Corporation Ltd., Kanpur Metro, etc. As of 31-03-2022, 1,502 merchants were integrated with SBlePay.

Following significant developments were rolled out during the year:

- Added UPI QR code as a payment channel.
- Launched a Ticketing system for tracking and monitoring complaints.
- TXN initiation API for merchants to initiate Transaction via server-to-server call will avoid MITM attack.

SBIPG, a PCIDSS certified application, processes all card-based transactions of Payment Aggregators, SB Collect, SBI-MOPS and YONO. SBIPG added 10074 sub-merchants during the financial year. As of 31-03-2022, 68,714 sub-merchants are integrated with SBIPG.

Following significant developments were rolled out by SBIPG during the year:

- BEPG Phase 2 with SI and EMI features for RUPAY Cards.
- SBIMF Integration with IPAY PG.

## 2. Payment System (PS)

Your Bank holds a significant share in NEFT remittances. Your Bank has processed 130.17 crore transactions, constituting over 17.93% of the market share. Under RBI's Indo-Nepal Remittance scheme, the limit for remittance to Nepal has been enhanced to ₹2.00 lakhs per Transaction.

Your Bank is a significant player in RTGS remittances and has processed more than 5.36 crore transactions involving more than ₹297.87 lakh crore.

Your Bank holds a significant share in CTS Clearing with 14.92 crore transactions and 21.49% market share. Value-wise clearing transactions amount to ₹16.71 lakh crore with a market share of 26.14 %.

Your Bank uses the SWIFT messaging system for cross border financial message transmission. Your Bank has processed 32.88 lakh financial messages. Your Bank has fully complied with all the 22 mandatory controls and 9 advisory controls prescribed by the SWIFT.

Your Bank is in the process of centralisation of NACH processing of all variants of NACH.

## 3. Payment Solutions

**Debit Cards:** Debit Cards: E-mandate on debit cards for recurring transactions was rolled out in October 2021, which allows the customers to authorise your Bank to perform the same value transaction at a stipulated frequency in their account during the mandate period. A new "Jandhan" debit card with a contactless feature has been rolled out.

**Rupee Prepaid Cards:** Your Bank provides Rupee denominated Prepaid Cards like Gift Card, e-Z Pay Cards, Imprest Cards, and Achiever Cards, among others, targeted for various customers and business segments.

**NAV-eCash Card:** Your Bank has developed an innovative NAV-eCash prepaid card with a dual-chip interface (EMV and offline chip) to facilitate both online and offline transactions. The dual-chip cards are also suited to organisations that need to undertake online and offline transactions depending on the availability of internet connectivity.

**State Bank Foreign Travel Card (SBFTC):** SBFTC is an EMV chip and PIN compliant prepaid card in foreign currencies providing safety, security, and convenience to outbound travellers (valid worldwide except in India, Nepal and Bhutan). SBFTC is available as a Single currency and Multicurrency card. It is available in nine currencies - US Dollar, British Pound Sterling, Euro, Canadian Dollar, Australian Dollar, Japanese Yen, Saudi Arab Riyal, Singapore Dollar, and UAE Dirham.

**SBI FASTag:** Bank has issued more than 20 lakh SBI FASTag to corporate and retail customers. Toll transactions through the SBI FASTag have crossed a mark of 7.70

crore, and the total transaction amount has crossed the ₹1,251 crore level in FY 2021-22.

**Metro and Transit Projects:** Your Bank has participated in various metro and transit projects to digitise micropayments rapidly. Your Bank has been awarded Nagpur Metro, Noida Metro and MMRDA Lines 2A and seven metro projects to implement qSPARC technology on the RuPay platform. Bank has issued 1,05,000 prepaid cards in metro projects. This year Bank has been awarded Chennai metro and Kanpur metro for Card Issuance, Acquiring and AFC implementation/integration.

**Merchant Acquiring Business (MAB):** In line with the Government of India's efforts to promote a less cash economy, your Bank has expanded its digital footprint across the country, including aspirational areas such as Ladakh, J&K and North east, by deploying more than 24 lakh Merchant Acceptance Touch Points. It includes 9.24 lakh PoS terminals, 4.73 lakh Bharat QR code and 10.50 lakh merchants on BHIM-Aadhaar-SBI application downloads.

Your Bank has also had asset lite acceptance models like SoftPOS (YONO Merchant App), allowing merchants to self-onboard on the app to accept payments. Various value-added services like DCC/EMI, Pre- Approved Business Loan (PABL) are being focused upon for customer convenience

Your Bank continued efforts to onboard merchants from premium segments like Oil Marketing Companies (OMCs), retail chains, lifestyle stores, and holiday resorts apart from consolidating the existing business. Your Bank has tied up with major corporations and government departments to migrate their operations from cash to digital mode.

## 4. Branch Operations

Branch & CPC Redesign Department is continuously working for improvement in customer experience at the Branch. Ensuring uniformity of branches in ambience and customer service is a significant focus area. Many projects have been initiated to provide end to end digitization of products and services for customer delight.

### Image-Based Processing at Liability CPC & Video KYC Based Account Opening:

For opening new accounts in most customer categories (Individual & Non-individual) more quickly and efficiently, image-based processing has been initiated in the year 2021-22. For the convenience of customers to open an account from the comfort of their home or office, a new account opening facility through Video KYC (Know Your Customer) was launched on 22.04.2021. Around 6.40 lakh accounts were opened till March 2022.

## 5. Foreign Office

**YONO Global Mobile Application:** In a quest to increase Digital footprints across the geographies, your Bank has launched YONO Global, keeping in mind the Digital Transformation and new Digital Banking Offerings for Retail Customers at SBI's Foreign Offices (FOs)/Subsidiaries. Your Bank has rolled out YONO Global mobile Banking in six more FOs this FY, i.e., Canada, Bahrain, South Africa, Bangladesh, Sri Lanka and Nepal, taking the tally to 9 Countries.

**Yono Global Web Portal:** Your Bank has introduced Yono Web Portal (Internet Banking) for retail customers of foreign offices/subsidiaries. The new portal has been made live for 6 foreign Offices, viz. UK, Mauritius, Maldives, Sri Lanka, Bangladesh & US. Yono US Web portal for Corporate Customers has been rolled out for SBI New York & Chicago branches, which has replaced the locally hosted ACI Worldwide application with enhanced customer experience.

**Treasury Application Upgrade:** During the year, your Bank has upgraded the Treasury application to its latest version and added a few new modules. The key benefits of the upgrade available to all foreign offices are as follows:

- It supports derivative products such as currency options and future and equity trading.
- **Stress Testing Module**, covering both Sensitivity and Scenario Analyser modules.
- **Collateral Management Module.**
- **Generation of a dual set of reports as per Ind-AS and Indian GAAP** and

ability to comply with future Ind-AS requirements for accounting etc.

- **Calculation of Modified Duration** of perpetual bonds having call/put option.
- Generation of **NOOP** report on a **real-time basis.**

**LIBOR to ARR/RFR Transition:** Because of the evolution of the global ecosystem with the Introduction of Alternate Reference Rates (ARR) to replace LIBOR, your Bank took the initiative to implement the ARR regime (Over Night Reference Rate/ Term Rates) in its Core Banking, Treasury and Trade Finance operations at its Foreign Offices and Subsidiaries.

Your Bank has upgraded its Trade Finance Application for all Foreign Offices and Subsidiaries in line with the SWIFT upgrade for Bank Guarantee / SBLC related messages.

## 6. ATM

Your Bank's ATM department is PCIDSS Compliant, a benchmark security standard for the payment card industry. It stands tall, serving 25.34 crore active debit card users on 31<sup>st</sup> Mar' 2022. Following new facilities have been rolled out during the fiscal year:

- TLS 1.2 implementation has been completed in all ATMs in record time to strengthen the security between ATMs & networks. MAC (Message Authentication Code) has been piloted successfully to enhance security between End Points (ATMs) and Switch.
- As per RBI directions, facility to customers to set limits either on ATM or through IVR.
- Digitization of Payments (Offline mode) onboard **INS-Vikramaditya** warship.
- Green PIN for Prepaid Cards (both INR and FTC)- Pin generation requests can be raised for all Prepaid cards from any delivery channels, viz. PCMS Customer Portal, SBI ATM & Branches.
- Generation of Debit card PIN at Branch through CBS-SSO- To assist in Generation of Green PIN through Branch for illiterate customers, those who are unable to generate the same using other channels.
- Acceptance of Domestic Rupay Card for Electronic Transfer at Singapore POS devices.

- Dispatch status of a Debit card can be enquired through Bank's IVR.
- Domestic Rupay cards can be accepted at Nepal ATMs/POS devices.
- Tap & Pay Transaction enabled on Jio Phone with tokenised Debit Card.
- Green Pin facility is made available on Prepaid Cards for both INR and FTC cards.

## 7. Internet Banking

Your Bank's Internet Banking provides a seamless online experience, offering secure and diverse banking services to 977 lakh Retail Users and ~32 lakh Corporate Users.

Many new services were rolled out for Retail customers like the Introduction of login OTP, Positive Pay System - Registration Through Alternate Channels, Relationship Managers details in INB for HNI Customers, Remittance to NEPAL via RINB, Online PPF account opening, Online PPF Extension, Online Nomination for existing PPF Accounts, Enhancing the International fund transfer FXOut Limit to eighteen lacs, Enabling IMPS transactions for NRI customers in INB, Digilocker Integration and Photo and Signature upload for NPS Registration.

Many new services were rolled out for Corporate customers in Corporate Internet Banking, and YONO Business. Some of them are: (i) enhancement of SARAL transaction limit from 10 lakhs to 25 lakhs, (ii) online current account opening for all non-personal entities, (iii) SME Gold Loan lead generation, (iv) PABL-POS and Digital Local Short Credit facility for NTPC etc.

## 8. SBMOPS

State Bank Multi-options Payment System will facilitate collection through various modes using the site to site integration with e-commerce and other merchant entities. Total active direct Merchants integrated through MOPS are 542.

Significant changes implemented are Merchant UI Revamp (MOPS Page), Sponsor Bank API eMandate; eMandate for repayment of EMIs and various integrations with Govt entities and eCommerce merchants.

SBI UNI PAY (BBPS: A one-stop solution for all bill payments) - Your Bank has developed a SBI Unipay application for Bill payments through BBPS services hosted by NPCI, which has gone live in July 2021. In the SBI Unipay platform, your Bank provides the facility of BBPS and Non-BBPS bill payments.

## 9. YONO Business

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

- One Bank One Platform, building an omnichannel digital platform integrating CMP, Corporate INB, e-Trade, e-Forex and Supply Chain Finance under Single Sign-On.
- Digital bank offering seamless end-to-end digitised customer journeys.
- New Age Banking to future proof the technology priorities such as API banking.

It digitally serves various Banking interface requirements of all types of non-individual entities, right from a small proprietorship/MSME to large multinational corporates to Central and State Governments.

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

- Simplified and intuitive onboarding journey for new Digital customers.
- The existing legacy documentation process has been replaced with a new omnibus process, eliminating multiple visits to Branches. Digital onboarding for a walk-in customer through the YONO Business Branch interface.
- Additional Product offering for existing customers.
- Corporate user management as an end-to-end digital journey to Corporate Administrator for user management, ensuring security and convenience.
- Intuitive Dashboard made available to Corporates with features such as Consolidated real-time account positions of A&L, Fund flow position, alerts and notifications like LC due date,

and instalments due date, amongst others.

- Reimagined import LC journey and Forex rate booking in less than 15-20 minutes without the requirement to visit the branch

## D. Mobile Banking

Your Bank's Mobile Banking department is the largest alternate channel in volumes. It handles various critical customer-facing mobile applications/Services like **UPI, Yono Lite SBI, Yono Business, SBI Quick**, and SBI Secure OTP. The above apps enjoy an excellent reputation among customers and are known for their ease of use and outstanding user experience.

### 1. Unified Payments Interface (UPI):

Unified Payments Interface (UPI) is one of the flagship applications of your Bank that powers multiple bank accounts into a single mobile application with an Interoperable facility, merging several banking features, seamless fund routing and merchant payments by leveraging a single Payment Platform (i.e. UPI). During F.Y. 2021-22, on 31<sup>st</sup> March 2022, your Bank has recorded the successful processing of peak volume of UPI transactions, approximate 150 Million in a single day. This year, the following vital facilities were introduced for customers through BHIM SBIPAY(UPI).

#### a. UPI Prepaid Voucher (PPV) (₹UPI),

A DFS (GOI) initiative for Covid-19 vaccination, was launched by Honorable PM on 02.08.2021. This functionality was also further extended to other schemes.

- SBI Credit Card application through SBI BHIM Pay for Android users.
- BHIM SBI Pay Merchant App: Independent App for onboarding merchants on the UPI platform for Android users.
- Per NPCI guidelines, per transaction limit enhancement with a cap of ₹2 lakhs for a specific category of merchants.
- Unified Dispute & Issue Resolution (UDIR) for a reduction in customer complaints and enhanced user experience.

#### b. Yono Lite:

Yono Lite has a total user base of 1.92 crore as of 31.03.2022. Following developments have been done in Yono Lite mobile banking app during the year:

- Uploading statement to Digilocker.
- SIM Based registrations – To enhance customer security and prevent application misuse.
- If Remote Access applications are installed on a mobile device, disallowing the Yono Lite app will obviate fraudsters' frauds.
- Biometric functionality enables the user to log in using Fingerprint (Android & iOS) and FaceID (iOS).
- Purchase of Google Play Recharge Codes – customers can use these codes for in-app purchases from Google Play Store.
- Purchase Gift Vouchers for online shopping.

#### c. SBI Quick:

SBI Quick has a total user base of 2.99 crore as of Mar 22. Following developments have been done in SBI Quick mobile banking app.

- MOD Balance through SBI Quick.
- Bank Holiday Calendar for 2022.

## E. Executive Support System

### 1. Customer Relationship Management (CRM)

Your Bank's CRM Solution helps build and maintain solid and loyal relationships with existing and prospective customers.

CRM Solution has customised Lead modules for all Business Units and other critical departments, integrated with other sources such as OCAS, YONO, LOS, LLMS, Bank's website, etc. It also has a sophisticated and advanced Module, i.e., CRM-CMS, wherein customers' entire trail of previous complaints and other details are captured in the application giving ease to users and customers for complaint lodgement, tracking and resolution.

- The platform has been made available over Bank registered mobile devices securely to enable Bank employees to perform certain services anywhere. A

few customer-centric projects initiated during the year were;

- Enrichment of Customer 360 for one view of Retail as well as Corporate Customers/ product recommendations and CRM Leads through Analytics based outputs
- Creation of complaint management functionality for the handling of YONO Interbank and YONO Cash unauthorised transactions in CRM-CMS
- Revamping of complaint module in CRM-CMS for routing and auto-escalation to Internal Ombudsman
- Redesigning of IVR and Agent journeys in consultation with Contact Centre/ their vendors
- Functionality for assignment of OCAS Housing Loan leads to SSL for specified centres (Mumbai Metro & Bengaluru circles)
- SME Lead generation through SMS/ Missed call channel (Ease 3.0)
- Sourcing of leads in CRM online through portals of some automobile manufacturers

## 2. Data Warehouse

To align with Bank's vision, a state-of-the-art Data Architecture, "Next-Gen Data Warehouse", is under implementation, facilitating ever-increasing business data demands and regulatory reporting with a focus on Data Quality and Data Integrity. This architecture will enable Value Creation (both top line and bottom line) for the Bank through Advanced-Data Analytics while adhering to Governance, Security and Compliance.

## 3. Data Governance

Being a data-driven Organisation, your Bank has taken various steps for efficient management of Data with close partnership of Business and IT stakeholders. The already established top-driven Data Governance framework, which is institutionalised up to the operating level, is being leveraged to drive all the Data Governance initiatives to ensure that the Data Asset of the Bank is future ready to support the Bank in its digital transformation while complying with Regulatory guidelines. To further

percolate the message of "Data Trust" and for promoting Data Literacy across the Organisation, your Bank is conducting many activities, among which is the celebration of "Data Governance Day" on 1<sup>st</sup> June every year.

## 4. Analytics

Your Bank has built a solid and pioneering competency in Analytics, AI and ML. It utilises these next-gen technologies to reimagine Customer Service, Marketing, Risk Mitigation and Strategy. Some highlights of FY'22 in this area are:

**Digital Lending:** Two new End-to-End Digital Loan Journeys were introduced, viz., Pre-approved Two-Wheeler Loan (SBI Easyride) and Pre-approved Business Loan (PABL) for PoS customers of our subsidiary SBI PSPL. Loans worth ~ ₹21,935 Cr. sanctioned digitally through Analytics-based products in FY2022.

**Risk Mitigation:** Tool to identify Related Party Transactions were built to detect diversion of funds. Single Officer Branch Monitoring Solution rolled out in pilot mode to alert when anomalies arise.

**Operational efficiency:** Cost-to-Income Ratio tool was launched to prescribe branch-level changes in product mix and expenditures to maximise profits. Early Warning System (EWS) model was integrated with Contact Centre to facilitate Outbound Calls to reduce stress in loan accounts.

**Responsible AI:** Adopted a robust Data and Model Governance Framework in line with global standards to ensure readiness for upcoming laws/regulations. Fairness, Ethics, Accountability & Transparency (FEAT) document and Explainable AI were adopted to ensure ethical model building.

**Technology Related:** Your Bank adopted next-gen capabilities such as Deep Learning, Cloud-Based Services, Prescriptive Analytics, and Real-Time Analytics in line with the board-ratified "Roadmap for Analytics." The pioneering Project Shikhar Model combining risk, activation and spend analysis into a single, holistic model was adopted, resulting in issuance of four million cards by your Bank's subsidiary SBI Cards under this programme.

## Accolades Received:

- Achieved a "High Maturity" Score in the global "ITScore for Data & Analytics" Assessment of Gartner
- Awarded the "South Asia Award for Project Management" by PMI for its Credit Card Cross-sell Model
- IDC Industry Innovation Award: Data Intelligence Award for Pre-approved Business Loan Product
- IDC Industry Innovation Award: Green Tech/Sustainability Award for Footfall Rationalization Model

## F. Core and Special Projects

The significant developments rolled out in the current financial year in the area of customer service during FY 2021-22 are as under:

**Hindi Printing:** Development has been rolled out to enable the Printing of Passbooks, Statement of accounts etc., in Hindi language as per the customers' requirements.

**Improvement in SMS delivery:** A facility for SMS alerts in 13 languages has been enabled. Customers may now register for SMS alerts in their preferred language, viz. Assamese, English, Bengali, Gujarati, Hindi, Kannada, Maithali, Marathi, Malayalam, Punjabi, Tamil, Telugu, Odia. Following initiatives have been taken to address delays in SMS delivery.

- Multi-streaming of SMS outflow from CBS to Delivery Platform.
- Infrastructure upgraded for handling a higher volume of SMS.
- SMS generation and transmission processes in CBS were modified to handle higher volumes.

## 1. Special Projects

Your Bank has initiated several special projects to ensure customer convenience. A few of them are mentioned below

### CKYC for Non-Individual CIFs and CKYC for FI-Legacy CIFs:

Now, all types of CIFs, viz. Individual, Non-individual, and FI have been covered under CKYC. Given the increased volume of digitisation, one more alternative scanning solution (in addition to Signzy), CKYC Document Classification and Upload (CDCU), an improved AI-based scanning solution, was launched on 03.08.2021.



**PENSION:** Functionality of Video Life Certificate launched on 01.11.2021, to facilitate pensioners in submitting Life Certificate through Video Calling from their home.

Functionality for uploading Family pension-related documents through the Pension application has been made available on 10.12.2021. Now, a family pensioner can approach any branch to submit documents.

**TRS:** Your Bank provides Form16 through RINB & TRS (TaxGPC) Portals. In Dec 2021, Bank successfully integrated with the Digilocker App of the Government of India for delivering Form16 through the App, wherein Form 16 can be pulled in the 'Issued Document' section of Digilocker.

**GBSS - TIN(Tax Information Network) 2.0- Replacement for OLTAS:** New Module is rolled out in GBSS Application for Direct Tax Collection, having real-time integration with TIN2.0 & PFMS and RBI for Settlement & Reporting.

**GBSS – New FSLO Commission module for state government transaction commission settlement:** GBSS -FSLO module has been rolled out, which will facilitate major head-wise submission of returns to RBI for a claim of commission for multiple State Government modules in the GBSS application.

**SBI FASTag –recharge through PhonePe:** Integration of the FASTag application with Bill Desk for recharge through Phone Pe has been completed. Phone Pe Customers can now recharge their SBI FASTags directly from the application by entering their vehicle number in the FASTag recharge option.

**Easycollect:** Easy collect application integration with Edelweiss Tokio Life Insurance Co. Ltd has been rolled out. Edelweiss Tokio policyholders can now remit renewal premium through any of the SBI branches by making use of the Easycollect application

**GCC – Development of Application for new GCC terminal “Move 2500”:**

- GCC application has been modified for bringing compatibility with newly

introduced GCC terminal devices “Move 2500” and existing devices.

- Two Audit Variants of IAD, viz. Home Office Audit and Concurrent Audit System for Foreign Offices are automated.
- HOA: The FOA Department at IAD conducted the Audit of Foreign Offices (of the Bank) on 6<sup>th</sup> July 2021.
- CASFO: A “Web-Based Solution for Concurrent Audit for Foreign Offices” was rolled out on 28<sup>th</sup> July 2021.

## 2. IT- Corporate and SME Loans

Your Bank has developed an in-house application to capture the entire journey of Corporate and SME Loans through the Loan Life Cycle Management System (LLMS). The entire life cycle of the credit process is automated, leading to standardisation of the credit process, enhanced risk management and improved user experience and TAT. During FY2022, the following significant new offerings were initiated under the LLMS:

**Integration with National Portal:** LLMS has been integrated with National Portal, where leads for Credit Linked Government Schemes flow from National Portal to LLMS. National Portal gives In-principle approval of “GO” based on the scheme-specific Rule Engine Parameters set by respective banks on the National Portal. It improves TAT for government-sponsored schemes and enhances transparency.

**Integration with Contactless Lending Platform:** LLMS has been integrated with the Contactless Lending Platform (CLP), where SME customers apply through the CLP website, and qualified leads are forwarded to LLMS. It saves time and ensures a shorter TAT leading to better customer fulfilment.

## 3. IT Retail Loans (RL)

IT Retail Loans caters end-to-end credit processes, i.e. Pre-Sanction and post-sanction processes, through seven applications, i.e. LOS (PB), RLMS (Retail Loan Management System), LOS (Agri), OCAS (Online Customer Acquisition System), RAAS (Retail Asset Acquisition System), OPAS (Online Project Approval System) and LAMS (Loan Account Management System).

## Major rollouts in FY2021-22:

- Image-Based Processing for Home Loan Journey, which is uniform for BPR & Non-BPR Branches
- SBI KAVACH Personal Loan to Covid patients for treatment.
- Top Up Gold Loan for existing gold Loan borrowers on security value.
- Real-Time Xpress Credit, an online loan approval through the YONO platform.
- Xpress Credit for Covid Warriors at concessional pricing.
- Integration with National Hunter for Auto Loans and Education Loans. It helps fraud checking from the existing database of Hunter.
- Integration with National Portal for subsidy processing of Home Loan and Education Loan
- Integration with CERSAI for online registration of immovable security.

## Loan Account Management System

**(LAMS):** New application for loan collection was launched in April 2021, where tele-callers and Bank officials record the follow-up calls to delinquent account holders. During the current year, all bank staff, Contact Centre and CSPs have recorded 2,54,89,155 follow ups in the application.

## 4. Customer Service

Your Bank has a robust online Complaint Management System (CMS), where customers can lodge their complaints, feedback and suggestions online through Bank's website www.bank.sbi. In addition to this, Contact Centres operate 24\*7\*365/366 in different geographical areas, servicing Bank's customers in Hindi, English and ten major regional languages.

To improve the quality of resolution of customer grievances, your Bank has established Circle Complaints Resolution Centres (CCRC) in all Circles. Your Bank has also established Circle Call Centres manned by its staff for handling any issue beyond the purview of Bank's regular Contact Centres to ensure a better customer experience. Proper and timely resolution of customer grievances is your Bank's high focus area. It is conducting

a Root Cause Analysis of major areas of complaint and is utilising the findings for product and process improvement. It has also conducted a Customer Satisfaction Survey and a Depositor Satisfaction Survey and is working towards enhancing the customer experience based on the findings. Countrywide E-Town hall meetings at 523 centres were conducted to connect with customers and feedback was collected from the customers on products and processes.

To enhance the level of knowledge of the frontline staff and enhance customer experience, your Bank has introduced a mass knowledge enhancement programme, "Project Utkarsh", for its employees during the year. It has also introduced the "Customer Service Index" for categorizing branches on the basis of the level of customer service, which serves as a motivational factor for branches.

Your Bank is in the process of leveraging the CRM Tool to use analytics and artificial intelligence. SBI believes that these digital tools and technology can completely transform the customer experience in the days to come. It has onboarded two easy to remember 8-digit Contact Centre Toll-Free numbers (18001234 and 18002100) for ease of customers. It has also introduced a simplified IVR Menu (5\*5) for seamless, intuitive navigation to enhance customer experience. Your Bank has introduced six more Registered Mobile Number based services (on a pilot basis in two telecom Circles) from the Contact Centre (a total of 11 services), which have helped the clientele in these testing times.

Your Bank is also driving the PSB Doorstep Banking services, which provide ease of banking to customers. They can avail of several doorstep services, such as Account Statements, Cash withdrawal facility, and Life Certificate submission, among others, through the DSB Services.

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

During the COVID-19 period, the Kiosk Banking Channel played a very important role in disbursement of government subsidies when movement to bank branches was restricted. Under the 9<sup>th</sup> and 10<sup>th</sup> Instalment of PM Kisan Samman

Nidhi, SBI processed 2.45 crore and 2.50 crore transactions, respectively, as Destination Bank in a single day on 09/08/2021 01/01/2022.

To enhance customer convenience and customer delight, the following new facilities were introduced during the FY 2021-2022:

- Cheque Book request and Stop Cheque request at CSP outlet: Facility to request for issuance of new cheque book and stop cheque request has been enabled at CSP outlet.
- ATM Card Blocking at CSP outlet: The facility of ATM card blocking at the CSP outlet has been enabled, giving customers one more avenue for ATM card blocking.

GOI Social Security Schemes related initiatives: Following initiatives for increasing coverage under social security schemes of GOI were rolled out:

- Revised Enrolment Forms to capture additional information about customers and nominees at CSP outlets.
- Development of a floater screen in the Kiosk channel to prompt uncovered customers to get PMJJBY and PMSBY cover, thus increasing coverage.
- SMS intimation to uncovered DBT/DBTL Beneficiaries for getting enrolled in PMJJBY/PMSBY/APY.

Voice Prompt has been enabled in Kannada, Oriya, Gujarati, Marathi, Bangla and Malayalam in addition to Hindi, English, Tamil and Telegu while performing transactions at CSP outlets. It acts as a risk mitigant for illiterate/semi-literate customers as they can hear the details of the transactions being performed in their accounts.

### H. Trade Finance (TF)

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

**Eximills Enterprise (EE):** EE is the centralised technology platform facilitating Trade Finance transactions, with average daily transactions ranging 15,000 – 16,000.

**EDPMS/IDPMS** reconciliation percentages are 96.88 and 95.41 by the end of FY2022, respectively, which is the best ever achieved.

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

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

**Fintra TFS (Trade Finance Solution) Project:** As part of the digitalisation and redesigning of trade finance processes, your Bank is centralising the processing of Trade Finance in two GTFCs (Global Trade Finance Centres) at Kolkata and Hyderabad. The project was pilot launched in November 2021 with the Inland LC module and is expected to be completed by FY 2022-23.

**Three-way Reconciliation Utility for SWIFT Transactions (TRUST):** This application acts as an outward SWIFT message aggregator and reconciliation system having appropriate control frameworks. It does a post-transaction check to ensure that underlying accounting entries exist in the Bank's books of accounts for all outward SWIFT messages sent. It also facilitates the daily independent Concurrent Audit for checking if the SWIFT messages generated from the source applications are reconciled 100% for all financial and non-financial messages.

## 3. Risk management

### A. Risk Management Overview

Risk Management at your Bank includes risk identification, risk assessment, risk measurement and risk mitigation, with

its main objective being to minimise 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, including IT Risk.

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. The various risks across your Bank and the SBI Group are monitored and reviewed through the Executive Level Committees and the Risk Management Committee of the Board (RMCB), which meets regularly. Risk Management Committees at the operational and business unit levels are also in place.

### 1. Credit Risk Mitigation Measures:

Your Bank has put in place robust credit appraisal and risk management frameworks for identifying, measuring, monitoring, and controlling the risks in credit exposures. The industrial environment is scanned, researched, and analysed in a structured manner by a dedicated team to decide its outlook, Credit Rating threshold based on outlook and probability of default for industry and growth appetite for 38 identified industries and sectors, which constitute close to 73% of your Bank's total advances (excluding retail and agriculture). Events such as a change in Government policies or regulatory guidelines, power shortage, and supply chain issues in these industries are monitored continuously, and special studies for its implications are conducted, which are shared with the business groups to enable them to make informed credit decisions. Considering the increasing climate change risk, impact analysis on emission-intensive industries such as power, hydrocarbon, iron and steel, construction, automobile and coal is conducted to align your Bank's lending strategy towards low-carbon sectors. Furthermore, knowledge sharing sessions are conducted to benefit the operating staff at various levels. Additionally, a monthly and quarterly dashboards covering the top 15 industries are provided to business units detailing the developments in these

critical industries and sectors to keep them updated on the latest information/developments.

Your Bank has an industry concentration Limit Framework to ensure against concentration risk, monitored quarterly. The framework has been made more robust to capture business opportunities arising from Government initiatives like Performance Linked Incentive (PLI) schemes and negative developments, including Environment, Social and Governance (ESG) Risk.

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 backtesting frameworks, including external validation/review. Considering the ESG risk, Bank has put in place an Environment, Social and Governance (ESG) rating model, which rates large borrowers on various objective ESG criteria.

Your Bank also has a 'Dynamic Review of Internal Rating' Framework, which facilitates early identification of stress and triggers the appropriate mitigation mechanisms.

Your Bank has a framework for Risk-Adjusted Return on Capital (RAROC), and the Customer level RAROC calculation has also been digitised.

Further, behavioural models for monitoring and scoring retail borrower performance have been developed and hosted on credit risk data mart.

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

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 similar 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 a credit risk data mart for computation of IRB capital.

The Bank carries out a Risk-Return Analysis of critical portfolios at periodical intervals to assess the adequacy of return vis-à-vis the risk associated with the exposures. The Bank has also initiated measures for objective and sustained assessment of evolving risk of corporate exposures. In this regard, Bank has devised a framework for Integrating a Dynamic Review of Internal Rating with Early Warning Signal Triggers and has completed the IT implementation of the framework. The framework is presently being experimented with real-life scenarios, and the Bank proposes a full-fledged roll-out in FY2023.

### 2. Market Risk Mitigation Measures

Your Bank's Market Risk Management identifies and measures risks, control measures, monitoring, and reporting systems. Market Risk is managed through a well-defined Board-approved Investment Policy, Trading Policy and Market Risk Management Policy, and Market Risk Limit Policy that caps risk in different trading desks or various securities through trading risk limits/triggers for effective and judicious management of investment funds. These risk measures include Position Limits, Gap Limits, tenor restrictions, and sensitivity limits, namely, PV01, Modified Duration, Value-at-Risk (VaR) Limit, Stop Loss Trigger Level, NOOP, Forex Daylight Limit, LMAT, UMAT and Options Greeks are monitored on an end-of-day basis.

Value at Risk (VaR) is a tool used for monitoring risk in the Bank's Trading Portfolio. The Enterprise-level VaR of your Bank is calculated 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 Charge 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.

Your Bank has initiated suitable measures to ensure a smooth transition from LIBOR to Alternate Reference Rate (ARR). The relevant IT changes, tools for valuation of models like RICS and curves for the pricing for the newly introduced Alternate Reference Rates (ARR) have been incorporated into the system.

The newly introduced Bilateral Netting guidelines have been incorporated into Bank's operating guidelines. Going forward, this may reduce the counterparty exposure amount and capital requirement for Counterparty Credit Risk for the Bank.

Your Bank has a Model Risk Management Framework that enables Bank to assess, measure, monitor and mitigate Model Risk.

### 3. Enterprise Risk Mitigation Measures

Enterprise Risk Management aims to put a comprehensive framework to manage and align risk with strategy at the whole Bank level. It encompasses global

best practices such as establishing a Risk Appetite Framework, Risk Culture Assessment Framework, and Material Risk Assessment.

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

The Risk Appetite Framework incorporates limits for significant risks with monitoring parameters. To promote a strong risk culture in your Bank, a Risk Culture Assessment Framework is being operationalised in a phased manner. As part of the Material Risk Assessment Framework, periodic 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) / Executive Committee of the Central Board (ECCB).

Your Bank conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) exercise on a yearly basis with respect to adequacy of Capital under

normal and stressed conditions at solo and group level.

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

Your Bank is committed to reducing the carbon footprint of its operations. Accordingly, the Bank has developed Climate Change Risk Management Policy which will serve as a guidepost in supporting its journey towards a low carbon and climate-resilient future.

Your Bank is committed to addressing climate change concerns by identifying and managing climate-related risks and opportunities. The policy aims to integrate climate-related risk (and opportunity) considerations within day-to-day operations, lending portfolios and overall decision-making.

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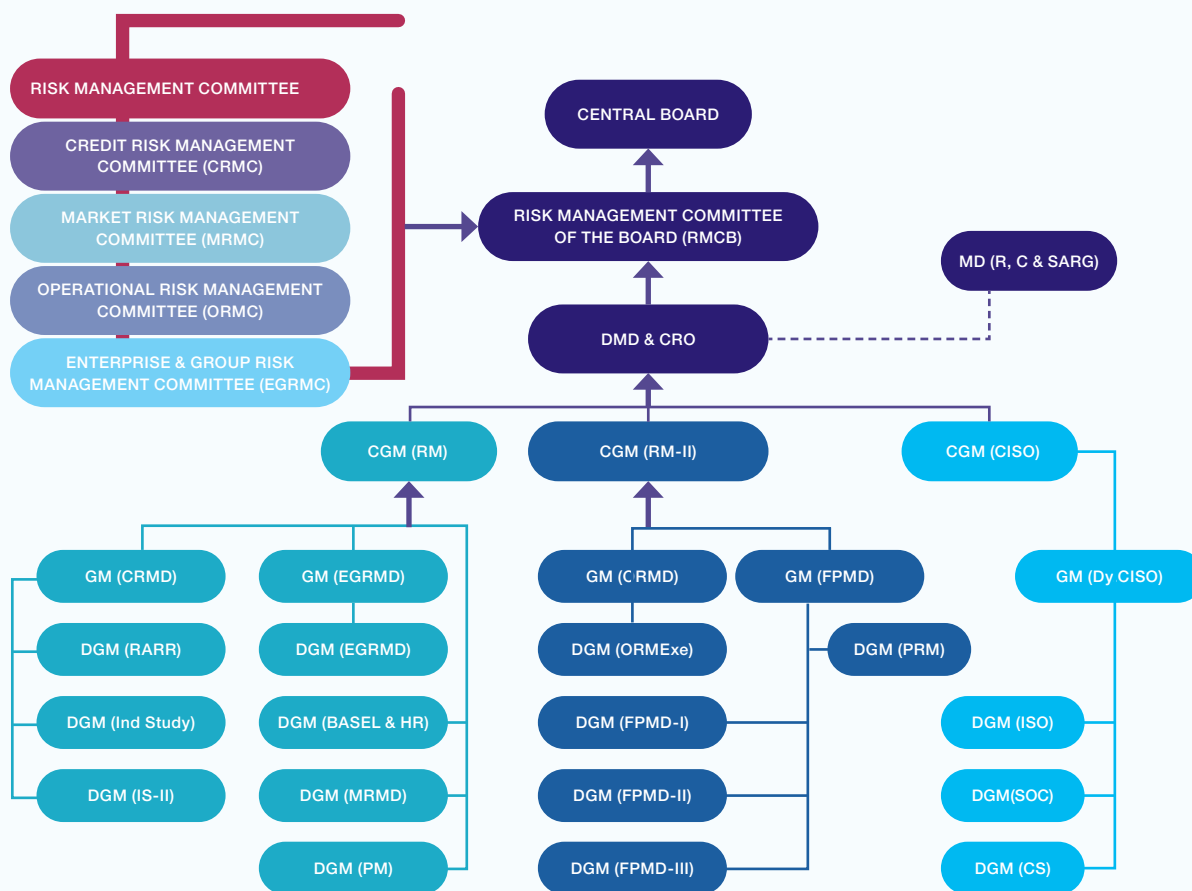
Or dial the helpline number

**1930**

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**Overall Integrated Risk Governance Structure at the Bank:**



**4. Group Risk Mitigation Measures:**

Group Risk Management aims to establish standardised risk management processes in group entities. Policies relating to Group Risk Management, Group Liquidity and Contingency Funding Plan (CFP), maintaining arm's length requirements for intra group transactions and exposures are in place. Regular monitoring of the consolidated prudential exposures and group risk components is implemented. All group entities where SBI has 20% or more stake and management control, including non-banking entities, carry out the ICAAP exercise. A Group ICAAP Policy is in place to ensure uniformity.

**5. Basel Implementation:**

The RBI guidelines on Basel III capital regulations have been implemented. Your Bank is adequately capitalised as per

current requirements, including maintaining the required level of Capital Conservation Buffer (CCB). Your Bank is identified as D-SIB by the regulator, and it is necessary to keep additional Common Equity Tier 1 (CET1) of 0.60% of RWAs from 1<sup>st</sup> April 2019.

**B. Internal Control**

Internal Audit (IA) in your Bank is an independent activity and has sufficient standing and authority within your Bank. The IA Department, headed by a Deputy Managing Director, works under the guidance and supervision of the Audit Committee of the Board. Your Bank's IA function works in close coordination with the Risk Management and Compliance Department to evaluate the effectiveness of controls, and 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.

**Few 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 enormous data

- System-driven, analytics-based offsite monitoring of transactions
- Concurrent Audit of business units to ensure contemporaneous scrutiny of compliances
- Early review of sanctions to assess the quality of loans of ₹1 crore and above
- Online self-audit by branches for self-assessment by branches and vetting by controllers

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

Your Bank has created a new department viz., "Corporate Centre Audit (CCA) Department" at Internal Audit Department (IAD) w.e.f. 01.04.2019 to strengthen the overview of the Audit of its aggregate risk assessment processes. In addition, it undertakes various audits, such as Thematic Audit, Validation Audit, Veracity Check in compliance of the RBI Directions & Regulatory guidelines, and other requirements emanating from various Business Units and departments at Corporate Centre. The CCA Department is also engaged in the validation of RBI-Tranche-III-DCTs (Data Collection Tranches), Risk Assessment Report (RAR) and Risk Mitigation Plan (RMP) observations.

**Branch Audit:** The IA Department undertakes a comprehensive risk-based audit of the operating units of your Bank, in line with regulatory guidelines relating to Risk-Based Supervision. The domestic branches are broadly segregated into four groups (Group I Special, Group I, Group II and Group III) based on business profile and advances exposures. Your Bank has initiated a system driven process for identifying branches for Audit, whereby analytical algorithms are deployed to identify units displaying significantly different behavioural patterns. This enables your Bank to step in with a

prioritised audit to identify the causative factors at these outlier branches and flag the underlying problem areas for early intervention. During FY2022, the IA Department has completed RFIA of 10,614 units of Domestic Branches & Central Processing Centres (CPCs) as of 31<sup>st</sup> March 2022. Further, Evidence-Based Compliance Testing (EBCT) was completed in 3,260 branches identified under Trigger Based Audit (TBA).

**Credit Audit:** Credit Audit is an integral part of the 'Risk Focused Internal Audit' system. It aims to identify risks inherent to the businesses of the counterparty and measure the effectiveness of the control systems for monitoring inherent risks. It also suggests remedial measures for controlling credit risks for the high-value loan portfolios. 'Credit Audit Division' (CAD) provides assurance to the 'Management' and the 'Board' on the quality of the Bank's credit portfolio. It recommends corrective actions for improving credit quality, administration, and skills for the staff handling large advances with exposures of above ₹20 crores annually.

**Early Review of Sanction:** A review of all eligible sanctioned proposals with total domestic credit exposure of above ₹1 crore (exposure of US\$ 1mio & above for IBG) is carried out under 'Early Review of Sanctions' (ERS). ERS captures the critical risks in sanctioned proposals at an early stage and apprises the Business Units of such critical risks for mitigation thereof. ERS facilitates in improving the quality of sourcing, pre-sanction and sanction processes. ERS activity is centralised, and proposals are reviewed by in-house officers/Chartered Accountants. The entire ERS process is system driven and done through the Loan Lifecycle Management Solution (LLMS).

**FEMA Audit:** The branches that are authorised to deal (Authorised Dealers) in Foreign Currency transactions, including Trade Finance Centralised Processing Cells - TFPCs, are subjected to FEMA audit. All branches in CAG/CCG/TFPCs and "A" & "B" category branches not linked to TFPCs are audited once a year. Around 20% of branches linked to TFPC are also audited along with the linked

TFPC, depending on the risk perception volume of Forex operations of the linked branches. 452 such branches and units were subjected to FEMA Audit as of 31<sup>st</sup> March 2022.

**Information Systems Audit, Cyber Security Audit, Information Systems Concurrent Audit and Audit of IT Outsourced Activities:**

Your Bank's branches are subjected to Information System audits ("IS Audits") to assess the IT-related risks as part of the RFIA of the branch(es). IS Audit of Centralised IT / Corporate Centre establishments is also carried out by a team of qualified officials, including IS auditors appointed through lateral recruitment.

During the FY2022, the following exercises were carried out up to 31<sup>st</sup> March 2022:

- Information Systems Audit of 116 Auditee Units
- Cyber Security Audit has been conducted in Q4 for FY2022 as per the Cyber Security Policy of your Bank.
- Information Systems Concurrent Audit of 23 GITC Departments of your Bank every month.
- Audit of 419 IT Outsourced Activities.

**Foreign Offices Audit:** Foreign Offices are subjected to Home Office Audit in addition to Internal Audit conducted locally at the respective centres by reputed Internal Audit Firms and Local Based Officers under the oversight of the Internal Audit Department. Home Office Audit due at 34 Foreign Offices and Management Audit due at 4 Representative Offices, 5 Subsidiaries and 5 Regional / Country Head Offices during FY 2021-22, are deferred to FY 2022-23 due to restrictions imposed on account of COVID-19 pandemic. However, these offices were subjected to Internal Audit by reputed Internal Audit Firms as per approved periodicity.

**Concurrent Audit System (CAS):**

Concurrent Audit System in your Bank covers advances and other risk exposures as prescribed by the Regulatory Authority. Branches are categorised as Extremely High Risk; Very High Risk; High Risk; Medium Risk; and Low Risk based on the Risk Categorisation model developed by the Bank according to the instructions

from RBI. All Extremely High Risk, Very High Risk and High-Risk branches are covered under Concurrent Audit. Concurrent Auditors are also placed at all Centralised Processing Centres to ensure monitoring of transactions contemporaneous with their occurrence. Concurrent Auditors also cover Currency Chest Branches, Treasury Operations, and other Special Outfits. Your Bank has covered 3,137 Branches / Auditee Units under Concurrent Audit during FY 2021-22 as of 31<sup>st</sup> March 2022 by deploying 1,814 Chartered Accountant Firms, 467 Retired experienced Bank Officers and 28 Regular Officers.

**Offsite Transaction Monitoring System (OTMS):** For the purpose of monitoring the transactions offsite, alerts are generated and flagged to the business units for corrective actions. Presently, there are 61 scenarios embedded in the system against which the transactions are scrubbed at regular intervals, 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 specific triggers.

**Legal Audit:** Legal Audit in your Bank covers scrutiny of the loans and security-related documents of loans amounting to ₹5 crore and above. The legal Audit is a control function, carried out through a panel of advocates, and 10% of such accounts are examined by the internal auditors on a sample basis to ensure that there are no shortcomings in the documents or creation of security in favour of your Bank. The legal Audit Process was automated in Loan Life Cycle Management System (LLMS) w.e.f. 01.07.2021. As of 31<sup>st</sup> March 2022, a Legal audit was carried out for 14,907 accounts.

**Audit of Non-IT 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. Therefore, the Audit of Outsourced activities is conducted at regular intervals to assure that adequate systems and procedures are in place to mitigate legal, financial, and reputational risks arising from the outsourced activities.

Audit of outsourced activities in your Bank covers audits of vendors (Non-IT) engaged in providing ATM services, Corporate Business Correspondents (BC), Individual Business Correspondents (BCs) and Customer Service Points (CSPs), Recovery and Resolution agents, Cash Management Services, Cheque Book Printing, Collateral Management, Marketing of Loan proposals, Registrar and Transfer Agents, Document Archival Centre, and Cash Efficiency Project amongst others. During FY2022, your Bank has completed the Audit of 36,196 CSPs as per the audit plan for FY2022. With respect to other outsourced activities (other than CSPs) audit of 639 vendors has been completed as of 31<sup>st</sup> March 2022.

**RFIA of Corporate Centre Departments:** CC Audit Department assesses the aggregate risk and maintains oversight of risk residing at the macro level. The risk assessment covers inherent risks, control risks, residual risks and gaps in governance and oversight. It also assesses the degree of compliance with regulatory and statutory requirements. Audit reports provide a fair and reasonable assurance to the Top Management and Board, on the direction and trend of aggregate risk in your Bank.

**Management Audit:** The core function of Management Audit is to assess the effectiveness of control and governance process at the apex level in accomplishing overall corporate objectives. Management Audit covers Circle's Local Head Offices, Regional Rural Banks sponsored by your Bank and select Corporate Centre departments. In its endeavour to enhance the effectiveness of Management Audit, in the current financial year 2021-22, your Bank has reviewed the audit process by redefining rating methodologies, risk weightages and parameters used for Management Audit.

### C. Compliance Risk Management

Regulatory and Statutory compliances are being accorded the highest priority. Your Bank has, over the years, developed necessary tools to track compliance risks and ensure timely remediation. Compliance Policy and Group Compliance Policy are reviewed annually to meet the Regulators' expectations.

Compliance Risk Management Committee comprising 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 to ensure regulatory compliance. The Compliance function also reviews all products and policies to ensure adherence to Regulatory guidelines.

To take the compliance culture up to the grassroots level, regular workshops and interactions are held across the Bank. Compliance testing is also broad-based by involving Regional Offices pan India for their assessment and timely remediation of risks arising out of non-compliance.

To exhibit its zero-tolerance to non-compliance, your Bank has introduced metrics to check the compliance level at branches to monitor and counsel the non-compliant branches and reward the compliant ones. Bank has also initiated steps to meet the regulatory expectations on Data Protection.

### D. KYC / AML-CFT Measures

Your Bank has been taking comprehensive steps to implement KYC norms/ guidelines across the Bank. Bank has a Board approved Policy on Know Your Customer (KYC) Standards, Anti-Money Laundering (AML) and Combating of Financing of Terrorism (CFT) Measures, in line with the extant RBI Master Direction on KYC.

The Policy incorporates Bank's approach to KYC, AML and CFT issues. The Policy contains your Bank's framework for Customer Acceptance, Risk Management, Customer Identification and Monitoring of Transactions. Bank has taken steps to implement the Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time.

Your Bank has been carrying out the 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take adequate measures to mitigate its money laundering and terrorist financing risk for

clients, countries or geographic areas, products, services, transactions, or delivery channels, etc.

Your 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 an anonymous or fictitious/benami name or where the Branch/Business unit cannot apply appropriate Customer Due Diligence (CDD) measures. Bank does not open accounts for transacting in or settling transactions of virtual currencies. However, while implementing the Policy, Bank takes care that it does not result in denial of banking services to those financially or socially disadvantaged.

Your Bank has launched a Video KYC facility to facilitate contactless customer onboarding. New customers can open fully functional accounts using this process without visiting any Branch.

AML CFT Deptt of the Bank ensures 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 obligatory reports to Financial Intelligence Unit-India (FIU-IND). Timely notifications are also filed on priority in cases of accounts suspected of having terrorist links.

Your Bank conducts special Audits on KYC to ensure compliance with KYC/AML/CFT matters.

Several initiatives are put in place to bring greater awareness amongst the staff. Training personnel in KYC/AML/CFT areas is an ongoing process in our Bank. Employee training programmes are regularly conducted to adequately train staff in KYC/AML/CFT matters.

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

### E. Insurance

Your Bank is procuring insurance policies, covering your Bank's assets and other risks. Insurance coverage includes cash and valuables, Properties of the Bank, Fraudulent transactions under Debit Card/ Electronic banking, Cyber Risk, amongst others.

### F. Premises

SBI has always incorporated environmental management practices in its functioning as a responsible corporate. Your Bank has initiated varied initiatives with an intent and commitment to a greener world, much in alignment with national priorities.

We are happy to share that we have achieved a milestone for getting green building ratings of IGBC to our nine

prestigious buildings during this financial year, making it a total of 18.

We are also happy to shift our Corporate Office, State Bank Bhavan, to 100% Green Energy, through which we can offset around 52 tonnes of Carbon Dioxide every year. This is one step toward our future goal to become Carbon Neutral by 2030.

## 4. Official Language

### Leveraging technology in rendering Banking Services in Hindi and other Indian Languages

SBI is committed to propagating the use of the Official Language in the Bank through multiple channels set up by the Bank. Your Bank has taken innovative steps to propagate the use of Official Language in

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reaching out to customers and has earned many laurels for the organization.

Your Bank is committed to rendering banking services in Hindi and other Indian languages. It has a comprehensive and well-designed digital platform to suit the expectations of Digital India. Various products are being made available in Hindi and different regional languages.

Because of technological up-gradation, a new and better version of the Hindi Passbook and Account Statement Printing has been made available in Hindi in core banking. This facility of issuing Passbook and account statements etc., in Hindi, has been implemented all over India.

SMS alerts of transactions in CBS to the Bank's customers extended to 13 Indian languages: Oriya, Gujarati, Kannada, Tamil, Assamese, Punjabi, Bengali, Maithili, Marathi, Malayalam and Telugu in addition to Hindi and English. This will enable about 90% of the country's population to be covered with SMS alerts in their mother tongue.

Yono Lite app for mobile banking has been made available in 12 Indian languages, and the Yono Krishi app is now available in 10 Indian languages, including Hindi, Tamil, Telugu and Malayalam. Our Banking website onlinesbi is available in 14 Indian languages. SBI Quick app has been made available in 14 Indian languages.

The Bank's corporate website bank.sbi is available in Hindi and English.

Our call centres are currently providing solutions to customers in 13 languages, with more than 80 per cent of the questions being responded to in Indian languages.

#### **Celebration of Hindi fortnight at the national level and World Hindi Day at the international level**

To popularize the use of Hindi among the staff members of your Bank in India, Hindi fortnight was organized from 14<sup>th</sup> to 30<sup>th</sup> September 2021 at the national level. World Hindi Day was celebrated on 10<sup>th</sup> January 2022 in the Branches abroad, wherein various Hindi programs and competitions were held to spread the usage of Rajbhasha in the Bank.



*Rajbhasha Kirti Award 2020-21 for Best Implementation of Official Language Policy was conferred by Honorable Union Minister for Home Shri Amit Shah. The award was presented on 14<sup>th</sup> September 2021 at Vigyan Bhavan, New Delhi. Shri Om Prakash Mishra, DMD (HR) & CDO, received the award.*

#### **Government of India's Rajbhasha Kirti Puraskar for Best implementation of Official Language among the Public Sector Banks**

Bank has been awarded the Government of India's coveted Kirti Puraskar for Best

implementation of Rajbhasha among Public Sector Banks for the year 2020-21.

The award was given by the Honorable Union Minister for Home Shri Amit Shah.



*Rajbhasha Kirti Award 2019-20 for the Best In-House Quarterly Hindi magazine of the Bank PRAYAS was conferred by the Honorable Minister of State for Home Shri Nisith Pramanik. The award was presented on 14<sup>th</sup> September 2021 at Vigyan Bhavan, New Delhi. Shri Om Prakash Mishra, DMD (HR) & CDO, received the award on behalf of the Bank.*

### Rajbhasha Ratna & Rajbhasha Yodha Award by "Ashirvaad", a renowned Literary and Cultural Organization.

For propagating the usage of Official Language Hindi, the Rajbhasha Ratna award was conferred by "Ashirvaad", a renowned Literary and Cultural Organization to DMD (HR) & CDO Shri Om Prakash Mishra. The award was given by the Honorable Governor of Maharashtra, Shri Bhagat Singh Koshyari. Rajbhasha Yodha award was conferred on your General Manager (Rajbhasha & Corporate Services), Shri Dinesh Pruthi.

### Awards from the Town Official Language Implementation Committee to SBI.

The Town Official Language Implementation Committee, constituted under the Chairmanship of the State Bank of India, Bhubaneswar, Rajkot and Jabalpur, were awarded first prize for their outstanding performance in implementing official language policy in their respective towns. Similarly, your Administrative Offices at Nizamabad and Surat bagged 2<sup>nd</sup> Prize for implementation of Rajbhasha, while Administrative Office Patna was awarded the Third Prize for best implementation.

## 5. Marketing and Communications

The Marketing and Communications (M&C) Department is responsible for Bank's branding, product marketing, and corporate communications initiatives. The Department adopts a contemporary marketing approach to give impetus to the digital initiatives and connect with young India. It endeavours to develop and implement integrated marketing strategies to address the business challenges of different divisions of the Bank, including Indian and overseas operations. This Department comprises domain skilled professionals and specialists drawn from various relevant fields - media, marketing communications, digital marketing, advertising, and public relations.

Throughout the Pandemic, even though the branches and ATMs were functioning uninterrupted, the focus of the M&C department was to promote your Bank's digital initiatives for the safety of customers

and staff. Bank undertook various initiatives to increase the download and consistent use of SBI's digital banking channels like YONO, SBI BHIM Pay, Yono Lite, etc. The M&C department engaged with Bank's customers to increase the awareness of alternate channels and their safe usage. Bank also undertook various brand/marketing initiatives like "I am the I in SBI", "Har Tyohar Shubh Shuruat", "Easy-Ride", etc. and campaigns such as #HumSabkaSBI, #BankerToEveryIndian, #SbiAapkeSaath etc. on various social media platforms for creating customer awareness about Bank's products and services.

The M&C team launched major marketing campaigns for products such as Home Loans, Personal Loans, Current Accounts, NRI Services, and Digital Products, among others. The Department also initiated one of its kind, Media-outreach programme for the customers and took the products and services of the Bank to every corner of the Country. Various media channels such as print, social media, digital platforms, websites, and ATMs, among others, were used for the campaigns. The Department also promoted Bank's several sustainability initiatives and CSR activities through various media platforms.

Along with the other marketing initiatives, Bank plans to further promote its various digital initiatives and its flagship product YONO. The thrust of the M&C Department is to constantly redefine and reinvent all its marketing initiatives to stay relevant and act as a change catalyst for State Bank of India to retain the glory of being one of the most vibrant and trusted brands

## 6. Vigilance Mechanism

There are three aspects to the vigilance function- Preventive, Punitive and Participative. Based on past experiences/incidences, system/process improvements are being undertaken continuously by leveraging technology, and the guidelines of your Bank are being streamlined as a preventive vigilance measure.

During this year Vigilance, Awareness Week was observed from 25<sup>th</sup> October 2021 to 1<sup>st</sup> November 2021, with the theme "Independent India @ 75: Self

Reliance with Integrity; स्वतंत्र भारत @ 75: सत्यनिष्ठा से आत्मनिर्भरता ।" As a part of an observance of Vigilance Awareness Week, "Integrity Pledge" has been administered to all staff members. All channels of your Bank, such as SBI Times, ATMs, CDMs, Internet Banking, Facebook, Twitter, Instagram, and LinkedIn, are used to create awareness among employees and the public on the theme of Vigilance Awareness Week (VAW).

During the VAW, we hosted a conference of CVC with the Top Management of your Bank. The Commission was presented with the elaborate Preventive Vigilance measures your Bank took. The Chief Vigilance Commissioner also launched the Vigilance Bulletin 2021. Commission also appreciated various efforts undertaken by your Bank.

We also hosted a meeting of the Department of Financial Services (DFS), Central Vigilance Commission (CVC) and CMDs of all Public Sector Banks on 01<sup>st</sup> October 2021 to discuss the staff accountability framework and ABBFF Committee.

The Commission, in consultation with RBI and DFS, has extended the scope of ABBFF to cover all fraud cases involving an amount of ₹3.00 crores and above and examine the role of all levels of officials / Whole Time Directors (including ex-officials / ex-WTDs) in all Public Sector Banks, with cut off date of 06.01.2022. Earlier, only fraud cases above ₹50.00 crores were referred to ABBFF.

The DFS, in consultation with CVC, also issued a new framework of staff accountability examination in all the cases up to ₹50.00 crores vide their letter dated 29.10.2021. DFS also advised all banks to frame the staff accountability policy within this framework, effective from 01.04.2022.

The Vigilance Department has conducted 609 preventive vigilance programs, 122 EO/PO/IO training, and 42 Investigation officers training, covering 10,250 officers. In addition to conducting suo-moto investigations in complaint prone branches and branches where the RFIA Auditor observed serious irregularities, we have started conducting Suo-moto

investigations in High-Risk & Very High-Risk branches identified by AI/ML engine to ensure and improve the preventive vigilance measures.

1338 cases have been closed during FY2022, compared to 1029 cases during the previous year, FY2021, which is an impressive improvement of case closures over the last year by 23%.

## 7. Asset and Liability Management

Efficient Management of Assets and Liabilities (ALM) is vital for banks' sustainable and qualitative growth. ALM of the Bank aims to strengthen the Balance Sheet by pro-actively reviewing the market dynamics, capturing the signals emanating therefrom and ensuring value creation while conforming to the regulatory requirements.

As part of sound Risk Management practices, your Bank has constantly reviewed its Internal Policies on 'Deposits', 'Asset and Liability Management', 'Stress Test on Liquidity and Interest Rate Risks', and 'Contingency Funding Plan' and efficiently adapted to changes in market conditions. Bank has been carrying out Stress Tests and Reverse Stress Tests to cover 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 impart proper treatment to the non-contractual assets & liabilities items while evaluating liquidity position. Behavioural analysis is carried out at half-yearly intervals to ensure accurate positioning of outflows/inflows in liquidity and interest rate sensitivity statements that may arise due to Off-Balance Sheet (OBS) exposures and the impact of probable loan losses. The prevailing assumptions relating to non-contractual assets & liabilities items are periodically reviewed, back-tested and 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 a dynamic market environment to ensure the maintenance of LCR as prescribed by the Regulator and

Bank's internal policy benchmarks. Your Bank has proactively implemented the NSFR guidelines of RBI, measuring the long-term resilience of the Bank in terms of liquidity, much before the submission (Regulatory) mandate.

Your Bank identifies the inherent risks associated with changing interest rates on its Balance Sheet (On/Off) exposures from short-term and long-term perspectives. For this purpose, the impact on Earnings at Risk (EaR) and Market Value of Equity (MVE) is assessed with pre-defined tolerance limits, enabling the Management to initiate appropriate preventive steps in a likely scenario of erosion NII / Net Worth.

To encourage branches to garner stable funds and assess their profitability based on the cost of funds, a matched maturity-based Funds Transfer Pricing was adopted by your Bank. The Bank constantly strives to ensure an adequate monetary policy transmission through its benchmark lending rates.

The Asset Liability Management Committee (ALCO) of the Bank monitors and manages Liquidity and Interest Rate Risks by modulating the asset-liability mix in the Balance Sheet and recalibrating the pricing of liabilities & assets from time to time. ALCO, among other areas, reviews the Interest Rate scenarios, the pattern of growth of liability products, credit growth, competitive advantages, evolving liquidity conditions, adherence to the regulatory prescriptions etc., regularly.

With automation of Regulatory Reports/Returns pertaining to ALM, your Bank is well-positioned in monitoring and compliance regarding Liquidity and Interest Rate Risk Management.

## 8. Ethics & Business Conduct

The Ethics and Business Conduct department of your Bank is responsible for carrying out initiatives to strengthen and integrate ethics and morality in all the operational areas of the Bank. With this objective, the Department has carried out a host of activities in the previous financial year.

FY2022, like the previous year, was marked by disruptions caused by the second and

third wave of COVID. However, by constant integration of the digital platforms in all operations, it was ensured that the entire gamut of activities of the Department continued unaffected and uninterrupted. In addition to the existing initiatives, a new email broadcast series was started based on the anecdotes of the exemplary ethical standards demonstrated by distinguishing personalities. Your Bank has framed Conflict of Interest Policy to mitigate ethical risks and sensitize the staff where individual interest is unduly affecting the business dealings. To submit disclosures to SEBI under the essential Indicators, i.e., Business Responsibility & Sustainability Reporting (BRSR), your Bank has formulated Anti-Bribery & Anti-Corruption Policy which explains the relevant principles and rules for preventing bribery and corruption and safeguarding the larger organizational interests.

To further deepen the roots of ethics and to gauge the level of awareness among the employees related to risk and ethics culture of the Bank, a survey was conducted, in which over 90% of the employees participated. The survey shows that the vast majority of the employees are aware of the risk and ethical culture of the Bank.

Your Bank is highly committed to nurture an inclusive, secure and safe environment for its women employees. Your Bank has a dedicated Garima (POSH) framework, which covers the entire process cycle comprising awareness, escalation and empowerment on matters relating to gender sensitivity and sexual harassment. The Department is the nodal point for overseeing the complaints under Garima POSH of the entire Bank, including timely handling of appeals by the aggrieved parties. A mentoring program for newly joined women employees was launched during the year to ensure their smooth transition towards Bank's culture imbibing ethics and values. To create awareness among employees related to Garima POSH, comprehensive handbooks were released for their quick and easy reference. Amid Covid disruptions, your Bank has regularly conducted webinars on Ethics & Garima POSH for the concerned target groups to spread awareness and inculcate the Values of the Bank.

In the area of Discipline Management, your Bank has framed a comprehensive Staff Accountability Policy to promote a healthy environment of compliance with the laid down rules, regulations, norms and systems & procedures in order to safeguard the interest of the Bank and its stakeholders. The Staff Accountability Policy is aimed to protect the employees for their bonafide actions and at the same time to make them accountable for any wrongdoing or any inaction on their part. The Policy has also been reviewed subsequently to align it with the Staff Accountability Framework issued by DFS, GOI. The Ethics and Business Conduct Department of your Bank is not stopping at this point; the journey is perennial and continuously strives to demonstrate ethics of the highest standard through various efforts.

### 9. Corporate Social Responsibility

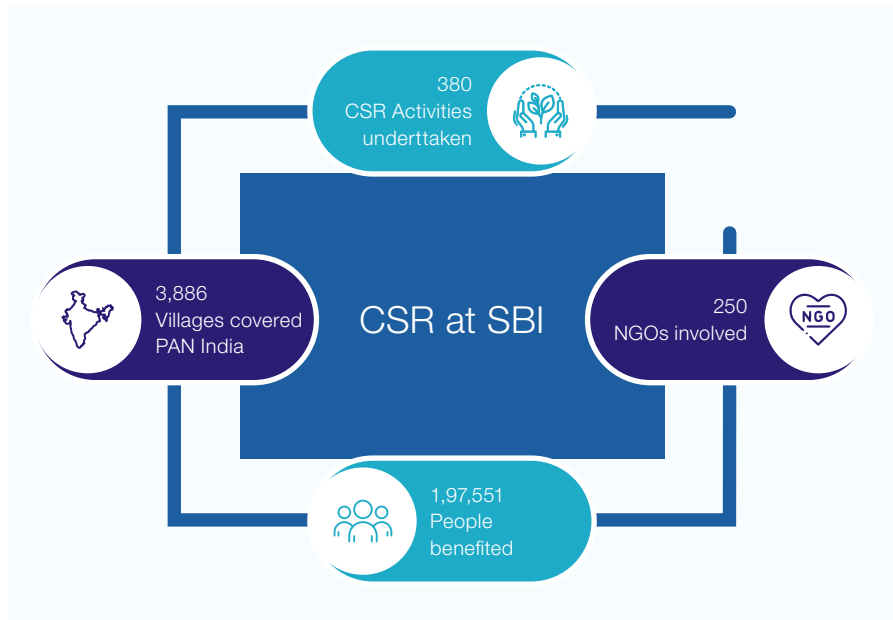
CSR is one of the activities through which your Bank plays the role of a responsible corporate citizen. The CSR at SBI aims to integrate economic, environmental and social objectives to implement national priorities for social development. The aim of CSR policy in your Bank is "To participate in activities that benefit community development, social responsibility and environmental sustainability, and reach out to socially & economically disadvantaged sections of society."

Most CSR activities are undertaken in rural and urban slums, where the downtrodden people live and need help in medical, education, food, and shelter, among others.

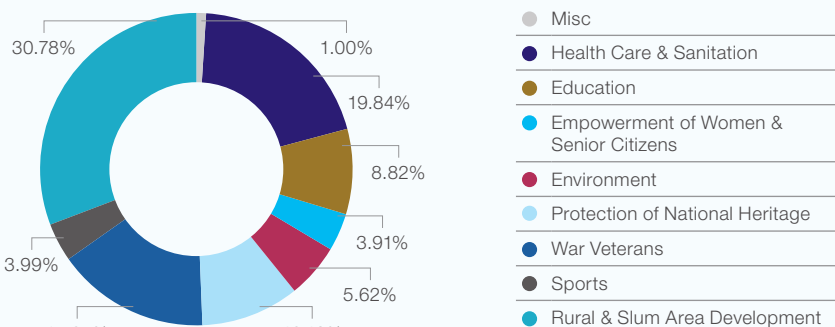
The donations are not made based on caste, creed, religion and region. Donations are made to the underprivileged sections of the society, who are financially weak and need support from the donors for their sustenance. The beneficiaries of your Bank include needy people from all sections of the community. Your Bank supports NGOs/Trusts, which work to uplift these sections of society. Its focus is on improving the socio-economic well-being of the society, particularly of the less fortunate and underprivileged members and enabling them to live up to the potential that they all possess.

### CSR spend during FY 2022

1	Total CSR Budget for FY 2022	₹204.10 Cr.
2	Allocation to SBI Foundation	₹102.56 Cr.
3	CSR expenditure by your Bank through Circles & Departments	₹101.54 Cr.



### Your Bank CSR spent Sector-wise\*



\*CSR Expenditure by your Bank through Circles and Departments, other than SBI Foundation expenditure.

### Banks Fight against COVID

Your Bank has undertaken various activities to fight against Covid-19 through SBI Foundation. SBI Foundation allocated an amount of ₹71 Crore. Initiatives include:

#### Short-term interventions:

- Distribution of food & ration kits, healthcare equipment like PPEs, masks, and oximeters.

- Raising awareness
- Vaccination drives
- Creating COVID care centres

#### Operational mid-term interventions:

- Installation of oxygen plants
- Upgradation of healthcare infrastructure
- Mobile & community testing, among others.



**Innovative long-term interventions**

- Genome sequencing
- Capacity building of healthcare workers
- Indigenously designed healthcare solutions & technology, among others.

**Supporting Women Empowerment Activities**

- Setting up Bharosa Centre at Karimnagar, Telangana, to provide integrated support and assistance to women and children affected by violence, both in private and public spaces, under one roof.
- Supported Sachhi Saheli, New Delhi, for sensitizing menstruating women and girls from slum areas in Delhi to deal with menstruation in a healthy, hygienic, and effective manner.
- Supported Samaj Shakti Society, Tripura, for procurement of sewing machines and other tailoring equipment.
- Supported Silver Lining society, New Delhi, towards procuring infrastructure, which helps enhance the quality of service provided to blind girl beneficiaries residing and getting educated at their NGO.
- Provided nutritional kits and medical items to the needy women and children of most marginalized households in Dharmashala, Rait and Nagrota blocks of Kangra District, Himachal Pradesh.

**Supporting Health Care**

- Supported various trusts like Dhanvantari Charitable Hospital-Bengaluru, Shanukhapriya Trust-Mumbai, Shanmukhananda Trust-Mumbai, Prasanthi medical Services and research Foundation-Ahmedabad, in procurement of different medical instruments required for the hospitals and health centres run by them.
- Supported Govel Trust, Chennai, for the purchase of Medical Equipment. Govel Trust runs Aravind Eye Hospitals, which provides large volume, high quality, and affordable eye care.
- Supported Sparsh Hospice, Centre of Palliative Care, Hyderabad. The donation is utilized for Palliative Care for

terminally ill cancer patients for whom treatment to cure is no longer effective.

- Your Bank has supported various Trust Hospitals by donating ambulances, setting up Operation Theatre, ICU rooms, and donating medical equipment.

**Supporting Education**

- Supported Tata Steel Foundation – Mumbai in setting up digital-based classrooms for children in remote and tribal areas of Odisha and Jharkhand.
- Donated to the needy students in Thiruvananthapuram under the scheme “Vidyakiranam”.
- Supported Matrubhan Society, Bhubaneswar in budding mobile science and maths- lab.
- Support for setting up Smart Classrooms in various Kasturba Schools in Uttar Pradesh.
- In addition to the above, your Bank has undertaken various other activities, including donating vehicles, computers, and school infrastructure.

**Swachh Bharat, Environment Protection and Sanitation**

- Supported procurement and installation of High Mast Solar Lights in the 27 Gram Panchayats of Khurda District, Orissa.
- Supported World Wild Fund (WWF) for nature, Hyderabad for setting up solar-based deep-well pumping systems to provide water to Wildlife in deep Nallamalla Forest (Nagarjuna Sagar Srisaillam Tiger Reserve).
- In addition to the above, your Bank has undertaken various other activities, including installing solar power units, among others.

**Welfare activities for the Persons with Disabilities**

Various initiatives have been undertaken to uplift persons with disabilities through multiple organizations such as Lakshya Sadhana Society, Hyderabad Rajasthan Mahila Kalyan Mandal, Ajmer, Astha – Delhi, Helpers of Handicapped – Kolhapur, Assisted Living for Autistic Adults (ALFAA)-Bengaluru among others.

**Tribal Welfare**

Your Bank undertook various measures to benefit Tribal people through Societies like NEDAN Foundation, Kokrajhar and Buddhist Culture Society, Itanagar.

**Animal Welfare**

Your Bank has adopted tigers and other endangered animals for their welfare for one year through various Zoological parks and animal shelters.

**Supporting Sports and Athletes**

Supported Inspire Institute of Sport, Vijayanagar, Karnataka, for procurement of Sports and fitness equipment. Donated to “Project Mumbai” for procuring specially designed wheelchairs for the differently-abled sportspersons to enable them to participate in wheelchair basketball competitions.

**Employee Volunteer - SBI Children's Welfare Fund**

With the concept of “Charity begins at home”, Your Bank established a Trust in 1983 –SBI Children's Welfare Fund, an initiative by the staff members. The Trust was created by the voluntary contribution from the Staff of your Bank towards the betterment of the underprivileged and Orphan children. The interest earned on the corpus of the fund is utilized to extend grants to Institutions engaged in the welfare of disadvantaged children, viz. orphans, differently-abled, needy and deprived, among others.

**I. Sustainability at SBI**

“Sustainability” has been identified as one of your Bank's Core values. 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 and development of innovative products and services. Your Bank has entrusted the Deputy Managing Director (HR) and Corporate Development Officer to oversee the Bank's overall sustainability vision.

To enhance Sustainability practices in your Bank in a formalized manner, a Board-approved “Sustainability and Business Responsibility (BR) Policy” has been put in place. As per Global Reporting

Initiative (GRI) framework, a Sustainability Report is being published annually. For reporting on ESG (Environment, Social and Governance) parameters by listed entities, your Bank is also endeavoring to adapt to the “Business Responsibility and Sustainability Report (BRSR)” framework.

### Sustainability Initiatives of your Bank

Your Bank’s effort has been to align the Sustainability initiatives with the National priorities focusing on achieving much-desired Sustainable Development Goals (SDGs). Some of the key initiatives already undertaken and in contemplation inter-alia include:

Recognizing the concerns of Climate change as a Corporate Social obligation, your Bank has charted a Carbon Neutrality strategy intending to achieve the status of a Carbon Neutral organization by the year 2030 in a phased manner. Installation of solar systems at Bank’s owned premises, Energy-efficient lighting and air conditioning systems at Bank’s premises are being taken up continuously. Your Bank also has its windmills installed for captive use, having an aggregate capacity of 15 MW.

New loan offerings to help the cause of Climate Action and the already introduced unique loan products like E-Rickshaw Loan and Green Car Loan. “Surya Shakti-Solar Finance” and “Finance to Bio-Fuel Projects” have been made available. Recognizing Climate Change as one of the crucial risks the world faces today, your Bank, has developed its Climate Change Risk Management Policy.

In line with the country’s vision for scaling up Renewable Energy (RE) power generation, your Bank is also facilitating RE financing in a big way. Your Bank has availed lines of credit from multilateral agencies viz the World Bank, among others for onward lending to RE Power developers. The FY 2021-22 saw the dual listing of SBI’s Green Bonds worth USD 650 million on the India International Exchange and the Luxembourg Stock Exchange.

Your Bank’s offices, branches and other establishments are working towards adopting a green ecosystem. As of now, 18

premises of the Bank have been certified by Indian Green Building Council (IGBC) under different categories (Platinum, Gold or Silver). Nearly 500 Bank premises now have Solar power installations, and more than 3000 ATMs are backed by solar power. Additionally, 326 rainwater harvesting sites at the Bank’s various premises have been set up. Your Bank is also striving to shift the power requirements of its large establishments from existing fossil fuel-based to green sources. Under this initiative, Bank’s two prominent establishments- Corporate Office Building in Mumbai and the Mumbai Metro Local Head office have successfully transitioned to the green energy platform. Your Bank also has an Electronic Waste (e-Waste) Management Policy to handle such waste effectively.

During FY2022, more than six lakh trees were planted by your Bank countrywide.

Your Bank has also taken digitization in a big way by integrating its digital strategy with its overall business strategy. Enhanced digitalization is poised to bring greater ease of business and strengthen the sustainability agenda by positively impacting the triple bottom line of Planet, People and Profit. Bank’s flagship digital app - YONO, has contributed immensely towards reduced paper usage, apart from significantly facilitating business conduct and enriching customer usage. It is estimated that the Pre-Approved Personal Loan (PAPL) accounts opened through the YONO app have avoided approximately 383 lakh sheets of paper during FY 2021-22. Further, to motivate your Bank’s digital channel customers, SBI is offering Green Reward Points. These can be redeemed for credit to SBI Green Fund, the proceeds of which will be utilized for sustainable activities like Tree plantation, installation of water harvesting units, construction of Bio-toilets, and Covid care activities, among others.

During the current financial year, your Bank observed various days having Sustainability relevance, viz. World Environment Day, International Yoga Day, World Soil Day, and Earth Hour. Further, “Joy of Giving Week-Daan Utsav” was observed throughout the Bank, through which donation activities were carried out

for marginalized sections of the society. Further, with an intent to positively engage with employees, an online Quiz was launched for their continued sensitization on ESG and SDGs related matters. Additionally, a suitably crafted innovative engagement programme for young employees called “Samarthyaa” was also launched, highlighting the importance of ethical and professional standards in successfully discharging roles and duties.

In addition to the above, your Bank has been taking several initiatives directed towards community development in general, imparting financial literacy, widening the net of financial inclusion and better human capital management.

## V. Subsidiaries

### SBI Capital Markets Limited (SBICAPS)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Capital Markets Ltd.	58.03	100%	620.10

SBI Capital Markets Limited (SBICAPS), a 100% owned subsidiary of your Bank, is one of India’s leading domestic Investment Banks, registered with SEBI as a category-I Merchant Banker and a Research Analyst. Incorporated in 1986, SBICAPS offers its clients the entire bouquet of investment banking and corporate advisory services. These services include Project Advisory, Loan Syndication, Structured Debt Placement, Mergers and Acquisitions, Private Equity, Restructuring Advisory, Stressed Assets Resolution, IPO, FPO, Rights Issues, Debt and Hybrid Capital raising. SBICAPS is also involved in fundraising through new products such as Real Estate Investment Trusts (REIT) and Infrastructure Investment Trusts (InvIT) in line with Government’s Asset Monetisation Plan. Headquartered in Mumbai, SBICAPS has 5 Regional Offices across India (Ahmedabad, Chennai, Hyderabad, Kolkata and New Delhi) and 4 wholly-owned subsidiaries - SBICAP Securities Limited, SBICAP Ventures

Limited and SBICAP Trustee Company Limited and SBICAP (Singapore) Limited.

**Ranked No.1 - India Borrower Loans – Mandated Lead Arranger - market share of 22.6% (March 2022) as per Bloomberg League Table.**

On a standalone basis, SBICAPs posted a PBT of ₹601.66 crores during FY2022 against ₹573.11 crores during FY21 and a PAT of ₹339.70 crores for FY2022 as against ₹273.25 crores for FY2021. On a consolidated basis, the Company has posted a profit after tax of ₹620.10 crores against ₹527.10 crores in the previous year.

During the financial year, the Company completed and has been involved in several marquee transactions such as Debt syndication for Numaligarh Refinery, Financial Debt Resolution of Dewan Housing Financial Corporation Limited, maiden Bond issuance of Vadodara Municipal Corporation, - Pre-IPO Advisory & IPO of Life Insurance Corporation of India etc.

**A. SBICAP SECURITIES LIMITED (SSL)**

SBICAP Securities Ltd (SSL), one of the essential players in the broking industry, started operations in 2006 to provide primary and secondary capital market access to retail customers and became the broking arm of the State Bank of India (SBI) Group.

SSL has 4 main verticals – Retail Broking, Retail Sales, Retail Assets and Retail Distribution and it has showcased its strength across all these verticals.

In broking, SSL currently serves more than 26 lakhs customers through the state of the art trading platforms on the mobile app, website and dealer terminal. SSL offers its customers a variety of products and services to choose from – such as Equity, Derivatives, Mutual Funds, and Currency.

The Company is acquiring new Demat accounts through the Bank channel and the Open Market channel, through Digital account opening journey. In Retail Assets, SSL is the captive sourcing arm of the State Bank of India and is contributing to Bank's overall Home Loan and Auto Loan business.

SSL is also a one-stop third party distribution arm for mutual funds, bonds, insurance, Sovereign Gold Bonds, Corporate Deposits etc through a strong IFA network. The retail Distribution vertical is being ably supported by all other business verticals in selling/cross-selling these products to the clients.

We launched the new “SBI securities” mobile & web trading app in September 2021 and have also revamped backend trading systems for robust support to the latest web and mobile trading platforms.

The Company posted a net profit of ₹232.89 crore during the year ended FY2022 as against ₹207.70 crore in FY2021.

**B. SBICAP VENTURES LIMITED (SVL)**

SBICAP Ventures Ltd (SVL), a wholly-owned subsidiary of SBI Capital Markets Limited, presently manages Neev Fund I (Neev), SVL SME Fund (NEEV II) & SWAMIH Investment Fund I (SWAMIH). The Company is also the investment manager for two Funds of Funds: Self Reliant India (SRI) Fund and the UK India Development Cooperation Fund (UKIDCF).

Neev is SEBI registered Category-I AIF with a mandate to invest in infrastructure development of eight low-income states. SVL is a general partner in the Fund with ₹63.64 Cr investment, 12.61% of fund size.

SVL SME Fund is a SEBI registered Category I AIF, which had its first close in June 2021 at ₹480 Cr with a drawable corpus of ₹145 Cr. The Fund has made three investments aggregating to ₹127 Cr in the first year.

SWAMIH is a SEBI registered Category-II AIF, which first closed on 6<sup>th</sup> December 2019 at ₹10,037.50 crores with the Government of India, PSBs and institutions as investors in the Fund. It has the mandate to provide last mile funding to stalled housing projects. The Fund has also received a soft commitment from GOI to invest an additional ₹5,000 Cr in the Fund.

SRI Fund was set up in Oct 2021 by National Small Industries Corporation

(NSIC) on behalf of the Ministry of MSME with a corpus of ₹10,000 Cr. Up to March 2022, final approval has been given for 23 investments in daughter funds amounting to ₹3,465 Cr.

SVL has earned a gross revenue of ₹91.75 Cr for FY2022 as against ₹79.77 Cr for FY2021. SVL has posted a net profit of ₹32.28 Cr for FY2022 as against ₹37.04 Cr for FY2021.

**C. SBICAP TRUSTEE CO. LIMITED (STCL)**

STCL, commenced the Security Trustee business on 1<sup>st</sup> August 2008, is active in providing security trustee services for high-value lending to infra projects and large and medium corporates and is the No.1 Security Trustee in the industry. They also perform the role of a Debenture Trustee for the Debentures / Bonds issued by Corporates. STCL also provides other related services like Share Pledge Trustee, Escrow Trustee, AIF and InvITs.

STCL posted a Net Profit of ₹15.71 Crores during FY2022 against ₹12.98 crores in FY2021.

Further, STCL has developed the new product ‘Virtual Data Room (VDR)’, which provides cloud storage and an easily retrieval facility.

**D. SBICAP (SINGAPORE) LIMITED (SSGL)**

SSGL is a wholly-owned subsidiary of SBI Capital Markets Limited. It commenced business in December 2012. SSGL is in the process of voluntary winding up of operations. The process of surrendering the license to the Monetary Authority of Singapore (MAS) has been completed.

**SBI Cards & Payments Services Limited (SBICPSL)**

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Cards and Payment Services Limited	652.63	69.20%	1,616

SBI Cards and Payment Services Limited ("SBI Card") is a non-banking financial company that offers an 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 primary cardholders' segments in terms of income profile and lifestyle. It has diversified customer acquisition channels to engage prospective customers across a broad spectrum.

### Performance Highlights (FY2022):

- Profitable operations: PAT ₹1,616 Cr, achieved 64 % YoY growth, ROAA at 5.4% up by 156 bps YoY, ROAE at 22.8% up by 621 bps YoY
- Market share: Cards in force 18.9%, Spends 19.2%, Transactions 19.8% [as per RBI report available till Feb' 22]
- Growing Portfolio: Cards-in-Force of 1.38 Crore at 16% YoY, Spends ₹186,353 Cr at 52% YoY, Receivables ₹31,281 Cr at 25% YoY
- Asset quality: GNPA @ 2.22%, NNPA @ 0.78%, total management overlay at ₹51 Cr
- Healthy CAR @ 23.8%, T-1 @ 21.0%

### Awards and recognitions:

- Recognised as Super Brand 2021 in the credit card category.
- Recipient of the 'Reader's Digest Trusted Brand' award for 2021 in the Credit Card Category.
- Received ISO 31000 compliance and COPC certification
- Silver Stevie Award for back-office customer service and Bronze Stevie Award for the best return on customer service investment categories.

### SBI DFHI LIMITED (SBIDFHI)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI DFHI Ltd.	131.52	72.17%	142.06

SBI DFHI Limited, one of the largest standalone Primary Dealers (PD) with pan

India presence, 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 and non-G-Sec debt instruments. As a PD, its business activities are regulated by the RBI.

The Company posted a Net Profit of ₹142.06 crore as of 31<sup>st</sup> March 2022, as against ₹251.67 crore as of March 31, 2021. The total balance sheet size was ₹13,079.28 crore as of March 31, 2022, as against ₹10,013.90 crore as of March 31, 2021.

### SBI General Insurance Company Limited (SBIGIC)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI General Insurance Company Ltd.	151	69.96%	131

SBI General is one of the fastest-growing private general insurance companies, with a commitment of carrying forward the legacy of trust and security along with vision to become the most trusted general insurer for a transforming India. SBI General, incorporated in 2009 as a public limited company, was originally a joint venture between the State Bank of India (SBI) and IAG International Pty Limited, a subsidiary of Insurance Australia Group Limited. Out of the 74% stake in the Company, 4% stake was divested in 2018. Further, IAG, the erstwhile JV partner of 26%, had made a complete exit in March 2020 by divesting its entire stake to Napean Opportunities LLP (16.01%) and Honey Wheat Investments Ltd (9.99%).

SBI General has expanded its presence from 17 branches in 2011 to over 137 branches pan-India. To date, The Company served around 8.7 crore customers through a robust multi-distribution model encompassing Bancassurance, Agency, Broking and Retail Direct Channels. The Company has also entered into strategic partnerships with India's leading automobile manufacturers and brokers to create long-term sustainable value.

SBI General focus on serving three key customer segments, viz. - Retail Segment, Corporate Segment and SME Segment; and are future-ready to serve the growing needs of Indians with new age processes and services at affordable prices.

SBI General registered a growth rate of 11% with a market share of 4.15% in FY2022 and ranked 7<sup>th</sup> amongst private insurers and 12<sup>th</sup> in the overall industry. SBI General has generated a net profit of ₹131 Cr in FY2022.

### Awards and Recognitions:

- Asia's Best General Insurance Company for Rural Presence, 2021 by Insurance Alerts.
- Ranked No. 1 under General Insurance by YouGov Finance Purchase Rankings for 2021,
- Insurer of the Year in the Non-Life category at FICCI Insurance Industry Awards,
- 'One of the 50 Most Trusted Brands, 2021', for epitomising Excellence in the BFSI Industry' by Marksmen Daily in partnership with NDTV 24\*7.
- 'Responsible Business of the Year' at SABERA 2021.

### SBI GLOBAL FACTORS LIMITED (SBIGFL)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Global Factors Ltd.	137.79	86.18%	25.26

SBIGFL is a leading NBFC providing factoring services for Domestic and International trade. The Company's services are especially suitable for MSME sector clients to free up resources locked in book debts and provide necessary liquidity.

The company reported Profit After Tax (PAT) of ₹25.26 crore for the year ended March 2022 against ₹18.47 crore for the year ended March 2021. The turnover for the year ended March 2022 is ₹4,773 crores compared to a turnover of ₹4,352 crore in March 2021.



Turnover in TReds for the year ended March 2022 is ₹1,737 crore, as against ₹982 crore in the previous year ended in March 2021.

### SBI Life Insurance Company Limited (SBI Life)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Life Insurance Company Ltd.	555	55.48	1506

SBI Life has a multi-channel distribution network comprising an expansive bancassurance channel, including State Bank of India, the largest bancassurance partner in India, an extensive and productive individual agent network comprising 146,057 agents as of 31<sup>st</sup> March, 2022, as well as other distribution channels, including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries.

**The Company has proven its market leadership in the period ended 31<sup>st</sup> March, 2022, with the pole position in Individual New Business Premium, Individual Rated Premium, Total Rated Premium and Total New Business Premium among private insurers.** During FY2022, more than 19.2 lakhs of individual new policies were issued. Leveraging wider reach achieved through its network of 952 offices, SBI Life has systematically brought large rural areas under insurance reach.

The Company witnessed a 23.4% growth in Total New Business Premium (NBP) vis-à-vis the industry growth of 12.9%. The market share of SBI Life in Total New Business Premium (NBP) among all private players as of 31<sup>st</sup> March 2022 is 22.0%. Total New Business Premium of the Company for the period ended 31<sup>st</sup> March 2022 stands at ₹25,457 crores. Individual New Business stands at ₹16,501 crores, and Group New Business Premium stands at ₹8,958 crores, for the period ended 31<sup>st</sup> March 2022.

SBI Life witnessed a PAT of ₹1,506 crores in FY22 against ₹1,456 crores in FY21. The AUM of the Company crosses ₹2.6 trillion mark and recorded a growth of 21% at ₹2,67,409 crores as of 31<sup>st</sup> March 2022 as compared to ₹2,20,871 crores as of 31<sup>st</sup> March 2021.

For FY2022, the Indian Embedded Value (IEV) stands at ₹39,625 crores, Value of New Business (VoNB) stood at ₹3,704 crores for FY22. VoNB margin stood at 25.9%.

#### Awards and Recognitions:

- 'Gold' in Editor's Choice Awards for 'Customer Orientation in Life Insurance' at the 20<sup>th</sup> Outlook Money Awards 2021
- 'Gold' Honour' at DIGIXX Awards 2021 for Digital Marketing Excellence in Technology for MConnect Life Mobile Application
- 'Golden Peacock National Training Award' (GPNTA) by Golden Peacock Awards
- "Bronze" award under the 'Rural Health Initiative category by the Integrated Health & Well-Being Council (IHWC)
- "Insurer of the Year - Life Category" at the FICCI Insurance Industry Awards 2021
- Best CSR Initiative" at InsureNext Awards by Banking Frontiers
- "Best HR Initiatives' at InsureNext Awards by Banking Frontiers
- "Best Risk Management Practices" at InsureNext Awards by Banking Frontiers

### SBI Funds Management Limited (SBIFML)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Funds Management Ltd.	31.50	62.59	1070.65

SBI Funds Management Limited (formerly known as SBI Funds Management Pvt. Ltd.) is the Asset Management Company (AMC) of SBI Mutual Fund. It is the market leader in the industry and is positioned

among the fastest-growing AMC's in the country. In the financial year 2021-22, under the Mutual Fund segment, it has grown 28.3% against the industry average of 19.5%. If the last three years are considered, SBIFML has achieved a CAGR of 31.6% against the industry average of 16.1%, indicating its consistent performance. It has one of the largest investor bases, with over 107 lac live investor folios, including 31.50 lac new folios added. The fund house has 22.79 lac active folios under the direct investor category and over 2.1 lac folios under the institutional investor category, including 1240 superannuation funds. SBIFML has maintained its top leadership position in the passive fund category (ETF) with a dominant market share of 51.6%.

The Company's Average Assets Under Management (AAUM) during the quarter ended March 2022 was ₹6,47,067 crore, with a market share of 16.86%, as against ₹5,04,455 crore and 15.71% respectively achieved during the corresponding period in the previous year. On a standalone basis, SBIFML has posted a net profit (PAT) of ₹1070.65 crore during the year against ₹862.76 crore earned last year.

The Company has a wholly owned foreign subsidiary viz. SBI Funds Management (International) Private Limited is based in Mauritius, which manages offshore funds. SBIFML also manages Alternative Investment Funds (AIF) and provides Portfolio Management Services (PMS) to institutions and individuals as part of its domestic business.

### SBI Payment Services Private Limited (SBI Payments)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Payments	4.50	74%	142.36

SBI became the first PSB to form an exclusive JV, i.e., SBI Payment Services Pvt. Ltd. (SBI Payments), for merchants acquiring business and holding a 74% stake in the Company. The Company's objective is to create a state-of-the-art acceptance ecosystem in all geographies of the

country and enable the merchants to accept payments digitally across various form factors.

SBI Payments is one of the largest acquirers in the country, with more than 2.45 million Merchant Payment Acceptance Touch Points and over 9.24 lakhs PoS machines as of 31<sup>st</sup> March 2022, distributed across geographies (Tier 1 to Tier 6). During the financial year, the Company launched acceptance for payment of vaccination and scholarship through the YONO SBI Merchant application (a Soft PoS solution). In addition to existing channels for merchant onboarding, the Company has started partnering with significant Payment Facilitators to expand its reach PAN India.

### SBI Pension Funds Private Limited (SBIPFPL)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Pension Funds Private Limited.*	18	92.52%	51.98

\*SBI Capital Markets Limited and SBI Funds Management Limited hold 20% equity each in the Company.

SBIPFPL is one of the three PFMs appointed by the PFRDA for the 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 the management of Pension Funds under the Private Sector.

The Company's total Assets Under Management (AUM) as of 31<sup>st</sup> March 2022 is ₹2,82,476 crores (YoY growth of 26.89%). The Company maintains a leadership position amongst PFMs in terms of AUM with a market share of 38.35%.

The Company has earned the highest ever PAT of ₹51.98 cr. in FY 2021-22 due to an increase in Investment Management Fee by PFRDA w.e.f. 01.04.2021.

### SBI SG Global Securities Services Private Limited (SBI-SG)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI SG Global Securities Services Pvt. Ltd.	52	65%	100.19

SBI-SG, a joint venture between SBI and Société Générale, with 65% holding by SBI, commenced commercial operations in 2010 to offer high quality custodial and fund administration services to complete the bouquet of premier financial assistance provided to its premium clients by the SBI Group.

Assets under Custody (AUC) stands at ₹12,70,299 Cr as of 31.03.2022, while the Assets Under Management (AUM) is ₹8,99,880 Cr as of 31.03.2022. The Company's Net Profit stands at ₹100.19 Cr for the FY22 as against ₹87.02 Cr for FY21.

SBI-SG has been rated as the "Best sub-custodian" in the Cross Border Client category – 2021, as well as Rated no. 2 in the Domestic Client Category and Best Fund Administrator in India & Global Outperformer in the Global Custodian magazine's Agent Banks and Emerging Markets Survey – 2021.

### SBI Foundation

SBI Foundation was established by the State Bank of India as a section VIII company under the Companies Act (2013) to undertake the CSR Activities of SBI and its subsidiaries in a planned and focused manner.

Through SBI Foundation, your Bank is making a paradigm shift in the socio-economic development of the country by creating an inclusive, sustainable and self-sufficient ecosystem through which marginalised and underserved communities from across the country can lead healthier and prosperous lives without discrimination based on region, religion, caste, creed or gender. For FY2022, 105 projects were sanctioned, with a budget of ₹168.09 crore.

### COVID-19 Response

During FY 2021-22, 62 projects for ₹99.37 Cr were sanctioned towards Covid 19 and healthcare initiatives like COVID Care centres/ICU facilities, Genome Sequencing, upgrading health infrastructure, Initiatives in partnership with NGOs, and other initiatives like UPI based prepaid vaccination vouchers, vaccination hesitancy removal, etc.

Multiple initiatives were undertaken to support the setup of nationwide ICU beds, Oxygenated beds, Covid-19 care centres, Isolation centres, among others. 6 oxygen generation plants along with 550 Oxygen Cylinders and 84 oxygen concentrators were also provided. An Oxygen Pipeline Extension (2000 LPM) and Oxygen Monitoring System to equip 115 beds with oxygen supply was installed at Dr. Hedgewar Charitable Hospital: to improve and strengthen the health infrastructure in the region in preparedness for a possible third COVID-19 wave.

### Healthcare Flagship Programmes

Various healthcare initiatives like Organ Donation, Mobile Medical Units, Nucleic Acid Amplification testing, Aspheris machine in Blood Bank, ECG screening for Foetal Heart abnormality, Cleft surgeries and Neuro Rehabilitation centre were taken.

**Project Gift Hope, Gift Life:** Through this project, SBI Foundation, in partnership with MOHAN Foundation, aims to improve the organ donation rate in India from deceased donors through organ donation helpline, training healthcare personnel, strengthening organ donation programme in Manipur, Karnataka, Chandigarh (UT), Andhra Pradesh & Maharashtra, promoting support group for organ failure patients, and raising awareness and pledging among citizens.

**Project NAT:** The Nucleic-Acid Amplification Testing (NAT) has been set-up, which aims to introduce advanced blood testing technology at Tata Memorial Centre run Tata Memorial Hospital in Mumbai to test 30-35,000 blood donor samples to improve blood transfusion safety for approx. 50,000 cancer patients. This will allow blood transfusions to be safer for patients, reduce morbidity

or mortality due to TTIs (Transfusion Transmitted Infection), and increase the rate of detection of TTI in blood samples tested by NAT as compared to the existing ELISA method.

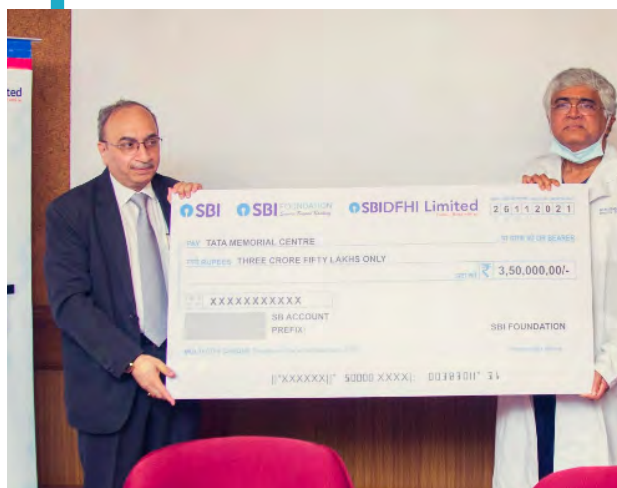
Recognising the needs of the marginalised, SBI Foundation undertakes projects from various thematic areas in an attempt to address the most pressing issues affecting our communities. Here are some of the CSR activities undertaken by your Bank through the SBI Foundation.

### SBI Youth for India Fellowship

SBI Youth for India is a 13-month rural fellowship program which provides a framework to India's bright young minds from urban areas to join hands with rural communities in their struggles & aspirations. Our grassroots 14 partners NGOs facilitate this journey of rural immersion also in the selection of meaningful projects to solve the rural issues. The application process for 2022-23, i.e. 10<sup>th</sup> batch of fellows has begun on 4<sup>th</sup> March 2022. 74 fellows from the 09<sup>th</sup> batch (2021-22) have finalized their rural project for implementation across the 15 states of our country.

**SBI GRAM SEVA Programme:** "SBI Gram Seva" is a flagship program of the SBI Foundation, commenced in Aug 2017, which aims for holistic and sustainable rural development like digitisation, promotion of quality education, improvement in primary health services etc. in the adopted villages. During the financial year, SBI Foundation has sanctioned 5 more projects under the Gram Seva program by commencing the third phase of SBI Gram Seva program by adopting 25 new villages from NITI Aayog's aspirational Districts in five more States- Andhra Pradesh, Chhattisgarh, Madhya Pradesh, Odisha, and Rajasthan. With this, SBI Foundation has achieved the milestone of adopting 100 villages under the SBI Gram Seva program. The program has so far impacted 20322 families and 1,13,010 beneficiaries across 100 villages in 16 states.

The SBI Gram Seva programme has gradually transformed these adopted villages into model village clusters in respective locations in the last five years. The programme has also been able to bring the desired behavioural change and



Project NAT, an initiative for cancer patients, was inaugurated by the honourable Shri. Dinesh Khara, Chairman, SBI, in partnership with Tata Memorial Centre & support from SBI DFHI. Seen here on the right is Dr. R.A Badwe, Director, Tata Memorial Centre, receiving the cheque from Shri. Dinesh Kumar Khara, Chairman, SBI.



In partnership with CSIR CCMB, SBI Foundation has set up a Centre of Excellence for Genomics-Guided Pandemic Prevention. SBI Chairman, Shri Dinesh Khara, handed over a cheque of Rupees nine Crores Ninety-Four Lakhs & Ten Thousand to Dr. Vinay Kumar Nandicoori, Director, CSIR CCMB.



Social Entrepreneurship is one of the thematic focuses of the SBI Youth for India fellowship. This year, various enterprises like Pirul: which focuses on creating livelihood opportunities for the women of Uttarakhand, or a bee-keeping enterprise based in rural Tamil Nadu, on naming a few, emerged during the fellowship. Above is a picture of YFI fellows showcasing a few products.



community participation to the fore. In a nutshell, through the Gram Seva program, SBI Foundation has been working towards building self-reliant (Atma Nirbhar) villages, in line with Mahatma Gandhi's philosophy of Gram Swaraj. During the Financial Year 2021-22, an impact assessment of the programme was conducted by Madras School of Social Work (MSSW), Chennai, and they rated the programme quite high in terms of a comprehensive strategy, effective implementation, social returns on investment (SROI), and the sustainability aspects of the programme. The programme has also garnered appreciation and awards from various forums, media, and others. With an impactful presence across 16 States of the country, the Gram Seva programme has reaffirmed the SBI Foundation's commitment to the upliftment of marginalised communities, thereby continuing SBI's long-held legacy of being the Bank for rural India.

**SBI Sanjeevani- Clinic on wheels:** SBI Foundation started 'SBI Sanjeevani- Clinic on wheels', a mobile medical unit in South Sikkim during FY 2016-17, to provide primary healthcare services to the rural communities. The project has improved the quality of life of the communities in the remote villages by providing doorstep medical services.

During the current financial year, taking into consideration the current crisis in healthcare due to the Covid-19 pandemic, SBI Foundation has up-scaled the project to 10 States, Arunachal Pradesh, Bihar, Chhattisgarh, Haryana, Karnataka, Madhya Pradesh, Mizoram, Nagaland, Telangana, and Uttarakhand, with an estimated outreach of over 2 lakh beneficiaries across 250 remote villages. The project has been well-received by the communities, and local Health departments are also supporting the initiative.

**Centre of Excellence for Persons with Disabilities (CoE):**

Centre of Excellence for Persons with Disabilities (PwD), established in 2017, primarily works on empowering PwDs through skill enhancement to make significant and measurable improvements. CoE conducted 27 Special Online training programs (of one-week duration) for 651



Inauguration of SBI Gram Seva Kendra in Telangana.



SBI Chairman Shri Dinesh Kumar Khara flagged off SBI Sanjeevani: Clinic on Wheels in the presence of senior officials from SBI, SBI General & SBI Foundation.



SBI Foundation's flagship initiative The Centre of Excellence for PwDs (Persons with disabilities), put together a cultural event through 'The Udaan Entertainment Group': a group of specially-abled artists and performers from across the country.



employees with disabilities, of which 24 Programs for 599 SBI employees with disabilities. Three online training programs of 5 days duration were conducted for 52 officers with disabilities of Telangana Grameena Bank and Indian Overseas Bank. Two offline training programs of 5 days duration were conducted for 61 visually impaired officers of Andhra Pradesh Grameena Vikas Bank. The program's primary focus is the advocacy of the rights of persons with disabilities, sensitization, and addressing the accessible needs of PwDs. So far, CoE has conducted six webinars attended by 168 participants from PSBs. Four sensitisation workshops were conducted for the HR officials of Union Bank of India. During the year 2021-22, CoE also sanctioned 8 projects with a total grant amount of ₹9.36 Cr focusing in the area of disability including project: "Tectonic Grand Challenge for Assistive Technology Start-ups" with a project cost of ₹1.00 Cr.

**Rehabilitation treatment of People with Disability (PwD)-** An initiative to support rehabilitation services to 2000 PwDs suffering from traumatic brain and spinal injuries through 7,000 rehabilitation sessions, one on one consultation sessions with medical experts, and awareness programmes to educate the masses about the scourge of Traumatic Brain Injury (TBI).

**Upgradation of Clinical Services of Dr. S.R. Chandrasekhar Institute of Speech and Hearing:** SBI Foundation has partnered with Bangalore Speech and Hearing Trust to support the project "Upgradation of Clinical Services of Dr. S.R. Chandrasekhar Institute of Speech and Hearing at Bangalore to enable the institute to provide clinical services to the persons with Speech, Hearing, Language and Communication disorders. The project will benefit more than 4700 beneficiaries from economically backward and rural areas of the Bengaluru District.

**School For Potential Advancement and Restoration of Confidence (SPARC India):** SBIF has partnered with SPARC India to ensure inclusive education in government primary schools in Lucknow which aims to develop 20 primary schools into inclusive schools for Children with Disabilities (CwDs), build capacity, undertake advocacy and sensitise relevant stakeholders for a period of 2 years.

**Events:** CoE celebrated Global Accessibility Awareness Day (GAAD), International Day of Persons with Disabilities (IDPD) and World Braille Day.

### Education Programmes

Thirteen projects for ₹22.53 Cr were sanctioned to support various initiatives like Prambhik Bhasha Shikshan Programme, Transforming schools and anganwadis in Ladakh, web-based literacy project, Mathematics education with Khan Academy, Toy Bank, Effective governance through School Complexes, Setting up Mini Science centres, Quality education in Middle School grades, Capacity building of teachers and educational stakeholders, Inclusive education for children with Neuro-development disorder, support National Integrity and Educational Development Organisation (NIEDO), Tata Institute of Social Sciences (TISS) to build a coherent school mental health system for improving mental health outcomes of adolescents in India and support the 'Model School' initiative for renovating 11 Government Schools and providing a conducive and comprehensive learning environment for the students.

### Livelihood & Entrepreneurship

Eight projects at a financial cost of ₹13.60 Cr were sanctioned to support initiatives like SBIF Revolving Fund to provide Incubation support to social enterprises, Integrated Fish Farming promotion, Mega

Watershed construction, Wadi Agriculture and incubation support to 15 start-ups, Training of 5000 youths in Banking Financial Services Insurance (BFSI) industry Job Roles and TISS Prayas to re-integrate and rehabilitate the socially excluded and stigmatised population in criminal and juvenile justice system etc

### Women Empowerment

#### Reintegration of Survivors of Trafficking and Violence through Skills Training, Education, and Sustainable Livelihood:

An initiative for reintegrating survivors of trafficking and violence into society by providing them with relevant training, education, and sustainable livelihood opportunities in the Thane district, Maharashtra.

### Promotion of Sports

Two projects for ₹48.90 lakhs were sanctioned to support 13 Athletes in partnership with Abhinav Bindra Foundation Trust and Karnam Malleswari Foundation.

### Sustainability & Environment

Five projects worth ₹6.84 Cr were sanctioned to plant fruit-bearing trees, securing a vital tiger corridor between Melghat, Satpura Tiger reserves, support the conservation of Red Panda species in the Khangchendzonga landscape and innovative Public-Private Partnership



**The Prarambhik Bhasha Shikshan Karyakram (PBSK):** An initiative to build the capacities of government school teachers with the aim of improving language learning outcomes of approximately ~16,000-18,000 children across 474 government schools in Ambala, Haryana.

(PPP) model for dry waste management at Aurangabad, Maharashtra to ensure maximum segregation.

#### Awards and Accolades:

Name of the Award	Category	Organization/ Agency
CSR Foundation of the Year - Winner	Large	CSR BOX
Environment - Winner	Small	CSR Box
Organ Donation - Winner	Valuable Contribution	Economic Times (TOI)
Jury Recognition for Healthcare (Covid)	Healthcare	Indian Chamber of Commerce

#### Regional Rural Banks (RRBs)

With two-thirds of our country's population living in rural areas, it presents a vast yet under-tapped opportunity for the Indian Banking sector. Our extensive network of sponsored Regional Rural Banks (RRBs) is well placed to play a more significant role and has 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.

SBI has sponsored 14 Regional Rural Banks operating at regional levels in 14 different States. These RRBs have a combined branch strength of 4,725 spread across 217 Districts as of 31<sup>st</sup> March 2022.

The sponsored RRBs of SBI are on the CBS platform and offer Banking services on par with 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 spaces, through their customer-centric approach.

#### Business Highlights of FY2022:

The aggregate deposits and advances of the 14 RRBs sponsored by the Bank as of 31<sup>st</sup> March 2022 stood at ₹1,13,502 crore and ₹73,755 crore, respectively, as against ₹1,05,628 crore and ₹66,551 crore as on 31<sup>st</sup> March 2021.

During the year under review, despite the persistently challenging macroeconomic environment and covid pandemic, the RRBs improved their business, with

deposits growing by 7.46% and advances by 10.82% on YoY as of 31<sup>st</sup> March 2022. RRBs expanded their housing and gold loan exposure by 19.08% and 30.87% (YoY), respectively, as a planned strategy to diversify the portfolio.

The RRBs together have posted a Net-Profit of ₹1,659.53 crore during the year as against a Net-Profit of ₹1,004.28 crore as of 31<sup>st</sup> March 2021 despite providing substantial provision for the pension of ₹1,245.02 crore as of 31<sup>st</sup> March 2022. The RRBs continue to focus on improving earnings from their core banking business, strengthening the fee income streams and maintaining control of operating costs.

The combined Gross Non- Performing Assets ratio of the RRBs has decreased to 4.64% as of 31<sup>st</sup> March 2022 against 5.44% as of 31<sup>st</sup> March 2021 despite the challenging economic situation due to the covid-19 pandemic. The Net NPA stands at 1.22% as against 2.16% as of 31<sup>st</sup> March 2021.

Business per employee during the year improved to ₹10.76 crore as of 31<sup>st</sup> March 2022 as against ₹10.09 crore as of 31<sup>st</sup> March 2021.

#### Associates:

Sr. No.	Name of the Associate	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2	Arunachal Pradesh Rural Bank	India	35.00	35.00
3	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4	Ellaquai Dehati Bank <sup>\$\$</sup>	India	35.00	35.00
5	Jharkhand Rajya Gramin Bank <sup>\$\$</sup>	India	35.00	35.00
6	Madhyanchal Gramin Bank	India	35.00	35.00
7	Meghalaya Rural Bank	India	35.00	35.00
8	Mizoram Rural Bank <sup>\$\$</sup>	India	35.00	35.00
9	Nagaland Rural Bank	India	35.00	35.00
10	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
11	Saurashtra Gramin Bank	India	35.00	35.00
12	Telangana Grameena Bank	India	35.00	35.00
13	Utkal Grameen Bank <sup>\$\$</sup>	India	35.00	35.00
14	Uttarakhand Gramin Bank	India	35.00	35.00

<sup>\$\$</sup> We have infused Bank's share of additional capital in these 04 RRBs (i. Ellaquai Dehati Bank, ii. Jharkhand Rajya Gramin Bank, iii. Mizoram Rural Bank, iv. Utkal Grameen Bank) on 10.03.2022, which is now held under Share Capital deposit A/c. This will be accounted for in the Share Capital of respective RRBs after the infusion of the proportionate stake by other stakeholders, i.e. Gol and respective State Govt.

#### Significant Developments in FY2022:

The year under review witnessed several significant events, some of which are listed below:

The 14 RRBs with 4,725 branch networks are expected to work more efficiently in the upcoming years, thanks to the introduction of Asset Management Hubs (AMHs) - a centralised credit processing system.

To counter the competition from new-age Banks in the geography and have a digital presence, seven RRBs have launched a mobile app for digital account opening with a video KYC facility. This facility is being implemented in all 14 RRBs sponsored by SBI.

To improve treasury yields and returns, the engagement of SBI Fund Management Limited (SBIFML) for non-discretionary Portfolio Management Services (PMS) for RRBs is approved. 12 RRBs are onboarded, and the remaining 2 RRBs are in process.

Mobile App for digital account opening is also introduced in the BC channel in 09 RRBs, and this will be implemented in all RRBs.

## VI. Management Discussion & Analysis (MDA)

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 21	Mar 22	Variation (bps)	% Change
Net Profit Margin	6.61	10.02	341	51.59
ROE	9.94	13.92	398	40.04

### Net Profit Margin:

The Net Profit has registered YoY growth of 55.19% (from a profit of ₹20,410 Cr in FY21 to Net Profit of ₹31,676 Cr during FY22) as against YoY growth of only 2.39% in Total Income (from ₹3,08,647 Cr in FY21 to ₹3,16,021 Cr in FY22).

### Return on Net worth:

The Net Profit has registered YoY growth of 55.19% (from a profit of ₹20,410 Cr in FY21 to Net Profit of ₹31,676 Cr during FY22) as against YoY growth of 12.04% in Net worth of the Bank (from ₹2,14,666 Cr in FY21 to ₹2,40,502 Cr in FY22).

## VII. Responsibility Statement

The Board of Directors hereby states:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 31<sup>st</sup> March 2022, and of the profit and loss of your Bank for the year ended on that date;
- 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,
- that they have prepared the annual accounts on a going concern basis,
- 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

- 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.

## VIII. Acknowledgement

During the year, Shri Anil Kumar Sharma was nominated as Director on the Board u/s 19 (f) of SBI Act 1955 w.e.f. 13<sup>th</sup> April 2021 vice Shri Chandan Sinha. Shri Prafulla P. Chhajed was nominated as Director on the Board u/s 19 (d) of SBI Act 1955 w.e.f. 21<sup>st</sup> December 2021. Dr. Pushpendra Rai retired from the Board on 05<sup>th</sup> February 2022 consequent upon completion of his term. Shri Sanjay Malhotra was nominated as Director on the Board u/s 19 (e) of SBI Act 1955 w.e.f. 16<sup>th</sup> February 2022 vice Shri Debasish Panda.

The Directors place on record their appreciation for the contributions made by Shri Chandan Sinha, Dr. Pushpendra Rai and Shri Debasish Panda, to the deliberations of the Board.

The Directors welcome Shri Anil Kumar Sharma, Shri Prafulla P. Chhajed and Shri Sanjay Malhotra, the new Non-executive Directors 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: 13<sup>th</sup> May, 2022

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# Corporate Governance Report

## 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 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 (SBI 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 appointed as members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are Whole Time Directors. As on 31<sup>st</sup> March 2022, there were eight other Directors on the Board who are eminent professionals representing Technology, Accountancy, Finance and Economics. The composition of the Central Board, as on 31<sup>st</sup> March 2022, 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),
- two directors, nominated by the Central Government under Section 19(d),
- one director, nominated by the Central Government under Section 19(e), and
- One director, nominated by the Central Government on the recommendations of the RBI under Section 19(f).

The composition of the Board complies with provisions laid down in Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent that they don't violate the provisions provided u/s 19 of SBI Act, 1955. There is no inter-se relationship between Directors.

A brief resume of each of the Non-Executive Directors is given in Annexure-I. Particulars of the directorships/memberships held by all the Directors in various Boards/Committees are given in Annexure II and the details of their Shareholding in the Bank are mentioned in Annexure III.



## Meetings of the Central Board

The Bank's Central Board is required to meet a minimum of six times in a year. During the year 2021-22, thirteen 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 2021-22

No. of Meetings held: 13

Dates of the Meetings: 22.04.2021, 21.05.2021, 21.06.2021, 14.07.2021, 04.08.2021, 23.08.2021, 22.09.2021, 25.10.2021, 03.11.2021, 08.12.2021, 12.01.2022, 05.02.2022, 23.03.2022

Name of the Director	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
Shri Dinesh Kumar Khara, Chairman	13	13
Shri Challa Sreenivasulu Setty, MD	13	13
Shri Ashwani Bhatia, MD	13	13
Shri Swaminathan J, MD	13	13
Shri Ashwini Kumar Tewari, MD	13	13
Shri B. Venugopal	13	13
Dr. Ganesh Natarajan	13	10
Shri Ketan S. Vikamsey	13	12
Shri Mrugank M. Paranjape	13	12
Dr. Pushpendra Rai (upto 05.02.2022)	12	12
Shri Sanjeev Maheshwari	13	13
Shri Prafulla P. Chhajed (w.e.f. 21.12.2021)	03	03
Shri Debasish Panda (upto 16.02.2022)	12	05
Shri Sanjay Malhotra (w.e.f. 16.02.2022)	01	01
Shri Chandan Sinha (upto 13.04.2021)	00	00
Shri Anil Kumar Sharma (w.e.f. 13.04.2021)	13	10

## 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. In

terms of SBI Act, ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(f) of the SBI Act, 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. Further, in terms of RBI Guidelines dated 26<sup>th</sup> April 2021 on 'Corporate Governance in Banks -Appointment of Directors and Constitution of Committees

of the Board', the Chair of the ACB is not a part of the ECCB. The ECCB meetings are held once every week as per the SBI Act. During the year 2021-22, fifty two meetings of the ECCB were held. The details of attendance of Directors in ECCB Meetings during the year 2021-22 are as under:

## Attendance Of Directors At ECCB Meetings During 2021-22

No. of Meetings held: 52

S. No.	Directors	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
1	Shri Dinesh Kumar Khara, Chairman	52	52
2	Shri Challa Sreenivasulu Setty, MD	52	51
3	Shri Ashwani Bhatia, MD	52	52
4	Shri Swaminathan J, MD	52	50
5	Shri Ashwini Kumar Tewari, MD	52	48
6	Shri B. Venugopal	52	45
7	Shri Mrugank M. Paranjape	52	41
8	Shri Sanjeev Maheshwari	52	26
9	Shri Prafulla P. Chhajed (w.e.f. 21.12.2021)	14	12
10	Shri Chandan Sinha (upto 13.04.2021)	01	01
11	Shri Anil Kumar Sharma (w.e.f. 13.04.2021)	51	33

### 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:

1	Dr. Ganesh Natarajan	-	37
2	Dr. Pushpendra Rai	-	32

### 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 nine Board Level Committees viz. Audit Committee of the Board, Risk Management Committee of the Board, Stakeholders Relationship Committee cum Customer Service Committee of the Board, Special Committee of the Board for Monitoring of Large Value Frauds, IT Strategy Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee of the Board, Board Committee to Monitor Recovery and Committee to Review the Identification of Wilful Defaulters/Non-Co-operative Borrowers. These Committees provide effective professional support in Board Oversight in key areas like Audit & Accounts, Risk Management, resolution of Shareholders'/Investors' grievances, Fraud Review and Control, Review of customer service and redressal of customer grievances, Technology Management, Corporate Social Responsibilities,

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 (NRC) 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 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 27<sup>th</sup> July 1994 and last re-constituted on the 23<sup>rd</sup> March 2022.

The ACB functions as per RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI (LODR) (Amendment) Regulations, 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.
- 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.

### Composition & Attendance During 2021-22

The ACB has five non-executive Directors as members as on 31.03.2022. The ACB has a regular chairperson and is chaired by a Non-Executive Director. The constitution and quorum requirements, as per RBI guidelines, are complied with. During the year, twelve meetings of ACB were held to review the various matters connected with the internal control, systems and procedures and other aspects as required in terms of RBI guidelines.

### Dates of Meetings of ACB Held & Attendance of Directors During 2021-22

No. of Meetings held: 12

Dates of the Meetings: 19.04.2021, 20.05.2021, 16.06.2021, 13.07.2021, 03.08.2021, 01.09.2021, 27.09.2021, 02.11.2021, 01.12.2021, 17.01.2022, 04.02.2022, 11.03.2022

S. No.	Directors	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
1	Shri Ketan S. Vikamsey (Chairman of the Committee)	12	11
2	Shri Challa Sreenivasulu Setty, MD (Member upto 20.05.2021)	02	02
3	Shri Ashwani Bhatia, MD (Member upto 20.05.2021)	02	01
4	Shri Swaminathan J, MD (As Alternate Member)	-	01
5	Shri B. Venugopal	12	12
6	Dr. Ganesh Natarajan (Member w.e.f. 21.05.2021)	10	06
7	Shri Mrugank M. Paranjape	12	08
8	Shri Sanjeev Maheshwari	12	09
9	Shri Debasish Panda (Member upto 07.12.2021)	09	00
10	Shri Chandan Sinha (Member upto 13.04.2021)	00	00
11	Shri Anil Kumar Sharma (Member w.e.f. 13.04.2021 & upto 07.12.2021)	09	06

## Risk Management Committee of the Board

The Risk Management Committee of the Board (RMCB) was constituted on the 23<sup>rd</sup> 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 23<sup>rd</sup> March 2022 and has eight members. The Committee is chaired by a Non-executive Director. RMCB meets a minimum of four times a year, once in each quarter.

During 2021- 22, 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 1<sup>st</sup> April, 2019.

### Dates of Meetings of RMCB Held & Attendance of Directors During 2021-22

No. of Meetings held: 07

Dates of the Meetings: 17.06.2021, 06.07.2021, 14.09.2021, 26.10.2021, 20.12.2021, 08.02.2022, 28.03.2022

Name of the Director	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
Shri Mrugank M. Paranjape (Chairman of the Committee)	06	06
Shri Challa Sreenivasulu Setty, MD (Member upto 07.12.2021)	04	04
Shri Challa Sreenivasulu Setty, MD (As Alternate Member)	-	01
Shri Ashwani Bhatia, MD (Member w.e.f. 08.12.2021)	03	02
Shri Swaminathan J, MD	07	07
Shri B. Venugopal	07	07
Dr. Ganesh Natarajan (Not a member from 08.12.2021 to 22.03.2022)	05	03
Shri Ketan S. Vikamsey	07	06
Dr. Pushpendra Rai (upto 05.02.2022)	05	05
Shri Sanjeev Maheshwari	07	03
Shri Prafulla P. Chhajed (Member w.e.f. 23.03.2022)	01	00

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

In pursuance of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Stakeholders Relationship Committee (SRC) [earlier known as Shareholders'/ Investors' Grievance Committee of the Board (SIGCB), formed on the 30<sup>th</sup> January 2001] was formed to look into the redressal of Shareholders' and Investors' complaints regarding transfer of shares, non-receipt of annual report, non-receipt

of interest on bonds/declared dividends, etc. The Customer Service Committee of the Board (CSCB) was constituted on the 26<sup>th</sup> August 2004, to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. In line with the view expressed in the RBI's Discussion Paper on "Governance in Commercial Banks in India" published on its website on June 11, 2020 and with a view to rationalize the number of Board Level Committees, the merger of Stakeholders Relationship Committee (SRC) and Customer Service Committee of the Board (CSCB) was approved by the Central Board in its meeting dated

25.06.2020 and the merged Committee was named as Stakeholders Relationship Committee cum Customer Service Committee of the Board and became effective from 26.06.2020. The Committee was last reconstituted on 23<sup>rd</sup> March 2022 and has seven members. It is chaired by a Non-Executive Director. The composition of the Committee and its role complies with the SEBI Regulations. The Committee i.e., Stakeholders Relationship Committee cum Customer Service Committee of the Board met four times during 2021-22.



**Dates of Meetings of SRC cum CSCB Held & Attendance of Directors During 2021-22**

No. of Meetings held: 4

Dates of the Meetings: 15.06.2021, 15.09.2021, 21.12.2021, 28.03.2022

Name of the Director	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
Dr. Pushpendra Rai (Chairman of the Committee upto 05.02.2022)	03	03
Shri B. Venugopal (Chairman of the Committee w.e.f. 23.03.2022)	04	04
Shri Challa Sreenivasulu Setty, MD	04	04
Shri Swaminathan J, MD	04	04
Dr. Ganesh Natarajan	04	00
Shri Ketan S. Vikamsey	04	02
Shri Mrugank M. Paranjape (Member upto 07.12.2021)	02	01
Shri Sanjeev Maheshwari	04	04
Shri Prafulla P. Chhajed (Member w.e.f. 23.03.2022)	01	01

Number of shareholders' complaints received so far (during the year):	259
Number not solved to the satisfaction of shareholders:	Nil
Number of Pending Complaints: (Complaints which are sub-judice):	Nil
Name and designation of Compliance Officer:	Shri Sham K (AGM (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 29<sup>th</sup> 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 23<sup>rd</sup> March 2022 and has six members and is chaired by a Non-Executive Director. The Committee met six times during 2021-22:

**Dates of Meetings of (SCBMF) Held & Attendance of Directors During 2021-22**

No. of Meetings held: 6

Dates of the Meetings: 14.05.2021, 29.06.2021, 17.08.2021, 28.09.2021, 28.12.2021, 30.03.2022

Name of the Director	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
Shri Ketan S. Vikamsey (Chairman of the Committee upto 20.05.2021 & as a member thereafter)	06	04
Dr. Pushpendra Rai (Chairman of the Committee w.e.f. 21.05.2021 and upto 05.02.2022)	05	05
Shri Sanjeev Maheshwari (Chairman of the Committee w.e.f. 22.03.2022)	06	04
Shri Challa Sreenivasulu Setty, MD	06	06
Shri Swaminathan J, MD	06	06
Shri B. Venugopal (Member w.e.f. 23.03.2022)	01	01
Dr. Ganesh Natarajan (Member upto 07.12.2021)	04	03
Shri Prafulla P. Chhajed (w.e.f. 23.03.2022)	01	01

## 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 26<sup>th</sup> August 2004. The Technology Committee has been renamed as IT Strategy Committee of the Board w.e.f. 24<sup>th</sup> 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 23<sup>rd</sup> March 2022 with seven members and is chaired by a Non-Executive Director. The Committee met six times during 2021-22.

### Dates of Meetings of ITSC Held & Attendance of Directors During 2021-22

No. of Meetings held: 6

Dates of the Meetings: 28.04.2021, 22.06.2021, 13.08.2021, 06.09.2021, 30.11.2021, 15.02.2022

Name of the Director	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
Dr. Ganesh Natarajan (Chairman of the Committee)	06	06
Shri Swaminathan J, MD	06	06
Shri Ashwini Kumar Tewari, MD	06	06
Shri B. Venugopal	06	05
Shri Ketan S. Vikamsey (Member w.e.f. 23.03.2022)	00	00
Shri Mrugank M. Paranjape	06	05
Dr. Pushpendra Rai (Member upto 05.02.2022)	05	04
Shri Sanjeev Maheshwari (Member upto 07.12.2021)	05	02
Shri Prafulla P. Chhajed (Member w.e.f. 23.03.2022)	00	00

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSRC) was constituted on the 24<sup>th</sup> 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 23<sup>rd</sup> March 2022 and has seven

members. The Senior Managing Director on the Committee is the Chairman. During the year 2021-22, five meetings of the Committee were held.

### Dates of Meetings of CSRC Held & Attendance of Directors During 2021-22

No. of Meetings held: 05

Dates of the Meetings: 15.04.2021, 31.08.2021, 09.11.2021, 18.01.2022, 07.03.2022

Name of the Director	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
Shri Challa Sreenivasulu Setty, MD (Chairman of the Committee)	05	05
Shri Ashwani Bhatia, MD	05	05
Shri B. Venugopal (Not a member from 08.12.2021 to 22.03.2022)	03	02
Dr. Ganesh Natarajan	05	03
Shri Ketan S. Vikamsey	05	04
Shri Mrugank M. Paranjape	05	04
Dr. Pushpendra Rai (upto 05.02.2022)	04	04
Shri Prafulla P. Chhajed (w.e.f. 23.03.2022)	00	00

## Nomination and Remuneration Committee of the Board

RBI vide its Master Direction DBR. Appt. No: 9/29.67.001/2019-20 dated August 2, 2019 and Government of India vide its letter No. F. No 16/19/2019-BO.I dated 30.08.2019 have directed the Bank to constitute a single Nomination and Remuneration Committee (NRC) and

accordingly a single NRC was constituted w.e.f. 25<sup>th</sup> October, 2019.

The Committee was last reconstituted on 23<sup>rd</sup> March 2022. The Committee has five members consisting of non-executive Directors. The Committee carries out necessary due diligence and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by

shareholders. In addition, NRC also, inter alia, formulates the criteria/ framework for evaluation of performance of the Board, Board Level Committees, and the Directors. The Committee meets at least once a year. In FY 2021-22, NRC met once.

## Dates of Meetings of NRC Held & Attendance of Directors during 2021 - 22

No. of Meetings held: 1

Dates of the Meetings: 28.01.2022

Name of the Director	No. of Meetings held after nomination/ election / during incumbency	No. of Meetings attended
Shri B. Venugopal (Chairman of the Committee)	01	01
Dr. Pushpendra Rai (Member upto 05.02.2022)	01	01
Shri Mrugank M. Paranjape	01	01
Dr. Ganesh Natarajan	01	01
Shri Ketan S. Vikamsey (Not a member from 08.12.2021 to 22.03.2022)	00	00
Shri Sanjeev Maheshwari (Member w.e.f. 23.03.2022)	01	00

## Board Committee to Monitor Recovery

In terms of Govt. of India advice, a Board Committee to Monitor Recovery was constituted by the Central Board at its meeting held on 20<sup>th</sup> December 2012 for overseeing Recovery of Loans and Advances. The Committee was last reconstituted on 23<sup>rd</sup> March 2022, has ten members consisting of Chairman, four Managing Directors and five Non-Executive Directors including the Govt. of India Nominee Director. The Committee met four times during the year and reviewed the NPA management and large NPA accounts of the Bank.

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 seven times during the year 2021-22.

## 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 31<sup>st</sup> March 2022, Local Boards at two LHOs and Committees of the Local Boards at the remaining fifteen 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 is 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 25<sup>th</sup> 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 2021-22 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 2021-22. Declaration to this effect signed by the Chairman is placed in Annexure-V. The Code of Conduct is posted on the Bank's website.

## Review Committee for Identification of Wilful Defaulters/ Non-Co- Operative Borrowers

The Committee was constituted by the Central Board in terms of RBI instructions. The Managing Director (Risk, Compliance & SARG) is the Chairman of this Committee, and five Non-Executive Directors are members.

## Developments During the Year

1. Various awareness programmes for Directors were arranged during the year. It included, inter alia, the organization structures, overview of various business groups and Associates & Subsidiaries of the Bank, IT Developments, IT Security, HR, and Training etc.

2. **Performance Evaluation of the Board:** With an objective to continuously improve Board's governance, your Bank had engaged a reputed external consulting organization, which assisted in laying down parameters for performance evaluation of Directors, Chairman, Board Level Committees and Central Board as a whole and also assisted in facilitating the overall evaluation process. The parameters of evaluation and the overall process were aligned to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and new SEBI Guidance Note on Board Evaluation, 2017. The Performance Evaluation Exercise for FY 2021-22 was completed during the year.

The evaluation process has validated the Board of Directors' confidence in the governance values of the Bank, the synergy that exists amongst the Board of Directors and the collaboration between the Chairman, the Board, and the Management.

3. 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, a Strategy Workshop "Strategy Retreat- Vision 2027" was organised at Bhubaneswar during 03<sup>rd</sup> to 05<sup>th</sup> January 2022 to keep 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 main purpose of the workshop was to facilitate the Board members and the Senior Management to deliberate on the strategy in the face of disruptive technologies and challenges posed in the post Covid

era. In such tumultuous times and in the backdrop of latest emerging trends in the industry/ economy and their impact on the Bank, effective oversight is of critical importance to help the Bank retain and consolidate its position as the premier Bank.

Accordingly, a blend of brainstorming sessions on various topics viz. HR Challenges for building an effective organisation and embracing HR best practices and enablers required to achieve desired outcome, Reorienting training at the Bank, Building of a robust Corporate asset book, Leveraging strength of Treasury & optimizing Balance Sheet with focus on Return on Assets & Profitability, Roadmap & Strategy for increasing the Agriculture and Allied Business to capture the untapped rural Business and Roadmap & Strategy for increasing the MSME Business to stimulate the MSME segment by optimal use of Technology/ Fintechs, Leveraging Analytics and Industry best technology at the Bank and roadmap for analytics adoption in Bank, Strategic Response to Emerging Challenges in the Digital Space, Improving and strengthening of risk and compliance culture in the Bank, IT Security, Strategy for Growth of International Banking Footprint, Value Creation by Subsidiaries and Customer centricity as key to sustainable growth were presented in the Workshop. The Board, during the workshop, laid down certain strategies and set goals for Business Growth and Key financial parameters and each individual Business Group had to come up with monitorable action plans with specific targets. The detailed Action Plan with specific timelines and the progress report thereafter giving the status of implementation of the various strategic initiatives shall be put up to the Directors periodically to review the progress.

During the Strategy workshop, Tata Sons Chairman Mr. N. Chandrasekaran addressed the participants on "Navigating Large Organisations in Challenging Times", benefitting the participants.

4. In order to apprise the Board Members on matters of strategic and financial importance, considering the varied demands being increasingly placed on the Boards of Banks in terms of governance and key role played by our Bank in the economy, several presentations were made before the Board Members during the year, especially on impact of Covid-19 pandemic on Global and Indian economy, Financial sector, Banking Industry and in particular on SBI, by various Industry Experts and Bank's own Departments. The details of some of major presentations made are as under:

- a) Presentation on Reimagining GITC for Future Readiness in Central Board meeting dated 22.09.2021.
- b) Presentation on Revamping of Contact Centre in Central Board meeting dated 25.10.2021.
- c) Presentation on Green Mobility- Future of Mobility in the context of Electric Vehicle by India ratings in ECCB meeting dated 11.01.2022.

5. Further, to keep the Directors abreast and updated in areas of Corporate Governance, Credit Delivery, Information Security, etc. and in line with the practice of interacting with eminent domain experts on emerging key challenges, interactive programmes were also arranged for the Directors from time to time. Directors were deputed to Seminars/ Meetings convened by Professional bodies like IDRBT/ CAFRAL (sponsored by RBI)/ GOI. Four Non-Executive Directors attended the Programme on Corporate Governance for Commercial Banks conducted by the College for Agricultural Banking, RBI, Pune on 10.06.2021 whereas two Non-Executive Directors attended such programme on 20.07.2021. A talk on Corporate Governance by Mr. M. Damodaran, Ex. SEBI Chairman, was arranged by the Bank on 22<sup>nd</sup> September 2021 for the benefit of the Board Members and Senior Management. One Director



participated at a programme on IT Cyber Security organised by IDRBT on 3<sup>rd</sup> & 4<sup>th</sup> June 2021. The objective of the programme was to enable the management to contribute effectively

in planning and execution of the cyber security strategy of the Bank. Presentations are often arranged involving outside experts, at Board

meetings, on important topics like Corporate Governance, Risk Management, IT, Audit, Industry Trends, Cyber Security, Analytics, etc.

#### Salary And Allowances Paid to The Chairman and Managing Directors in FY2021-22 (₹)

Name	Basic	DA	Other	Total	Remark	Period
Dinesh Kumar Khara	2700000.00	742500.00		3442500.00		01.04.2021 to 31.03.2022
Challa Sreenivasulu Setty	2558100.00	704139.00		3262239.00		01.04.2021 to 31.03.2022
Ashwani Bhatia	2520600.00	695118.00		3215718.00		01.04.2021 to 31.03.2022
Swaminathan Janakiraman	2483400.00	683586.00	7150.00	3174136.00	7150.00 - Personal Pay Paid from 28.01.2021 to 27.01.2022 as per GOI letter dated 10.06.2021	01.04.2021 to 31.03.2022
Ashwini Kumar Tewari	2483400.00	683586.00		3166986.00		01.04.2021 to 31.03.2022

#### Attendance at the Annual General Meeting

The Annual General Meeting (AGM) of the Bank is generally held in Mumbai where the Corporate Centre of the Bank is located. As per SBI Act, 1955 only one agenda i.e., to discuss and adopt the Balance Sheet and Profit and Loss Account of the Bank made up to the previous 31<sup>st</sup> day of March, the Director's Report and Auditor's Report thereon is placed before the shareholders in the AGM. SBI Act, 1955 and SBI General Regulations, 1955 does not provide the postal ballot facility.

The details of the last three Annual General Meetings (AGMs) of the Bank are as under:

- AGM for the year 2020 - 21 was held on 25<sup>th</sup> June, 2021, at Mumbai by VC / OAVM at 03.00 PM and e-voting facility was provided to the shareholders as per the relaxation given by MCA and SEBI due to Covid 19 pandemic. The following Directors attended the meeting: (i) Shri Dinesh Kumar Khara (ii) Shri Challa Sreenivasulu Setty (iii) Shri Ashwani Bhatia (iv) Shri Swaminathan J. (v) Shri Ashwini Kumar Tewari (vi) Shri B Venugopal (vii) Dr. Ganesh Natarajan (viii) Dr. Pushpendra Rai (ix) Shri Sanjeev Maheshwari and (x) Shri Anil Kumar Sharma.
- AGM for the year 2019 - 20 was held on 14<sup>th</sup> July, 2020 at Mumbai

by VC / OAVM at 11.00 AM and e-voting facility was provided to the shareholders as per the relaxation given by MCA and SEBI due to Covid 19 pandemic.

- AGM for the year 2018 - 19 was held on 20<sup>th</sup> June, 2019 at Mumbai at 03.00 PM.

#### 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 your 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 on fraud or violation of the Bank's Code of Conduct or ethic policy. The policy is made available on the website of the Bank on [www.sbi.co.in](http://www.sbi.co.in). No personnel were denied access to the Audit Committee of the Board in terms of Whistle Blower Policy.

- Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the bank's website [www.sbi.co.in](http://www.sbi.co.in) or [bank.sbi](http://bank.sbi) under link: <https://sbi.co.in/web/investor-relations/disclosureunder-regulation-46>.
- In terms of Regulation 25(9) of SEBI (LODR) Regulations, 2015 the Central Board at its meeting held on 22.04.2021 and 12.01.2022 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 an Executive Chairman, appointed under Section 19(a) of the SBI Act, 1955 by the

Central Government in consultation with the Reserve Bank of India (ii) The Bank prepares presentation on financial performance on quarterly basis for its investors/ analysts and submits the copy of the same, to two stock exchanges for investor's information and is also made available on Bank's official website (iii) The Bank has submitted a declaration with the stock exchanges that the Statutory Auditors of the Bank have issued Audit Report on Audited Financial Results (Standalone and Consolidated) for year ended 31<sup>st</sup> March, 2022 with unmodified opinion. (iv) The Bank has separate Internal Audit Department which periodically submits its report directly to the Audit Committee of the Bank.

7. The Bank has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2)

and para C, D and E of Schedule V to the extent that the requirements of the Clause do not violate the provisions of State Bank of India Act 1955, the rules and regulations made there under and guidelines or directives issued by the Reserve Bank of India.

8. The securities of the Bank were not suspended from trading during the Financial Year 2021 – 22.

### 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 2021-22 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](http://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 being sent to other shareholders who specifically request for the same. 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 addresses 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 Information for Shareholders

The Annual General Meeting of the Shareholders	: Date: 22.06.2022, Time 03.00 PM Venue: State Bank Auditorium, State Bank Bhavan, Madame Cama Road, Mumbai 400 021, through VC/OAVM.
Financial Calendar	: 01.04.2021 to 31.03.2022
Dividend Payment Date	: 10.06.2022
Listing of securities on Stock Exchanges	: BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. GDRs are listed on London Stock Exchange (LSE), Dollar denominated bonds are listed in Singapore Exchange Limited. 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	: As per SEBI (LODR) Regulations, 2015, transfer of securities shall be effected only in demat form with effect from 01 <sup>st</sup> April, 2019. Further, in lieu of transmission of shares, a letter of confirmation carrying all details of shares transmitted will be issued by the RTA as per SEBI guidelines. Quarterly share transfer audit and reconciliation of share capital audit are regularly carried out by an independent firm of Company Secretaries.
Registrar and Transfer Agent (Existing)	: M/s Alankit Assignments Ltd.
Unit Address	: 205-208, Anarkali Complex, E/7, Jhandelwala Extension, New Delhi - 110055
Phone Numbers	: 011-42541234, 7290071335
E-mail address	: <a href="mailto:sbi.igr@alankit.com">sbi.igr@alankit.com</a>
Address for Correspondence	: SBI, Shares & Bonds Department, Corporate Centre, 14 <sup>th</sup> 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	: <a href="mailto:investor.complaints@sbi.co.in">investor.complaints@sbi.co.in</a> / <a href="mailto:dgm.snb@sbi.co.in">dgm.snb@sbi.co.in</a>
Name of the debenture trustees with full contact details (Capital Instruments issued in INR)	: IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400 001 Contact No. 91-22-4080 7006 Fax Number: 91-22-6631 1776

**e-Initiative:** In accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, and subsequent SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 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 <https://bank.sbi/web/investor-relations/annual-report>.

### 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 (6) of SEBI (LODR) Regulations, 2015 the Bank provides one way live webcast of the proceedings of the AGM. The webcast facility will be available from 02:30 PM onwards on

22.06.2022 and the shareholders can have access at <https://evoting.kfintech.com> or <https://bank.sbi> In view of the COVID-19 pandemic, social distancing norms are to be followed and because of the uncertainties related to restrictions on movement of persons at several places in the country, the Bank has decided to conduct AGM through VC/ OAVM and provide e-voting facility to the shareholders of the Bank.

### Capital Augmentation During FY2022

No equity capital was raised during FY 2021-22.

### 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 10,360,574 GDRs as on 31<sup>st</sup> March 2022 representing 103,605,740 equity shares.

### Unclaimed Shares

Category of shareholder	No. of Shareholders	Outstanding Shares
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	981	2,36,860
Add- No. of e-SBBJ shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	141	16,842
Total	1,122	2,53,702
No. of Shareholders, who approached the issuer for transfer of shares from the unclaimed suspense account during the year	8	2056
No. of Shareholders, whom shares were transferred from the unclaimed suspense account during the year	8	2056
Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1,114	2,51,646

The voting rights on such unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

### Dividend Distribution Policy

The Bank has a Dividend Distribution Policy approved by the Central Board. The Policy is available on the Bank's website under the link: <https://sbi.co.in/web/investor-relations/disclosure-under-regulation-46> under the tab "Codes & Policies".

### Qualitative Disclosure on Derivative Transactions Financial Year 2021-22

The Bank, at present, deals in over the counter (OTC) derivatives to hedge against interest rate and currency risks. It also deals in exchange traded Interest Rate Futures, Currency Futures and Currency Options.

Interest rate derivatives dealt by the Bank are Rupee Interest Rate Swaps (OIS), Foreign Currency Interest Rate Swaps (IRS), Forward Rate Agreements (FRA), Caps, Floors and Collars. Currency Derivatives dealt by the Bank are Currency Swaps (CIRS / CCS), USD/INR Options and Cross-Currency Options. The Bank also does NDO and NDF trades as permitted by RBI.

The products are offered to Bank's customers for hedging their exposures. These are also used for reducing Bank's Balance Sheet Risk. Trading / Arbitrage activities on Derivatives are done selectively within prescribed risk limits whenever opportunities are sighted.

The Bank runs USD/INR Option Book and manages Greek limits efficiently. The Bank also runs MIFOR book for making USD / INR swap prices.

Derivative transactions carry market risk i.e., the probable loss the Bank may incur caused by adverse movements in interest rates and / or exchange rates. A derivative position also carries credit risk i.e., the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes measures to be taken to contain the risks. The market risk parameters (Greek limits, Loss limits, Cut-loss triggers, Open position limits, VaR, Modified Duration, PV01, etc.) have been clearly defined in the Policy which are strictly adhered to. For containing Credit risk, the policy stipulates customer / counterparty eligibility criteria [credit rating, tenure of relationship, availability of CEL limit, Customer Appropriateness & Suitability (CAS) testing etc.] which are strictly complied. Appropriate limits are set for the corporate counterparties by

respective Business Units considering their ability to honour obligations. The Bank executes ISDA agreement with each derivatives counterparty – both corporate as well as interbank.

For each of the Interbank counterparty, a counterparty exposure limit is put in place by the Risk vertical. The Bank has executed CSA (Credit Support Annex) – a part of ISDA Master Agreement with a few counterparties. As per the terms of CSA, collateral is posted or transferred with swap counterparties to mitigate the credit risk arising from ‘in the money’ derivative positions.

The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank’s Market Risk Management Department (MRMD) identifies, measures and monitors market risk associated with derivative transactions. MRMD assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

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

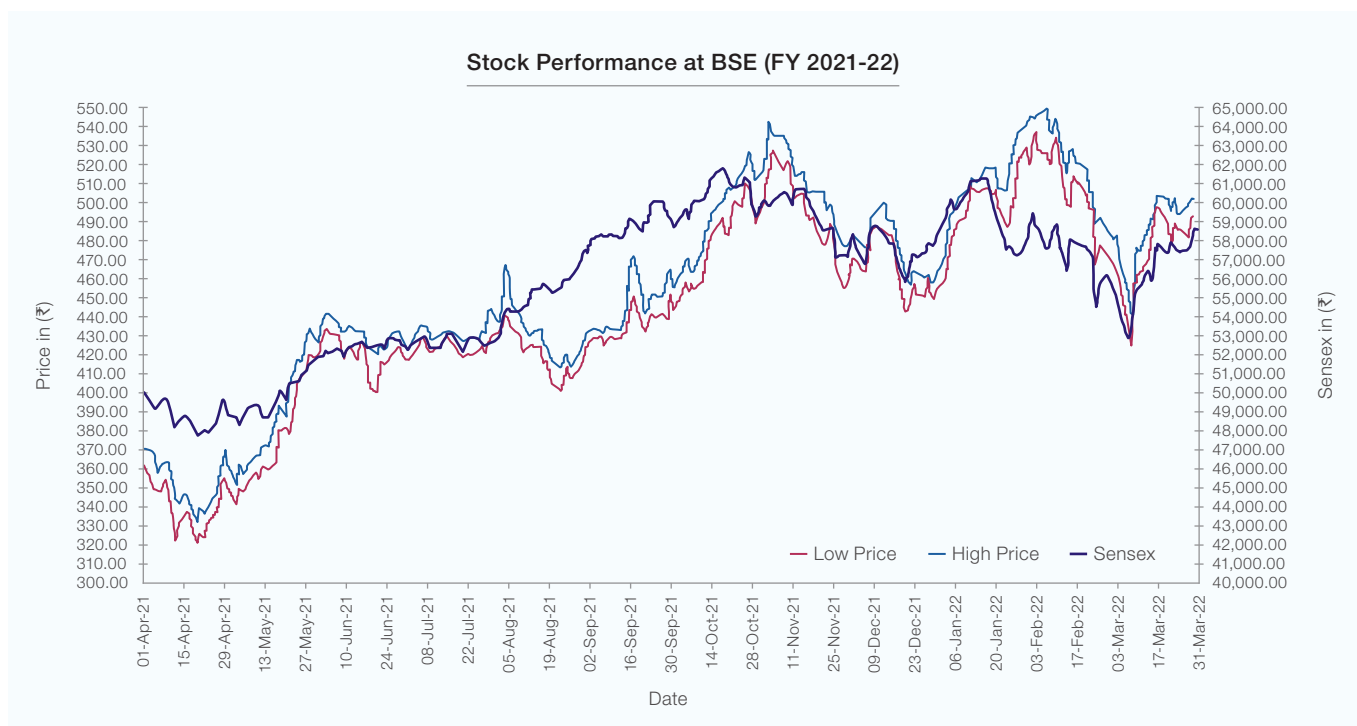
### Disclosures as Required under SEBI (LODR) (Amendment) Regulations, 2018 (Listing Regulations)

1. The Central Board of the Bank has reviewed and approved the terms of reference/ role/ reconstitution of various Board level committees viz Audit, Stakeholders Relationship, Risk Management and the Nomination and Remuneration Committee, respectively, in terms of amendment in SEBI (LODR) Regulations. The last reconstitution of the Board Level committees was approved by the Central Board in its meeting held on 23.03.2022.
2. In terms of Regulation 24A of Listing Regulations a secretarial audit report for financial year ended 31.03.2022 is annexed to the Annual Report.

3. There is no revision in credit rating of the debt instruments.
4. During FY 2022 the Bank did not raise capital through Preferential Allotment or Qualified Institutional Placement. Therefore a Nil statement of deviation/ variation in utilization of funds raised was filed with the Stock Exchanges under Regulation 32(1) of SEBI (LODR), Regulations, 2015.
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 programmes imparted for Independent Directors are disclosed on the website of the Bank under the web link: <https://sbi.co.in/web/corporate-governance/corporate-governance> under the tab “Regulatory Disclosures”
7. Total fees paid to existing Statutory Central Auditors (SCAs) during FY 2021-22 as per the Schedule V Para C, Clause 10 (k) of Listing Regulations, is ₹3,40,48,323.00 only.

### Share Price Movement

The movement of the SBI share price and the BSE Sensex, NSE Nifty is presented in the following tables.





Stock Performance at NSE (FY 2021-22)



## Market Price Data

Month	BSE (₹)		NSE (₹)		LSE (GDR) US\$	
	High	Low	High	Low	High	Low
Apr-21	370.55	328.80	370.65	328.85	50.40	43.25
May-21	425.30	350.45	425.20	350.60	58.40	46.75
Jun-21	439.65	412.80	439.65	412.90	59.70	55.40
Jul-21	441.75	420.40	441.55	420.40	60.00	56.30
Aug-21	457.05	406.95	456.95	406.70	61.50	54.90
Sep-21	463.65	428.95	463.70	429.10	63.80	58.40
Oct-21	519.15	451.75	519.15	451.65	70.00	60.80
Nov-21	530.45	460.60	530.45	460.55	71.10	60.80
Dec-21	494.70	445.85	494.70	446.00	64.60	59.20
Jan-22	538.35	470.85	538.30	470.80	72.00	62.79
Feb-22	540.45	472.65	540.55	472.65	72.10	61.30
Mar-22	501.75	440.20	501.90	440.30	66.30	56.70

Note: Highs and Lows are taken from the closing price of the share

Book Value per Share ₹269.48 as on 31.03.2022

Shareholding Pattern as on 31<sup>st</sup> March 2022

Sr. No.	Description	% of Total Shares
1	President of India	56.92
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	11.31
3	Mutual Funds & UTI	13.32
4	Private Corporate Bodies	0.79
5	Banks/ FIs/ Insurance Cos., etc.	11.21
6	Others (including Resident Individuals)	6.45
<b>Total</b>		<b>100.00</b>

**Top Ten Shareholders as on 31<sup>st</sup> March 2022**

Sr. No.	Name	% of Shares in Total Equity
1	President of India	56.92
2	Life Insurance Corporation of India	8.31
3	SBI-ETF Sensex	2.58
4	HDFC Trustee Company Ltd. A/C HDFC Top 100 Fund	2.36
5	Prudential ICICI Trust Ltd - Sensex Prudential ICICI Exchange Traded Fund – Securities	1.27
6	The Bank of New York Mellon	1.16
7	NIPPON Life India Trustee Ltd-A/C NIPPON India Vision Fund	1.04
8	NPS Trust-A/C SBI Pension Fund Scheme Tax Saver-Tier 2	1.02
9	Kotak Tax Saver Scheme	1.00
10	MIRAE Asset Tax Saver Fund	0.81

**Dematerialization of Shares and Liquidity:** Bank's equity shares are compulsorily traded in the electronic form. As on 31<sup>st</sup> March 2022, 8,85,56,52,242 shares representing 99.23% of total equity capital were held in electronic form.

Description	No. Share Holders	No. Shares	Shares %
NSDL	17,27,343	3,49,10,46,529	39.12
CDSL	12,12,970	5,36,46,05,713	60.11
Physical	42,059	6,89,59,292	0.77
<b>Total</b>	<b>29,82,372</b>	<b>8,92,46,11,534</b>	<b>100.00</b>

**Distribution Schedule as on 31<sup>st</sup> March, 2022 (Face Value of ₹1 Each)**

Range No. of Shares	Total Holders	% to Total Holders	Total Holdings in ₹	% to Total Capital
1-5000	29,72,369	99.66	48,77,60,990	5.47
5001-10000	5,106	0.17	3,77,07,698	0.42
10001-20000	2,122	0.07	3,07,01,620	0.34
20001-30000	664	0.02	1,69,74,084	0.19
30001-40000	259	0.01	94,00,741	0.11
40001-50000	187	0.01	88,64,240	0.10
50001-100000	450	0.02	3,40,45,312	0.38
100001-ABOVE	1,215	0.04	8,29,91,56,849	92.99
<b>TOTAL</b>	<b>29,82,372</b>	<b>100.00</b>	<b>8,92,46,11,534</b>	<b>100.00</b>

## Annexure I

### Brief Resumes of The Non-Executive Directors on the Board as on 31<sup>st</sup> March 2022

#### Shri B Venugopal

Shri B. Venugopal, born in 1959, is a Director re-appointed by the Shareholders u/s 19 (c) of the SBI Act for the period from 26<sup>th</sup> June 2020 till 25<sup>th</sup> June 2023. He is a former Managing Director of the Life Insurance Corporation of India (LIC), with a work experience of 36 years in LIC and 2 years in the erstwhile State Bank of Travancore. A graduate of the University of Kerala in Commerce and Cost Accounting, Venugopal has undergone extensive training in Business Strategies, Project Management, Finance, Marketing, Information Technology, etc., from the National Insurance Academy - Pune, IIMs - Ahmedabad and Kolkata, the ISB - Hyderabad, Asian Institute of Management - Manila and FALIA - Japan. During his career in LIC, he has gathered vast experience in all areas of the institution's working, including Marketing, Administration and Information Technology, having worked, inter alia, as Executive Director (Information Technology), Chief(IT/BPR), Regional Manager (E&OS), Chennai, and Senior Divisional Manager in charge of Madurai and Coimbatore Divisions.

Before taking charge as Managing Director, he was the Zonal Manager-in-charge of the biggest of LIC's 8 Zones - the Western Zone, comprising the States of Goa, Gujarat and Maharashtra and accounting for almost 25% of LIC's Premium Income. Since LIC develops and maintains all its software in-house, he gained extensive knowledge in Information Technology, having worked, initially, as a Programmer and Systems Analyst and, subsequently, as the head of IT for 7 years. It has been his privilege to have led the teams that developed and implemented most of the path-breaking

initiatives taken by LIC in the field of IT, including the introduction of LIC's Core Business Solution (1995-97), setting up of the first ever Metro Area Networking and IVR Systems of LIC(1998), the Corporate Active Data Warehouse (2005), Online Premium Collection (2006), Enterprise Document Management Systems (2007), and Online Underwriting Engine & Online sale of Policies(2012), to name a few. During his tenure as the Head of IT, LIC won the NASSCOM award for the best user of IT amongst insurance companies in India, on more than one occasion. Since 2009, Venugopal has represented LIC on the Boards of Directors of various Institutions in India and abroad. He has also served on the Governing Boards of the National Insurance Academy and the Insurance Institute of India as also as a Trustee of the LIC of India Provident Fund and the LIC of India Golden Jubilee Foundation. Currently he serves as an Independent Director on the Boards of the State Bank of India and National Commodities and Derivatives Exchange Ltd (NCDEX).

#### Dr. Ganesh Natarajan

Dr Ganesh Natarajan is a Director elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26<sup>th</sup> June 2020 till 25<sup>th</sup> June 2023. Dr Natarajan is Founder and Chairman of 5F World, a platform for Global consulting and Investing in Digital Skills and Digital Transformation. He is also Chairman of Pune City Connect and Social Venture Partners India. He has received the Distinguished Alumnus Award of NITIE and IIT Bombay. Two case studies on his work have been written and taught at ISB, IIM Bengaluru and Harvard Business School.

#### CA Shri Ketan S. Vikamsey

CA Shri Ketan Vikamsey is a Director elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26<sup>th</sup> June 2020 till 25<sup>th</sup> June 2023. Shri Vikamsey is a senior partner at Khimji Kunverji & Co LLP, Chartered Accountants, a firm established

in 1936. He holds a Certification on IFRS by ICAI; Diploma in Information System Audit (DISA) of ICAI; and Certification in IT and Cyber Security for Board Members by IDRBT, Hyderabad.

He comes with over thirty year's experience in the areas of audit of large banks, manufacturing concerns, Investment Banks, Insurance Companies and Mutual Funds. He has been a Speaker/ Chairman, at various seminars, meetings, lectures held by Regional Councils of ICAI, Branches & Study Circles of ICAI, RBI, C&AG and several other organisations. He is a Trustee at Vipassana Research Institute, Igatpuri and Shri V L Vidyarthigriha - a NGO operating an ultra-modern Hostel facility in the heart of Mumbai with a capacity of 150 students. He is a wildlife and nature lover, having keen interest in professional photography, having widely travelled across the world, with a passion for exploring new places and varied interesting cultures.

#### Shri Mrugank M. Paranjape

Shri Mrugank Paranjape is a Director elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26<sup>th</sup> June 2020 till 25<sup>th</sup> June 2023. He is a Bachelor in Technology from the Indian Institute of Technology Mumbai with a Post Graduate Diploma in Management from the Indian Institute of Management Ahmedabad. He has more than 30 years of experience in Banking, Capital Markets, Asset Management and Stock Broking covering varied functional and geographic areas. He is currently the Managing Director & Chief Executive Officer of NCDEX e Markets Limited. Earlier he was the Managing Director & Chief Executive Officer of Multi Commodity Exchange of India Limited. Prior to that he held senior management positions at Deutsche Bank in Singapore and India. He has previously worked with ICICI Prudential AMC, India Infoline, ING Barings, and Citibank amongst others.

### CA Shri Sanjeev Maheshwari

CA Shri Sanjeev Maheshwari is a Director nominated by the Central Government u/s 19 (d) of the SBI Act, with effect from 20<sup>th</sup> 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.

### CA Shri Prafulla P. Chhajed

CA Shri Prafulla P Chhajed is a Director nominated by the Central Government u/s 19 (d) of the SBI Act, with effect from 21<sup>st</sup> December 2021 for a period of 3 years. Shri Chhajed is a fellow and practising member of the Institute of Chartered Accountants of India (ICAI). He was President of the Institute of Chartered Accountants of India for the year 2019-20. He is currently member of Central Council for last 9 years. He also chaired and served as member of various committees of ICAI such as Accounting Standards Board, Sustainability Reporting Standards Board, Professional Development Committee, Ethical Standards Board, Women Members Empowerment Committee, Board of Studies, Committee for Members in Industry etc. He was

also member of Western India Regional Council (WIRC) of ICAI and Chairman of WIRC for the year 2007-08. He is also Global Chairman of Executive Committee of World Congress of Accountants 2022 constituted by International Federation of Accountants (IFAC). World Congress of Accountants is the most prestigious event of IFAC. He is Deputy President of Confederation of Asian & Pacific Accountants (CAPA) having headquarter in Kuala Lumpur. He has served on various National and International organisations such as SAFA, IFAC SMP committee, CA Worldwide, Integrated Reporting Council etc. Presently Shri Chhajed is a Member of Board of Management of Mumbai School of Economics and Public Policy (Mumbai University) Member, CII National Committee on Financial Reporting, Director, ICAI Registered Valuers Organisation Member, Professional Accountancy Organization Development & Advisory Group (2021-2023) of IFAC, New York. In the past, he has served as Director on the Board of SBI Mutual Fund Trustee Company Private Limited, GIC Housing Finance Limited, Indian Institute of Insolvency Professionals of ICAI, Insurance Regulatory & Development Authority (IRDA), Extensible Business Reporting Language (XBRL) India and IDBI Capital Market Services Limited. He was also a Member of SEBI's Primary Market Advisory Committee and Banking & Finance Committee of IMC Chamber of Commerce.

### Shri Sanjay Malhotra, IAS

Shri Sanjay Malhotra is a Director, nominated by the Central Government, u/s 19(e) of SBI Act w.e.f. 16<sup>th</sup> February 2022, till further order. Shri Malhotra

is a 1990-batch Indian Administrative Service officer of Rajasthan cadre. Prior to his joining as Secretary, Department of Financial Services, Ministry of Finance, he was Chairman and Managing Director of REC Limited, a leading infrastructure finance company of the country. He is an Engineering Graduate in Computer Science from the Indian Institute of Technology, Kanpur and has a Masters in Public Policy from the Princeton University. With demonstrated leadership and excellence in his career of over 31 years, Shri Sanjay Malhotra has worked in multifarious sectors including finance and taxation, power, industries, information technology, etc.

### Shri Anil Kumar Sharma

Shri Anil Kumar Sharma is a Director, nominated by the Central Government, u/s 19(f) of SBI Act w.e.f. 13<sup>th</sup> April 2021, till further order.

Shri Sharma is presently holding the post of Executive Director (ED), Reserve Bank of India. Before taking over as ED, he had headed the Enforcement Department of Reserve Bank of India as Chief General Manager. He has done his Masters in Economics from Doaba College Jalandhar, Punjab and was UGC Fellow at Gokhale Institute of Politics and Economics, Pune before joining RBI in 1986. He holds a Diploma in Treasury and Risk Management and is a Certified Associate of Indian Institute of Bankers. His experience in the Bank lies in the area of supervision, management of currency and banking, rural credit and financial inclusion. He has also worked as member of faculty in RBI College of Agricultural Banking, Pune.



## Annexure II

Details of Directorship in the listed entities including Bank & Chairmanships/Membership in Audit/Stakeholders Committee(s) held by the Directors of the Bank in Listed entities including Bank as on 31.03.2022 in due compliance with Regulation 26(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

S. No.	Name of Director	Designation	Date of Appointment in the current term / Cessation	Number of Directorship & Chairmanships/ Membership in Audit/Stakeholders Committee(s) held in listed entities including Bank
1.	Shri Dinesh Kumar Khara	Chairman	07.10.2020 / 06.10.2023	Director (Chairman): 03 Committee Member: Nil
2.	Shri Challa Sreenivasulu Setty	Managing Director	20.01.2020 / 19.01.2023	Director: 01 Committee Member: 01
3.	Shri Ashwani Bhatia	Managing Director	24.08.2020 / 31.05.2022	Director: 01 Committee Member: Nil
4.	Shri Swaminathan J.	Managing Director	28.01.2021 / 27.01.2024	Director: 01 Committee Member: 01
5.	Shri Ashwini Kumar Tewari	Managing Director	28.01.2021 / 27.01.2024	Director: 03 Committee Member: 05
6.	Shri B. Venugopal	Non-Executive Director	26.06.2020 / 25.06.2023	Director: 01 Committee Member: 03 Chairman of Committee: 01
7.	Shri Ganesh Natarajan	Non-Executive Director	26.06.2020 / 25.06.2023	Director: 03 Committee Member: 06 Chairman of Committee: 01
8.	Shri Ketan S. Vikamsey	Non-Executive Director	26.06.2020 / 25.06.2023	Director: 01 Committee Member: 02 Chairman of Committee: 01
9.	Shri Mrugank M. Paranjape	Non-Executive Director	26.06.2020 / 25.06.2023	Director: 01 Committee Member: 01
10.	Shri Sanjeev Maheshwari	Non-Executive Director	20.12.2019 / 19.12.2022	Director: 01 Committee Member: 02
11.	Shri Prafulla P. Chhajed	Non-Executive Director	21.12.2021 / 20.12.2024	Director: 01 Committee Member: 01
12.	Shri Sanjay Malhotra	Non-Executive Director	16.02.2022/ till further order	Director: 01 Committee Member: Nil
13.	Shri Anil Kumar Sharma	Non-Executive Director	13.04.2021/ till further order	Director: 01 Committee Member: Nil

## 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 31.03.2022

### 1. Shri Dinesh Kumar Khara

S. No.	Name of the Bank/ Company	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.	Chairman	--
4.	SBI Funds Management Ltd.	Chairman	--
5.	SBI Capital Markets Ltd.	Chairman	--
6.	SBI Cards & Payment Services Ltd	Chairman	--
7.	SBI Foundation	Chairman	--
8.	SBICAP Ventures Ltd.	Director	--
9.	SBICAP (Singapore) Ltd.	Director	--
10.	Export-Import Bank of India	Director	--
11.	Indian Institute of Banking & Finance	Director	--

### 2. Shri Challa Sreenivasulu Setty

S. No.	Name of the Bank/ Company	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 Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member Board Committee to Monitor Recovery – Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Corporate Social Responsibility Committee – Chairman
2.	SBI Foundation	Director	--
3.	SBI General Insurance Co. Ltd.	--	Bancassurance Committee - Chairman

### 3. Shri Ashwani Bhatia

S. No.	Name of the Bank/ Company	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 Board Committee to Monitor Recovery – Member Risk Management Committee of the Board – Member Corporate Social Responsibility Committee – Member
2.	SBICAP Ventures Ltd.	Director	--

**4. Shri Swaminathan J.**

S. No.	Name of the Bank/ Company	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 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 Stakeholders Relationship Committee (SRC) cum Customer Service Committee of the Board (CSCB) – Member Board Committee to Monitor Recovery – Member Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Chairman

**5. Shri Ashwini Kumar Tewari**

S. No.	Name of the Bank/ Company	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 IT Strategy Committee of the Board – Member Board Committee to Monitor Recovery – Member
2.	SBI Life Insurance Co Ltd	Director	Audit Committee – Member Investment Committee – Member Risk Management Committee – Member Policyholder Protection Committee – Member Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Member Stakeholders Relationship Committee – Member
3.	SBI Cards and Payment Services Ltd.	Director	Nomination and Remuneration Committee – Member Executive Committee – Chairman
4.	SBI Capital Markets Ltd	Director	Committee of Directors – Chairman Risk Management Committee – Member CSR Committee – Member Nomination & Remuneration Committee – Member Audit Committee – Member Information Technology Strategy Committee – Member
5.	SBI Funds Management Ltd	Director	Share Allotment Committee – Member Nomination Remuneration committee – Member IPO Committee – Member
6.	SBI General Insurance Co Ltd.	Director	Risk Management Committee – Chairman Policyholders Protection Committee – Chairman Investment Committee – Chairman Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Member Technology Committee – Member Bancassurance Committee – Member Audit Committee – Member
7.	SBI Pension Funds Pvt Ltd.	Director	--
8.	SBI DFHI Ltd	Director	Nomination and Remuneration Committee – Member
9.	SBI Global Factors Ltd.	Director	Nomination and Remuneration Committee – Member Audit Committee – Member
10.	SBI Payment Services Pvt Ltd.	Director	--
11.	SBICAP Securities Ltd.	Director	--
12.	SBICAP Ventures Ltd.	Director	Nomination and Remuneration Committee – Chairman
13.	SBI Infra Management Solutions Pvt. Ltd.	Director	--
14.	SBI Foundation	Director	--

## 6. Shri B. Venugopal

S. No.	Name of the Bank/ Company	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 Stakeholders Relationship Committee cum Customer Service Committee of the Board – Chairman 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 Board Committee to Monitor Recovery (BCMR) – Member Nomination & Remuneration Committee – Chairman Corporate Social Responsibility Committee – Member Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member
2.	National Commodities & Derivatives Exchange Ltd. (NCDEX)	Director	Capital Raising Committee – Member
3.	NCDEX eMarkets Ltd. (NeML)	Chairman	Audit Committee – Member Nomination & Remuneration Committee – Member
4.	National Commodity Clearing Limited (NCCL)	Director	--

## 7. Dr. Ganesh Natarajan

S. No.	Name of the Bank/ Company	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1.	State Bank of India	Director	Audit Committee of the Board (ACB) – Member Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member Risk Management Committee of the Board – Member IT Strategy Committee of the Board – Chairman Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee – Member Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member
2.	Zeva Capsol Private Limited	Director	--
3.	LHI Digital Private Limited	Director	--
4.	Global Talent Track Private Limited	Director	--
5.	Lighthouse Communities Foundation	Director	--
6.	5F World Private Limited	Director	--
7.	Skills Alpha Learning Private Limited	Director	--
8.	Kalzoom Advisors Private Limited	Director	--
9.	Inflexion Analytix Private Limited	Director	--
10.	Foundation To Educate Girls Globally	Director	--
11.	Hinduja Global Solutions Limited	Director	Audit Committee – Member Stakeholders Relationship and Share Allotment Committee – Member
12.	Continuum of Capital India Private Limited	Director	--
13.	Honeywell Automation India Ltd.	Director	Audit Committee- Chairman Stakeholders Relationship Committee- Member Nomination and Remuneration Committee- Member
14.	Asian Venture Philanthropy Network Ltd.	Director	HR Committee – Member Strategy Committee - Member



**8. Shri Ketan S. Vikamsey**

S. No.	Name of the Bank/ Company	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1.	State Bank of India	Director	Audit Committee of the Board – Chairman Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member 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 Board Committee to Monitor Recovery – Member Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee – Member Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member

**9. Shri Mrugank M. Paranjape**

S. No.	Name of the Bank/ Company	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 – Chairman IT Strategy Committee of the Board – Member Nomination & Remuneration Committee – Member Board Committee to Monitor Recovery – Member Corporate Social Responsibility Committee – Member
2.	NCDEX eMarkets Ltd. (NeML)	Managing Director & CEO	Technology Advisory Committee – Member Corporate Social Responsibility Committee – Member
3.	Rashtriya eMarket Services	Director	--

**10. Shri Sanjeev Maheshwari**

S. No.	Name of the Bank/ Company	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 Stakeholders Relationship Committee cum Customer Service Committee of the Board – Member Risk Management Committee of the Board – Member Nomination and Remuneration Committee – Member Special Committee of the Board for Monitoring of Large Value Frauds – Chairman Board Committee to Monitor Recovery – Member Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member
2.	Mudra Share and Stock Brokers Ltd.	Director	--
3.	Trust AMC Trustee Pvt. Ltd.	Director	Audit Committee of the Board– Member

### 11. Shri Prafulla P. Chhajed

S. No.	Name of the Bank/ Company	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 cum Customer Service Committee of the Board – Member 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 Corporate Social Responsibility Committee – Member Committee to Review the Identification of Wilful Defaulters/ Non-Cooperative Borrowers – Member
2.	Intercontinental Forum of Entrepreneurs and Professionals	Director	--

### 12. Shri Sanjay Malhotra

S. No.	Name of the Bank/ Company	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1.	State Bank of India	Director	Board Committee to Monitor Recovery – Member
2.	RBI	Director	--

### 13. Shri Anil Kumar Sharma

S. No.	Name of the Bank/ Company	Chairman/ Director/ Member	Name(s) of the Committee(s) Chairman/Member
1.	State Bank of India	Director	Executive Committee of the Central 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. Further, in terms of RBI Guidelines dated 26<sup>th</sup> April 2021 on 'Corporate Governance in Banks -Appointment of Directors and Constitution of Committees of the Board', the Chair of the ACB is not a part of the ECCB.)

## Annexure III

Details of Shareholding of Directors on the Bank's Central Board as on 31.03.2022

Sr. No.	Name of Director	No. of Shares
1.	Shri Dinesh Kumar Khara	3100
2.	Shri Challa Sreenivasulu Setty	500
3.	Shri Ashwani Bhatia	1180
4.	Shri Swaminathan J.	500
5.	Shri Ashwini Kumar Tewari	310
6.	Shri B. Venugopal	5000
7.	Dr. Ganesh Natarajan	18218
8.	Shri Ketan S. Vikamsey	5000
9.	Shri Mrugank M. Paranjape	10000
10.	Shri Sanjeev Maheshwari	Nil
11.	Shri Prafulla P. Chhajed	Nil
12.	Shri Sanjay Malhotra	40
13.	Shri Anil Kumar Sharma	800

## Annexure IV

Details Of Sitting Fees Paid To Directors For Attending Meetings Of The Central Board And Board Level Committees During 2021-22

Sr. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1.	Shri B Venugopal	6,70,000	18,30,000	25,00,000
2.	Dr. Ganesh Natarajan	6,30,000	18,70,000	25,00,000
3.	Shri Ketan S. Vikamsey	8,40,000	11,70,000	20,10,000
4.	Shri Mrugank M. Paranjape	7,70,000	17,30,000	25,00,000
5.	Dr. Pushpendra Rai (upto 05.02.2022)	7,70,000	17,30,000	25,00,000
6.	Shri Sanjeev Maheshwari	9,10,000	15,90,000	25,00,000
7.	Shri Prafulla P. Chhajed (Member w.e.f. 21.12.2021)	2,10,000	4,20,000	6,30,000
8.	Shri Chandan Sinha (Member upto 13.04.2021)	0	30,000	30,000

## Annexure V

Affirmation Of Compliance With The Bank's Code Of Conduct (2021-22)

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2021-22

Dinesh Kumar Khara  
Chairman

### Prevention of Sexual Harassment (POSH) of Women at Workplace – Prevention, Prohibition and Redressal – Position for the year 2021-22

No. of complaints pending at the beginning of the year	06
No. of complaints received during the year	43
Total No. of cases	49
No. of complaints disposed of during the year	44
No. of cases pending at the end of the year	05

**Details of Skills/Expertise/Competencies Possessed by the Directors who were part of the Board on 31<sup>st</sup> March 2022 are as follows:**

Sr. No.	Name	Qualifications	Skills/Expertise/Competencies
1	Shri Dinesh Kumar Khara, Chairman	M.Com, MBA	He is a postgraduate in Commerce from Delhi School of Economics and an MBA from Faculty of Management Studies, New Delhi. 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. He has held several key positions such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Funds) and Chief General Manager – Bhopal Circle. He was also posted in SBI, Chicago for an overseas assignment. As Managing Director, he led the International Banking Group, Corporate Banking and Global Treasury Operations, as well as the non-banking subsidiaries of the Bank viz., SBI Cards, SBIMF, SBI Life Insurance and SBI General Insurance, etc. He executed the merger of five Subsidiary Banks of SBI and Bhartiya Mahila Bank with SBI. Additionally, he headed the Risk, IT and Compliance functions of the Bank.
2	Shri Challa Sreenivasulu Setty, MD (Retail & Digital Banking)	B.Sc (Agri)	He has rich experience in Corporate Credit, Retail Banking and Banking in developed markets. Prior to taking over charge as MD, Shri Setty was heading the Stressed Asset Resolution Group of the Bank, in his capacity as Deputy Managing Director, where he was responsible for resolving the stressed assets portfolio of the Bank, across the country, in different sectors such as Power, Infra, Auto, Telecom etc. He has also headed the Syndications team at Bank's New York Branch.
3	Shri Ashwani Bhatia, MD (Corporate Banking & Global Markets)	B. Sc. (Physics & Mathematics), MBA	He has experience of over three and a half decades in the State Bank Group. Prior to his assignment as MD, Mr. Bhatia was MD & CEO, SBI Funds Management Pvt Limited. Before joining SBI Funds Management Private Limited, he was working as a Chief General Manager, Corporate Centre, where he revamped credit structure and processes of the Bank. Some of his other positions in the Bank include Chief General Manager-SME, General Manager (Heading retail operations of Haryana, HP, Jammu & Kashmir, Punjab and Chandigarh), and various other areas in Banking, Credit, Investment Banking and Asset Management. He has spent more than a decade in the Bank's treasury operations, holding position of DGM (Forex), DGM (Interest Rates), AGM & Chief Dealer (Equities). Mr. Bhatia has also had a stint with SBI Capital Markets as President & COO. He has also served as dealer at Tokyo.
4	Shri Swaminathan J., MD (Risk, Compliance & SARG)	B.Com. CAIIB Certified Anti Money Laundering Specialist (CAMS) and Certified Documentary Credit Specialist (CDCS)	In a career spanning over 33 years with SBI, he has held various assignments across Finance, Corporate & International Banking, Trade Finance, Retail & Digital Banking and Branch Management. He has served SBI in various capacities including DMD (Finance) and Chief Digital Officer. He also served in Bank's New York Branch as Head of Trade.
5	Shri Ashwini Kumar Tewari, MD (International Banking, Technology & Subsidiaries)	B.Tech (Electrical), CAIIB, Certified Financial Planner (CFP), Certificate course in Management (XLRI)	He has three decades of banking experience in various capacities, across Retail, SME, Transaction Banking, International Banking in India and abroad. Prior to appointment as Managing Director, he was MD & CEO of SBI Cards and Payment Services Limited. He also served as Country Head of US Operations and Regional Head-East Asia of SBI.
6	Shri B. Venugopal, Non-Executive Director	Graduate in Commerce & Cost Accountancy	He has more than 38 years of experience in Insurance, Finance & Accounts, Risk Management, IT, Information Technology (Software Development), Business Strategies, Project Management, Marketing, etc. He is a former Managing Director of the Life Insurance Corporation of India (LIC), with a work experience of 36 years in LIC and 2 years in the erstwhile State Bank of Travancore.



Sr. No.	Name	Qualifications	Skills/Expertise/Competencies
7.	Dr. Ganesh Natarajan, Non-Executive Director	PG in Industrial Engineering & Management, PhD in Knowledge Management (IIT, Bombay), Advanced Management Programme (Harvard Business School, USA)	He has rich experience in the field of Information Technology with specialization in Business Process Re-engineering & Technology Transformation. He is Founder and Chairman of 5F World, a platform for Global consulting and Investing in Digital Skills and Digital Transformation. Recipient of Distinguished Alumnus Award of NITIE and IIT, Bombay. Two case studies on his work have been written and taught at ISB, IIM, Bengaluru and Harvard Business School.
8.	Shri Ketan S. Vikamsey, Non-Executive Director	Chartered Accountant from ICAI	He is a Chartered Accountant by profession. He is member of Banking, Finance & Insurance Committee of Indian Merchants' Chamber, Banking & Finance Committee, Capital Markets Committee of Bombay Chamber of Commerce & Industry and Member, RRC Committee of the Chamber of Tax Consultants. He comes with immense experience in the areas of audit of large banks, manufacturing concerns, Investment Banks, Insurance Companies and Mutual Funds. He has specialization in the area of Assurance, Auditing, Taxation, Consultancy, Services, Valuation, Due Diligence, Inspections, Investigations, etc.
9.	Shri Mrugank M. Paranjape, Non-Executive Director	B.Tech, IIT, Bombay, PGDM (IIM, Ahmedabad)	He has more than 30 years of experience in Banking, Capital Markets, Asset Management, Stock Broking, Transaction & Retail Banking, Risk Management, Technology, Derivatives, Policy Making, etc. He is currently MD & CEO of NCDEX eMarkets Limited. Prior to that he was MD & CEO of Multi Commodity Exchange of India Limited. He had also held senior management positions at Deutsche Bank in Singapore and India and worked in ICICI Prudential AMC, India Infoline, ING Barings and Citibank amongst others.
10.	Shri Sanjeev Maheshwari, Non-Executive Director	Chartered Accountant from ICAI	He is a Chartered Accountant by profession. He has vast experience in the field of Audit, Taxation and Management Consultancy, with specialization in Insolvency Resolution Plan. He was a member of the Central Council of Institute of Chartered Accountants of India for 9 years, and Chairman of Accounting Standards Board of ICAI, for 3 years during which he was instrumental in formulation of Ind AS. He has served on most of the technical committees as Chairman or member at ICAI.
11.	Shri Prafulla P Chhajed, Non-Executive Director	FCA, LLB (Gen), CPA (Australia)	He is a Chartered Accountant by profession. He is a Member of Board of Management of Mumbai School of Economics and Public Policy (Mumbai University) Member, CII National Committee on Financial Reporting, Director, ICAI Registered Valuers Organisation Member, Professional Accountancy Organization Development & Advisory Group (2021-2023) of IFAC, New York. In the past, he has served as Director on the Board of SBI Mutual Fund Trustee Company Private Limited, GIC Housing Finance Limited, Indian Institute of Insolvency Professionals of ICAI, Insurance Regulatory & Development Authority (IRDA), Extensible Business Reporting Language (XBRL) India and IDBI Capital Market Services Limited. He was also a Member of SEBI's Primary Market Advisory Committee and Banking & Finance Committee of IMC Chamber of Commerce.
12.	Shri Sanjay Malhotra, Non-Executive Director	B. Tech, IIT Kanpur, Masters in Public Policy from the Princeton University (USA)	He is an Indian Administrative Service officer of Rajasthan cadre. He is presently posted as Secretary (FS), Department of Financial Services, Ministry of Finance. Prior to his joining as Secretary (FS), he was Chairman and Managing Director of REC Limited, a leading infrastructure finance company of the Country. He is an Engineering Graduate in Computer Science from the Indian Institute of Technology, Kanpur and has a Masters in Public Policy from the Princeton University. With demonstrated leadership and excellence in his career of over 31 years, Shri Sanjay Malhotra has worked in multifarious sectors including finance and taxation, power, industries, information technology, etc.

Sr. No.	Name	Qualifications	Skills/Expertise/Competencies
13.	Shri Anil Kumar Sharma, Non-Executive Director	M.A. (Economics), Diploma in Treasury and Risk Management, CAIIB	He is presently holding the post of Executive Director (ED), Reserve Bank of India. Before taking over as ED, he had headed the Enforcement Department of Reserve Bank of India as Chief General Manager. He has done his Masters in Economics and was UGC Fellow at Gokhale Institute of Politics and Economics, Pune. He holds a Diploma in Treasury and Risk Management and is a Certified Associate of Indian Institute of Bankers. His experience in the Bank lies in the area of supervision, management of currency and banking, rural credit and financial inclusion. He also worked as member of faculty in RBI College of Agricultural Banking, Pune.

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 Dinesh Kumar Khara	✓	✓	✓	✓
Shri Challa Sreenivasulu Setty	✓	✓	✓	✓
Shri Ashwani Bhatia	✓	✓	✓	✓
Shri Swaminathan J.	✓	✓	✓	✓
Shri Ashwini Kumar Tewari	✓	✓	✓	✓
Shri B. Venugopal	✓	✓	✓	✓
Dr. Ganesh Natarajan	✓	✓	✓	✓
Shri Ketan S. Vikamsey	✓	✓	✓	✓
Shri Mrugank M. Paranjape	✓	✓	✓	✓
Shri Sanjeev Maheshwari	✓	✓	✓	✓
Shri Prafulla P. Chhajed	✓	✓	✓	✓
Shri Sanjay Malhotra	✓	✓	✓	✓
Shri Anil Kumar Sharma	✓	✓	✓	✓

## Annual disclosure for material subsidiaries

(Amount in crore)

	31.03.2022		31.03.2022		Overall
	Total Income	Exceeds 10%	Networth	Exceeds 10%	
SBI(Consolidated)	4,06,973		3,05,588		
10% of Total Income/ Networth	40,697		30,559		
<b>Material Listed Subsidiary</b>					
SBI Life	84,016	Yes	11,621	No	Yes
<b>Material Unlisted Subsidiary</b>					
-	Nil	-	Nil	-	-

(Amount in crore)

Life Insurance		As on 31 March 2022
1.	Total Assets	2,73,337
2.	Net Profit for current FY	1,506
3.	Assets under Management	2,67,409
4.	Amount of new business premium	25,457
5.	Growth of new business premium	23%
6.	New business margin	25.90%
7.	Market share	22% (Private Market Share on NBP basis)
8.	Solvency ratio	2.05

## Education and Qualifications of Management Team

The educational qualifications of Directors on the Central Board of the Bank are given in Corporate Governance Report in the Annual Report. The educational qualifications of the Deputy Managing Directors of the Bank are given below.

SI No	TITLE	NAME OF OFFICER	QUALIFICATIONS
1	Shri	Alok Kumar Choudhary	B.Sc.(Hons), MA
2	Shri	Natarajan Sundar	M.Sc.(Chemistry)
3	Shri	Sastry S. Venkataramana	B.Sc.
4	Shri	Ravindra Pandey	M.Sc.
5	Shri	V.S. Radhakrishnan	M.Com., MBA
6	Shri	S. Salee	M.Sc.(Applied Electronics)
7	Shri	Rana Ashutosh Kumar Singh	B.Sc., PGEMP(Post. Grad. Exec. Mgmt. Prog.)
8	Shri	Prabodh Parikh	M.Com., MBA
9	Shri	Srinivasa S. Rao	M.SC.
10	Smt.	Saloni Narayan	B.A.(Hons)
11	Shri	Sanjay D. Naik	B.Sc.
12	Shri	Subrata Biswas	B.SC.(Physics)
13	Shri	R. Viswanathan	M.SC.(Maths)
14	Shri	P. Kishore Kumar	B.Com., PG Executive Mgmt. Program (PGEMP)
15	Shri	Om Prakash Mishra	M.A.(ECO)
16	Shri	B. Raghavendra Rao	M.SC.(Tech) (Instrumentation Engg.)
17	Shri	Nitin Chugh	B. Tech, PGDM

# Secretarial Audit Report

For the financial year ended March 31, 2022

Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019]

To  
The Members,  
**State Bank of India**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by State Bank of India (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2022 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 and Sweat Equity) Regulations, 2021#;
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with the Companies Act, 2013 and dealing with client#;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
  - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

# 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 in respect of the following from September 01, 2021 due to omission of the proviso to Regulation 15 (2) (b) of the Listing Regulations:

- a) The Bank did not have the requisite number of Independent Directors in its Central Board in terms of Regulation 17(1) of the Listing Regulations. Further, the Central Board did not have a Woman Director and an Independent Woman Director as required under Regulation 17(1)(a) of the Listing Regulations.
- b) The Bank did not have the requisite number of Independent Directors in its Audit Committee till December 07, 2021 as required under Regulation 18(1) of the Listing Regulations. However, the Audit Committee of the Bank comprised of five (05) Directors, including four (04) Independent Directors as on March 31, 2022 in compliance with the aforementioned regulation.

## We further report that -

Subject to the foregoing, the Central Board 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 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 period under review, the Bank has undertaken following events/actions:

- i) The Bank has issued and allotted Basel III compliant debt instruments in the nature of debentures qualifying as AT 1 Capital of the Bank, amounting to ₹13,974 Crores (Rupees Thirteen Thousand Nine Hundred and Seventy Four Crores only).
- ii) The Bank has redeemed/exercised call option on AT 1 Bonds of ₹7,100 Crores (Rupees Seven Thousand and One Hundred Crores only) and Tier 2 Bonds of ₹1,000 Crores (Rupees One Thousand Crores only); the total bond redemptions aggregating to ₹8,100 Crores (Rupees Eight Thousand and One Hundred Crores only).
- iii) The Bank concluded the issue of USD 300 Mio Senior Unsecured Fixed Rate Notes having maturity of 5 years under Rule 144A/Regulation-S of the U.S. Securities Act, 1933. The Bonds were issued through the Bank's London Branch on January 26, 2022 and are listed on Taipei

Exchange (TPEX), Singapore Stock Exchange and India International Exchange, GIFT City.

- iv) The Reserve Bank of India ("RBI") has levied monetary penalties aggregating to ₹2.5 Crores (Rupees Two Crores and Fifty Lakh only) on the Bank, vide its letters dated July 06, 2021, October 18, 2021 and November 26, 2021, for failure to ensure taking utmost care about data accuracy and integrity while submitting the data on large credit (through CRILC portal) to the RBI, for non-compliance with the directions contained in RBI (Frauds classification and reporting by commercial banks and select FIs) Directions, 2016 and for contravention of provision of sub section (2) of Section 19 of the Banking Regulation Act, 1949, respectively.

For **Bhandari & Associates**  
Company Secretaries

**S. N. Bhandari**

Partner  
FCS No.: 761; C P No.: 366  
Mumbai: May 13, 2022  
ICSI UDIN: F000761D000313491

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, 2022 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: May 13, 2022  
ICSI UDIN: F000761D000313491

# 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 Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its Officers, we hereby certify that none of the Directors on the Central Board of the Bank as stated below for the Financial Year ended March 31, 2022 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.

S. No.	Name of Director	DIN	Date of appointment in the Bank
1	Mr. Dinesh Kumar Khara	06737041	09/08/2016
2	Mr. Challa Sreenivasulu Setty	08335249	20/01/2020
3	Mr. Ashwani Bhatia	07423221	24/08/2020
4	Mr. Swaminathan J.	08516241	28/01/2021
5	Mr. Ashwini Kumar Tewari	08797991	28/01/2021
6	Mr. B. Venugopal	02638597	07/06/2018
7	Dr. Ganesh G. Natarajan	00176393	26/06/2020
8	Mr. Ketan S. Vikamsey	00282877	26/06/2020
9	Mr. Mrugank M. Paranjape	02162026	26/06/2020
10	Mr. Sanjeev Maheshwari	02431173	20/12/2019
11	Mr. Prafulla P. Chhajed	03544734	21/12/2021
12	Mr. Sanjay Malhotra	00992744	16/02/2022
13	Mr. Anil Kumar Sharma	08537123	13/04/2021

Ensuring the eligibility of each Director for their appointment / continuity on the Central Board is the responsibility of the Management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

**For Bhandari & Associates**  
Company Secretaries

**S. N. Bhandari**

Partner

FCS No.: 761; C P No.: 366

Mumbai | May 13, 2022

ICSI UDIN: F000761D000313524

# Auditor's Certificate on Corporate Governance

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
**The Members,  
State Bank of India**

1. This Certificate is issued in accordance with the terms of our engagement letter dated March 28, 2022.
2. We, M/s. Khandelwal Jain and Company, Chartered Accountants, the joint Statutory Central Auditors of State Bank of India ("the Bank") have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) [and (t)] of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

## Management's Responsibility

3. The Management of the Bank is responsible for ensuring that the Bank complies with the conditions of Corporate Governance stipulated in the Listing Regulations. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

## Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
5. We have examined the books of account and other relevant records and documents maintained by the Bank for the purpose of providing reasonable assurance on the compliance with

Corporate Governance requirements by the Bank.

6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance and the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"), in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

## Opinion

8. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C and D of Schedule V to the Listing Regulations during the year ended March 31, 2022 except that:
  - a) The Bank did not have the requisite number of Independent Directors in its Central Board in terms of Regulation 17(1) of the Listing Regulations. Further, the Central Board did not have a Woman Director and an independent Woman Director as required under Regulation 17(1) (a) of the Listing Regulations.
  - b) The Bank did not have the requisite number of Independent

Directors in its Audit Committee till December 07, 2021 as required under Regulation 18(1) of the Listing Regulations. However, the Audit Committee of the Bank comprised of five (5) Directors including four (4) Independent Directors as on March 31, 2022 in compliance with the aforementioned regulation.

9. 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.

## Restriction on Use

10. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling them to understand the requirements of the Listing Regulations related to Corporate Governance, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For **Khandelwal Jain & Co**  
Chartered Accountants  
Firm Registration Number: 105049W

**Shailesh Shah**  
Partner  
Membership No.: 033632  
UDIN: 22033632AJEITX6259

Place: Mumbai  
Date: May 13, 2022



# Business Responsibility Report

## About the Business Responsibility Report:

Business Responsibility Report (BRR) of the Bank, is published on an annual basis since FY2012-13. Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 04<sup>th</sup> November, 2015 and SEBI Notification No. SEBI/LAD-NRO/GN/2019/45 dated 26<sup>th</sup> December, 2019 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. Additionally, as per SEBI guidelines, those listed entities which have been submitting Sustainability Reports based on internationally accepted frameworks need not prepare a separate BRR but only furnish to their stakeholders the details of the framework under which their BRR has been prepared and a mapping of the principles made in their Sustainability Reports. The Bank's Sustainability Report with the requisite mapping for the financial year ended 31<sup>st</sup> March 2022 has been hosted on the Bank's website <https://www.sbi.co.in> under the link Investors Relations-Annual Report. Any shareholder interested in obtaining a copy of the same may write to the Bank (email Id: [dgm.csr@sbi.co.in](mailto:dgm.csr@sbi.co.in) and postal address: Deputy General Manager(CSR & Sustainability), State Bank of India, 9th floor, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021).



Donation of ₹2 Crore to National Foundation for Communal Harmony towards support for Children



Donation of ₹10 Crore to Armed Forces Flag Day Fund



Donation to Psychiatric Hospital run by NGO Antara at Kolkata

# State Bank of India

Balance Sheet as at 31<sup>st</sup> March, 2022

(000s omitted)

	Schedule No.	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	279195,59,89	252982,72,85
Deposits	3	4051534,12,27	3681277,07,96
Borrowings	4	426043,37,98	417297,69,88
Other Liabilities and Provisions	5	229931,84,28	181979,66,31
<b>TOTAL</b>		<b>4987597,40,54</b>	<b>4534429,63,12</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	257859,20,71	213201,53,63
Balances with Banks and money at call and short notice	7	136693,11,40	129837,17,31
Investments	8	1481445,46,98	1351705,20,51
Advances	9	2733966,59,29	2449497,79,11
Fixed Assets	10	37708,15,83	38419,24,19
Other Assets	11	339924,86,33	351768,68,37
<b>TOTAL</b>		<b>4987597,40,54</b>	<b>4534429,63,12</b>
Contingent Liabilities	12	2007083,44,06	1706949,91,17
Bills for Collection	-	77730,12,34	56516,11,88
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet.

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

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

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

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

**Directors:**

Shri B. Venugopal  
Dr Ganesh Natarajan  
Shri Mrugank M Paranjape  
Shri Ketan S. Vikamsey  
Shri Sanjeev Maheshwari  
Shri Prafulla P. Chhajed

**Shri Dinesh Kumar Khara**  
Chairman

Place: Mumbai  
Date : 13<sup>th</sup> May, 2022

In terms of our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants

**Shailesh Shah**  
Partner: M. No. 033632  
Firm Regn. No. 105049W

**For Shah Gupta & Co.**  
Chartered Accountants

**Heneel K Patel**  
Partner: M. No. 114103  
Firm Regn. No. 109574W

**For Umamaheswara Rao & Co.**  
Chartered Accountants

**L Shyama Prasad**  
Partner: M. No. 028224  
Firm Regn. No. 004453S

**For SCV & Co. LLP**  
Chartered Accountants

**Anuj Dhingra**  
Partner: M. No. 512535  
Firm Regn. No. 000235N/N500089

**For ASA & Associates LLP**  
Chartered Accountants

**Parveen Kumar**  
Partner: M. No. 088810  
Firm Regn. No. 009571N/N500006

**For Prem Gupta & Co.**  
Chartered Accountants

**Prem Behari Gupta**  
Partner: M. No. 080245  
Firm Regn. No. 000425N

**For Guha Nandi & Co.**  
Chartered Accountants

**Dr. B. S. Kundu**  
Partner: M. No. 051221  
Firm Regn. No. 302039E

**For M C Bhandari & Co.**  
Chartered Accountants

**M R Jain**  
Partner: M. No. 050919  
Firm Regn. No. 303002E

**For K C Mehta & Co.**  
Chartered Accountants

**Chirag Bakshi**  
Partner: M. No. 047164  
Firm Regn. No. 106237W

**For V Singhi & Associates**  
Chartered Accountants

**Aniruddha Sengupta**  
Partner: M. No. 051371  
Firm Regn. No. 311017E

**For Suri & Co.**  
Chartered Accountants

**V Natarajan**  
Partner: M. No. 223118  
Firm Regn. No. 004283S

**For Talati & Talati LLP**  
Chartered Accountants

**Anand Sharma**  
Partner: M. No. 129033  
Firm Regn. No. 110758W/W100377

Place – Mumbai  
Date – May 13, 2022

# SCHEDULES

## SCHEDULE 1 - CAPITAL

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>Authorised Capital :</b>		
5000,00,00,000 shares of ₹ 1 each (Previous Year 5000,00,00,000 shares of ₹ 1 each)	5000,00,00	5000,00,00
<b>Issued Capital :</b>		
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
<b>Subscribed and Paid-up Capital :</b>		
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 10,36,05,740 Equity Shares of ₹ 1 each (Previous Year 10,97,28,170 Equity Shares of ₹ 1 each) represented by 10,36,05,74 (Previous Year 10,97,28,17) Global Depository Receipts]		
<b>TOTAL</b>	<b>892,46,12</b>	<b>892,46,12</b>

## SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	76065,22,66	69942,08,58
Additions during the year	9502,79,42	6123,14,08
Deductions during the year	-	-
	<b>85568,02,08</b>	<b>76065,22,66</b>
<b>II. Capital Reserves</b>		
Opening Balance	15221,82,99	13756,70,57
Additions during the year	538,15,24	1465,12,42
Deductions during the year	-	-
	<b>15759,98,23</b>	<b>15221,82,99</b>
<b>III. Share Premium</b>		
Opening Balance	79115,47,05	79115,47,05
Additions during the year	-	-
Deductions during the year	-	-
	<b>79115,47,05</b>	<b>79115,47,05</b>



(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>IV. Investment Fluctuation Reserve</b>		
Opening Balance	3048,07,72	1119,88,09
Additions during the year	4647,87,02	1928,19,63
Deductions during the year	-	-
	<b>7695,94,74</b>	<b>3048,07,72</b>
<b>V. Foreign Currency Translation Reserve</b>		
Opening Balance	9072,39,67	9274,60,44
Additions during the year	888,39,11	-
Deductions during the year	-	202,20,77
	<b>9960,78,78</b>	<b>9072,39,67</b>
<b>VI. Revenue and Other Reserves*</b>		
Opening Balance	50483,22,45	44641,85,54
Additions during the year	1352,89,36	5841,36,91
Deductions during the year	-	-
	<b>51836,11,81</b>	<b>50483,22,45</b>
<b>VII. Revaluation Reserve</b>		
Opening Balance	23577,34,78	23762,66,57
Additions during the year	-	-
Deductions during the year	199,48,07	185,31,79
	<b>23377,86,71</b>	<b>23577,34,78</b>
<b>VIII. Balance of Profit and Loss Account</b>	<b>5881,40,49</b>	<b>(3600,84,47)</b>
<b>TOTAL</b>	<b>279195,59,89</b>	<b>252982,72,85</b>

\* 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 ₹ 15696,95,76 thousand (Previous Year ₹ 14528,51,76 thousand)
- (iii) Investment Reserves Current Year ₹ Nil (Previous Year ₹ Nil).

## SCHEDULE 3 - DEPOSITS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	6551,52,93	5815,51,86
(ii) From Others	270172,30,80	280881,87,39
<b>II. Savings Bank Deposits</b>	1526856,80,29	1384583,88,91
<b>III. Term Deposits</b>		
(i) From Banks	7909,81,63	5585,34,88
(ii) From Others	2240043,66,62	2004410,44,92
<b>TOTAL</b>	<b>4051534,12,27</b>	<b>3681277,07,96</b>
<b>B. (i) Deposits of Branches in India</b>	3920200,81,67	3570164,90,88
(ii) Deposits of Branches outside India	131333,30,60	111112,17,08
<b>TOTAL</b>	<b>4051534,12,27</b>	<b>3681277,07,96</b>

## SCHEDULE 4 - BORROWINGS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	24956,00,00	24956,00,00
(ii) Other Banks	-	37,00,00
(iii) Other Institutions and Agencies	144073,34,11	154138,69,61
(iv) Capital Instruments:		
a. Innovative Perpetual Debt Instruments (IPDI)	36709,70,00	29835,70,00
b. Subordinated Debt	35289,90,00	36289,90,00
	71999,60,00	66125,60,00
<b>TOTAL</b>	<b>241028,94,11</b>	<b>245257,29,61</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	185014,43,87	169847,10,27
(ii) Capital Instruments: Innovative Perpetual Debt Instruments (IPDI)	-	2193,30,00
<b>TOTAL</b>	<b>185014,43,87</b>	<b>172040,40,27</b>
<b>GRAND TOTAL</b>	<b>426043,37,98</b>	<b>417297,69,88</b>
Secured Borrowings included in I & II above	178690,84,91	183941,81,71

**SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
I. Bills payable	33431,04,90	17685,38,79
II. Inter-office adjustments (Net)	2344,61,99	-
III. Interest accrued	17704,33,21	15378,91,12
IV. Deferred Tax Liabilities (Net)	2,55,53	2,46,48
V. Others (including provisions)*	176449,28,65	148912,89,92
<b>TOTAL</b>	<b>229931,84,28</b>	<b>181979,66,31</b>

\* Includes prudential provision for Standard Assets ₹ 19972,60,99 thousand (Previous Year ₹ 15293,97,78 thousand)

**SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	21742,92,83	23403,41,73
II. Balance with Reserve Bank of India		
(i) In Current Account	236116,27,88	189798,11,90
(ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>257859,20,71</b>	<b>213201,53,63</b>

**SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Account	-	40,80
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	60953,22,08	47369,93,31
(b) With Other Institutions	-	-
<b>TOTAL</b>	<b>60953,22,08</b>	<b>47370,34,11</b>
<b>II. Outside India</b>		
(i) In Current Account	61541,33,80	63326,17,58
(ii) In Other Deposit Accounts	2772,69,44	8311,59,05
(iii) Money at call and short notice	11425,86,08	10829,06,57
<b>TOTAL</b>	<b>75739,89,32</b>	<b>82466,83,20</b>
<b>GRAND TOTAL (I and II)</b>	<b>136693,11,40</b>	<b>129837,17,31</b>

## SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Investments in India in:</b>		
(i) Government Securities	1162182,63,96	1055288,64,35
(ii) Other Approved Securities	-	-
(iii) Shares	12424,39,66	7981,38,03
(iv) Debentures and Bonds	215804,42,59	208888,60,89
(v) Subsidiaries and/ or Joint Ventures (including Associates)*	14012,38,80	13475,17,45
(vi) Others (Units of Mutual Funds etc.)	23582,24,18	18640,33,06
<b>TOTAL</b>	<b>1428006,09,19</b>	<b>1304274,13,78</b>
<b>II. Investments outside India in:</b>		
(i) Government Securities (including local authorities)	19728,93,24	17946,34,44
(ii) Subsidiaries and/ or Joint Ventures abroad	5028,44,04	4768,15,85
(iii) Other Investments (Shares, Debentures, etc.)	28682,00,51	24716,56,44
<b>TOTAL</b>	<b>53439,37,79</b>	<b>47431,06,73</b>
<b>GRAND TOTAL (I and II)</b>	<b>1481445,46,98</b>	<b>1351705,20,51</b>
<b>III. Investments in India:</b>		
(i) Gross Value of Investments	1439648,85,34	1314424,07,05
(ii) Less: Aggregate of Provisions / Depreciation	11642,76,15	10149,93,27
(iii) Net Investments (vide I above)	1428006,09,19	1304274,13,78
<b>IV. Investments outside India:</b>		
(i) Gross Value of Investments	53537,57,21	47461,40,62
(ii) Less: Aggregate of Provisions / Depreciation	98,19,42	30,33,89
(iii) Net Investments (vide II above)	53439,37,79	47431,06,73
<b>GRAND TOTAL (III and IV)</b>	<b>1481445,46,98</b>	<b>1351705,20,51</b>

\* Including Share application money

## SCHEDULE 9 - ADVANCES

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>A. (i) Bills purchased and discounted</b>	167282,62,94	95035,10,23
(ii) Cash credits, overdrafts and loans repayable on demand	713526,87,72	676439,31,40
(iii) Term Loans	1853157,08,63	1678023,37,48
<b>TOTAL</b>	<b>2733966,59,29</b>	<b>2449497,79,11</b>



(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>B. (i)</b> Secured by tangible assets (includes advances against Book Debts ₹ 130915,53,15 thousand (Previous Year ₹ 134277,32,43 thousand))	1874674,76,97	1760153,24,52
(ii) Covered by Bank / Government Guarantees	114697,57,23	96522,71,33
(iii) Unsecured	744594,25,09	592821,83,26
<b>TOTAL</b>	<b>2733966,59,29</b>	<b>2449497,79,11</b>
<b>C. (I) Advances in India</b>		
(i) Priority Sector	658546,87,83	564570,85,92
(ii) Public Sector	167189,34,75	257241,31,86
(iii) Banks	1001,87,68	4618,77,18
(iv) Others	1496980,59,45	1267713,73,45
<b>TOTAL</b>	<b>2323718,69,71</b>	<b>2094144,68,41</b>
<b>(II) Advances outside India</b>		
(i) Due from banks	119036,89,80	79713,82,13
(ii) Due from others		
(a) Bills purchased and discounted	35342,14,75	34993,56,29
(b) Syndicated loans	182163,55,96	170243,57,62
(c) Others	73705,29,07	70402,14,66
<b>TOTAL</b>	<b>410247,89,58</b>	<b>355353,10,70</b>
<b>GRAND TOTAL [C (I) and C (II)]</b>	<b>2733966,59,29</b>	<b>2449497,79,11</b>

**SCHEDULE 10 - FIXED ASSETS**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Premises (including Revalued Premises)</b>		
At cost/revalued as at 31 <sup>st</sup> March of the preceding year	30362,68,76	30317,86,54
Additions:		
- during the year	107,12,39	80,86,88
- for Revaluation	-	-
Deductions:		
- during the year	1,16,82	25,51,07
- for Revaluation	15,50,22	10,53,59
Depreciation to date		
- on cost	1058,70,21	945,18,85
- on Revaluation	1028,90,79	850,52,10
	<b>28365,53,11</b>	<b>28566,97,81</b>

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	36131,54,03	33497,62,10
Additions during the year	2608,18,79	3359,77,85
Deductions during the year	567,89,53	725,85,92
Depreciation to date	29069,87,58	26631,11,10
	<b>9101,95,71</b>	<b>9500,42,93</b>
<b>III. Assets under Construction (Including Premises)</b>	<b>240,67,01</b>	<b>351,83,45</b>
<b>TOTAL (I, II, and III)</b>	<b>37708,15,83</b>	<b>38419,24,19</b>

## SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
I. Inter-office adjustments (Net)	-	20540,95,39
II. Interest accrued	33675,81,75	30034,46,90
III. Tax paid in advance / tax deducted at source	22292,88,93	26023,99,26
IV. Deferred Tax Assets (Net)	6247,27,92	6559,27,43
V. Stationery and stamps	18,28,40	80,41,65
VI. Non-banking assets acquired in satisfaction of claims	56,10	56,10
VII. Others *	277690,03,23	268529,01,64
<b>TOTAL</b>	<b>339924,86,33</b>	<b>351768,68,37</b>

\*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 195618,29,52 thousand (Previous Year ₹ 184093,45,48 thousand)

## SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	85961,67,98	79083,37,30
II. Liability for partly paid investments / Venture Funds	1982,56,16	1508,40,25
III. Liability on account of outstanding forward exchange contracts	1212393,31,12	1027974,90,38
IV. Guarantees given on behalf of constituents		
(a) In India	166478,97,17	173090,50,78
(b) Outside India	95194,96,23	72702,50,07
V. Acceptances, endorsements and other obligations	178718,66,77	148827,19,35
VI. Other items for which the bank is contingently liable*	266353,28,63	203763,03,04
<b>TOTAL</b>	<b>2007083,44,06</b>	<b>1706949,91,17</b>

\*Includes Derivatives ₹ 259459,41,01 thousand (Previous Year ₹ 198094,76,48 thousand)

# State Bank of India

Profit and Loss Account for the year ended 31<sup>st</sup> March, 2022

(000s omitted)

	Schedule No.	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
<b>I. INCOME</b>			
Interest earned	13	275457,29,04	265150,63,38
Other Income	14	40563,91,40	43496,37,47
<b>TOTAL</b>		<b>316021,20,44</b>	<b>308647,00,85</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	154749,70,43	154440,63,33
Operating expenses	16	93397,51,52	82652,22,35
Provisions and contingencies		36198,00,44	51143,68,23
<b>TOTAL</b>		<b>284345,22,39</b>	<b>288236,53,91</b>
<b>III. PROFIT</b>			
Net Profit for the year		31675,98,05	20410,46,94
Add: Profit/ (Loss) brought forward		(3600,84,46)	(10498,30,21)
<b>TOTAL</b>		<b>28075,13,59</b>	<b>9912,16,73</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		9502,79,42	6123,14,08
Transfer to Capital Reserve		538,15,24	1465,12,42
Transfer to Investment Fluctuation Reserve		4647,87,02	1928,19,63
Transfer to Revenue and other Reserves		1168,44,00	426,70,60
Dividend for the current year		6336,47,42	3569,84,46
Balance carried over to Balance Sheet		5881,40,49	(3600,84,46)
<b>TOTAL</b>		<b>28075,13,59</b>	<b>9912,16,73</b>
<b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b>			
Basic (in ₹)		35.49	22.87
Diluted (in ₹)		35.49	22.87
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit & Loss Account.

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

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

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

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

## Directors:

Shri B. Venugopal  
Dr Ganesh Natarajan  
Shri Mrugank M Paranjape  
Shri Ketan S. Vikamsey  
Shri Sanjeev Maheshwari  
Shri Prafulla P. Chhajed

**Shri Dinesh Kumar Khara**  
Chairman

Place: Mumbai

Date : 13<sup>th</sup> May, 2022

In terms of our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants

**Shailesh Shah**  
Partner: M. No. 033632  
Firm Regn. No. 105049W

**For SCV & Co. LLP**  
Chartered Accountants

**Anuj Dhingra**  
Partner: M. No. 512535  
Firm Reg. No. 000235N/N500089

**For Guha Nandi & Co.**  
Chartered Accountants

**Dr. B. S. Kundu**  
Partner: M. No. 051221  
Firm Regn. No. 302039E

**For V Singhi & Associates**  
Chartered Accountants

**Aniruddha Sengupta**  
Partner: M. No. 051371  
Firm Regn. No. 311017E

**For Shah Gupta & Co.**  
Chartered Accountants

**Heneel K Patel**  
Partner: M. No. 114103  
Firm Regn. No. 109574W

**For ASA & Associates LLP**  
Chartered Accountants

**Parveen Kumar**  
Partner: M. No. 088810  
Firm Regn. No. 009571N/N500006

**For M C Bhandari & Co.**  
Chartered Accountants

**M R Jain**  
Partner: M. No. 050919  
Firm Regn. No. 303002E

**For Suri & Co.**  
Chartered Accountants

**V Natarajan**  
Partner: M. No. 223118  
Firm Regn. No. 004283S

**For Umamaheswara Rao & Co.**  
Chartered Accountants

**L Shyama Prasad**  
Partner: M. No. 028224  
Firm Regn. No. 004453S

**For Prem Gupta & Co.**  
Chartered Accountants

**Prem Behari Gupta**  
Partner: M. No. 080245  
Firm Regn. No. 000425N

**For K C Mehta & Co.**  
Chartered Accountants

**Chirag Bakshi**  
Partner: M. No. 047164  
Firm Regn. No. 106237W

**For Talati & Talati LLP**  
Chartered Accountants

**Anand Sharma**  
Partner: M. No. 129033  
Firm Regn. No. 110758W/W100377

Place – Mumbai  
Date – May 13, 2022



## Schedules forming part of the Profit and Loss Account For the year ended 31<sup>st</sup> March, 2022

### SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Interest / discount on advances/ bills	171823,73,09	171429,13,89
II. Income on Investments	84877,20,42	79808,09,01
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4377,91,06	4317,53,07
IV. Others	14378,44,47	9595,87,41
<b>TOTAL</b>	<b>275457,29,04</b>	<b>265150,63,38</b>

### SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Commission, exchange and brokerage	24565,21,06	23517,51,44
II. Profit/ (Loss) on sale of investments (Net) <sup>1</sup>	3485,08,43	6030,93,10
III. Profit/ (Loss) on revaluation of investments (Net)	(263,27,88)	-
IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)	(16,86,60)	(28,58,17)
V. Profit/ (Loss) on exchange transactions (Net)	3479,04,06	2409,63,79
VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	718,37,49	642,86,22
VII. Miscellaneous Income <sup>2</sup>	8596,34,84	10924,01,09
<b>TOTAL</b>	<b>40563,91,40</b>	<b>43496,37,47</b>

<sup>1</sup> Profit/ (Loss) on sale of investments (Net) includes exceptional item of Nil (Previous year ₹ 1539,73,30 thousand).

<sup>2</sup> Miscellaneous Income includes Recoveries made in write-off accounts ₹ 7781,69,59 thousand (Previous year ₹ 10297,21,29 thousand).

### SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Interest on Deposits	141247,47,11	142435,24,72
II. Interest on Reserve Bank of India/ Inter-bank borrowings	7779,35,70	6130,13,01
III. Others	5722,87,62	5875,25,60
<b>TOTAL</b>	<b>154749,70,43</b>	<b>154440,63,33</b>

## SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Payments to and provisions for employees <sup>3</sup>	57561,98,54	50936,00,01
II. Rent, taxes and lighting	5362,15,52	5253,17,14
III. Printing and stationery	615,09,43	505,24,14
IV. Advertisement and publicity	316,15,73	238,41,25
V. Depreciation on Bank's property	3248,58,59	3317,55,25
VI. Directors' fees, allowances and expenses	1,70,49	2,43,12
VII. Auditors' fees and expenses (including branch auditors' fees and expenses )	270,60,67	274,18,79
VIII. Law charges	241,38,60	215,25,31
IX. Postages, Telegrams, Telephones etc.	507,66,87	301,86,59
X. Repairs and maintenance	1036,20,89	916,42,58
XI. Insurance	5239,81,42	4348,00,06
XII. Other expenditure	18996,14,77	16343,68,11
<b>TOTAL</b>	<b>93397,51,52</b>	<b>82652,22,35</b>

<sup>3</sup> Payments to and provisions for employees includes exceptional item of ₹ 7418,39,00 thousand (Previous year Nil) for enhancement in Family Pension under 11<sup>th</sup> Bipartite Settlement and Joint Note dated November 11, 2020.

## SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

### A. Background:

State Bank of India (SBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949, and the State Bank of India Act, 1955.

Following are the Significant Accounting Policies i.e., the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

### B. Basis of Preparation:

The accounting and reporting policies of the Bank conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act 1955, and the Banking Regulations Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the accounting practices prevalent in the banking industry in India.

In case of foreign offices, the statutory provisions, and practices of the local laws of the respective foreign country are followed if they are more prudent.

Bank's financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated.

The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

### C. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### D. Significant Accounting Policies:

#### 1. Revenue recognition:

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.

1.2 Interest/ Discount income is recognised in the Profit and Loss Account on realisation basis for following:

- i. Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities),
- ii. Income on Rupee Derivatives designated as "Trading"

1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the Held to Maturity (HTM) category and on sale of Fixed Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

- a. on interest bearing securities, it is accounted for at the time of sale/ redemption.
- b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.4 Dividend income is recognised when the right to receive the dividend is established.

1.5 Commission on Letters of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on a realisation basis.

1.6 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.

1.7 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortized over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.

1.8 The Bank derecognises its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:

- i. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
- ii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

## 2. Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### 2.1 Classification:

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) Others. The investments outside India are further classified as (i) Government Securities (ii) Subsidiaries and Joint Ventures (iii) Other Investments.

### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorised as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorised as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- i. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method except for investments under HTM category which are accounted on FIFO basis (First In First Out).
  - a. Brokerage/ commission received on subscriptions is reduced from the cost. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - b. Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.

### ii. Valuation of investments classified as Held to Maturity:

- a. Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition if any, is amortised over the term to maturity on a constant yield basis. Such amortisation of premium is accounted as income on investments.
- b. Investments (in India and abroad) in subsidiaries, joint ventures and associates are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
- c. Investments in Regional Rural Banks are valued at carrying cost (i.e., book value).

### iii. Valuation of investments classified as Available for Sale and Held for Trading:

Investments classified as Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation if any, of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored.

### iv. Valuation policy in event of inter category transfer of investments:

- a. Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b. Transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, is provided, in the Profit and Loss Account.

### v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:

- a. The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.
- b. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in



cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

#### 2.4 Investments (NPI):

- i. In respect of domestic offices, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:
  - a. Interest/ instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b. In the case of equity shares, in the event the investment in shares of any company is valued at Re. 1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
  - c. The Bank also classifies an investment as a non-performing investment in case any credit facility availed by the same borrower/ entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.
  - d. The investments in debentures/ bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices, classification, and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

#### 2.5 Accounting for Repo/ Reverse Repo transactions:

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- i. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.
- ii. In Market Repo and Reverse Repo transaction, securities sold(purchased) and repurchased(resell) are accounted as normal outright sale(purchase) transactions and such

movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.

- iii. Balance in Repo Account is classified under Schedule 4 (Borrowings).
- iv. The balance in Reverse Repo Account with original tenor of 14 days or less are classified under Schedule 7 (Balance with Banks and Money at call & short notice). Reverse Repos with original maturity more than 14 days but up to 1 year are classified as Cash Credits, overdrafts, and loans repayable on demand, under Schedule 9 (Advances). All other Reverse Repos are classified as Term Loans under Schedule 9 (Advances)
- v. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

#### 3. Loans/ Advances and Provisions thereon:

- 3.1 Based on the guidelines/ directives issued by the RBI, Loans and Advances are classified as performing and non-performing, as follows:
  - i. A term loan is classified as a non-performing asset, if interest and/ or instalment of principal remains overdue for a period of more than 90 days.
  - ii. An Overdraft or Cash Credit, is classified as a non-performing asset, if, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period.
  - iii. The bills purchased/ discounted are classified as Non-performing Asset, if the bill remains overdue for a period of more than 90 days.
  - iv. The agricultural advances are classified as a non-performing if, (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
  - i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.

- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

<b>Substandard Assets:</b>	<ul style="list-style-type: none"> <li>i. A general provision of 15% on the total outstanding.</li> <li>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);</li> <li>iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.</li> </ul>
<b>Doubtful Assets:</b>	
-Secured portion:	<ul style="list-style-type: none"> <li>i. Up to one year – 25%</li> <li>ii. One to three years – 40%</li> <li>iii. More than three years – 100%</li> </ul>
-Unsecured portion	100%
<b>Loss Assets:</b>	100%.

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head

“Other Liabilities & Provisions – Others” and are not considered for arriving at the Net NPAs.

- 3.10 The Bank also makes additional provisions on specific non-performing assets.
- 3.11 Appropriation of recoveries in NPAs are made in order of priority as under:
  - a. Charges, Costs, Commission etc.
  - b. Unrealized Interest / Interest
  - c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### 4. Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for floating provisions separately for advances, investments, and general purposes. The quantum of floating provisions and Countercyclical Provisioning Buffer to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head “Other Liabilities & Provisions – Others”.

#### 6. Derivatives:

- 6.1 The Bank enters in derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements 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 in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

#### 7. Fixed Assets, Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices are depreciated at straight line method based on useful life of the assets states as under:

Sl. No.	Description of Fixed Assets	Useful life for Depreciation
i.	Computers	3 years
ii.	Computer Software forming an integral part of the computer hardware	3 years

Sl. No.	Description of Fixed Assets	Useful life for Depreciation
iii.	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	3 years
iv.	Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine	5 years
v.	Server	4 years
vi.	Network Equipment	5 years
vii.	Other major fixed assets:	
	Premises	60 Years
	Vehicles	5 Years
	Safe Deposit Lockers	20 Years
	Furniture & Fixtures	10 Years

- 7.3 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
- 7.4 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

#### 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

#### 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to

be generated by the asset. If such assets are impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

### 10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

#### i. Non-integral Operations:

- a. 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.

- b. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- c. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- d. 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.

#### ii. Integral Operations:

- a. 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.
- b. 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.
- c. 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 to the fund at 10% of employee's basic pay plus eligible allowance monthly. 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 based on actuarial valuation.

- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
- 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 or Service Gratuity without cap for erstwhile Associate Bank's employees. 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.
- 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 Employees' Pension Fund Regulations. 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 Fund 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 1<sup>st</sup> 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, these employees contribute 10% of their basic pay plus dearness allowance to the scheme together with Bank's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees

concerned, these contributions are retained as deposits in the Bank and earn interest at the rate applicable to 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, if any, 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 considering 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 because of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- 15.2 No provision is recognised for:
- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
  - ii. any present obligation that arises from past events but is not recognised because:
    - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that

part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

- 15.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.
- 15.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.
- 15.5 Contingent Assets are not recognised in the financial statements.

#### 16. Bullion Transactions:

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

#### 17. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

#### 18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

#### 19. Cash and cash equivalents:

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

**SCHEDULE – 18: NOTES TO ACCOUNTS****18.1 Regulatory Capital****a. Composition of Regulatory Capital****AS PER BASEL II**

Sr. No.	Items	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 capital ratio (%)	11.16%	11.19%
(iii)	Tier 2 capital ratio (%)	2.69%	2.63%
(iv)	Total Capital Ratio (%)	13.85%	13.82%

**AS PER BASEL III**

(₹ in crore)

Sr. No.	Items	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(i)	Common Equity Tier 1 Capital	2,46,360.79	2,25,248.09
(ii)	Additional Tier 1 Capital	36,709.70	31,928.94
(iii)	Tier 1 Capital (i + ii)	2,83,070.49	2,57,177.03
(iv)	Tier 2 capital	59,721.52	51,715.70
(v)	Total capital (Tier 1 + Tier 2)	3,42,792.01	3,08,892.73
(vi)	Total risk weighted Assets (RWAs)	24,78,703.46	22,49,038.34
(vii)	CET 1 Ratio (%) (CET 1 as a percentage of RWAs)	9.94%	10.02%
(viii)	Tier 1 capital ratio (%) (Tier 1 capital as a percentage of RWAs)	11.42%	11.44%
(ix)	Tier 2 capital ratio (%) (Tier 2 capital as a percentage of RWAs)	2.41%	2.30%
(x)	Capital to Risk weighted Assets Ratio (CRAR) (%) (Total capital as a percentage of RWAs)	13.83%	13.74%
(xi)	Leverage ratio	5.09%	5.12%
(xii)	Percentage of the Shareholding of Government of India	56.92%	56.92%
(xiii)	Amount of paid-up equity capital raised during the year	-	-
(xiv)	Amount of Non equity Tier 1 capital raised during the year: Basel III compliant Perpetual Debt Instruments	13,974.00	6,500.00
(xv)	Amount of Tier 2 capital raised during the year: Debt Capital instruments	-	20,931.00

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

**b. Drawdown from Reserves:**

During the year, there has been no draw down from the reserves to the Profit & Loss Account.

**c. Innovative Perpetual Debt Instruments (IPDI)**

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

**i. Foreign**

(₹ in crore)

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31 <sup>st</sup> March, 2022	Equivalent ₹ as on 31 <sup>st</sup> March, 2021
Additional Tier 1 (AT1) Bonds issued under MTN Programme 29 <sup>th</sup> Series	22.09.2016	Perpetual Non Call 5 years	USD 300 million	NIL	2,193.30

**ii. Domestic**

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1.	SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
2.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
3.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
4.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
5.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series I	3,104.80	30.08.2019	8.75
6.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series II	3,813.60	22.11.2019	8.50
7.	SBI Basel III AT1 Bond 2020-21 Series 1	4,000.00	09.09.2020	7.74
8.	SBI Non Convertible Unsecured Basel III AT1 Bonds – Series II 2020	2,500.00	24.11.2020	7.73
9.	SBI Non Convertible Unsecured Basel III AT1 Bonds Series I 2021	4,000.00	03.09.2021	7.72
10.	SBI Non Convertible Unsecured Basel III AT1 Bonds Series II 2021	6,000.00	18.10.2021	7.72
11.	SBI Non Convertible Unsecured Basel III AT1 Bonds Series III 2021	3,974.00	14.12.2021	7.55
<b>TOTAL</b>		<b>36,709.70</b>		



## d. 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.	SBI Non Convertible (Private placement) Bonds 2013-14 ( Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
2.	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
3.	e -SBP Tier II Basel III compliant (series I)	950.00	22.01.2015 22.01.2025	8.29	120
4.	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
5.	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
6.	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120
7.	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
8.	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120
9.	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
10.	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2018	4,115.90	02.11.2018 02.11.2028	8.90	120
11.	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2019-20	5,000.00	28.06.2019 28.06.2029	7.99	120
12.	SBI Basel III T2 Bond 20-21 Series 1	8,931.00	21.08.2020 21.08.2035	6.80	180
13.	SBI Basel III Tier 2 Bond20-21 Series 2	7,000.00	21.09.2020 21.09.2030	6.24	120
14.	SBI Basel III Tier 2 Bond 20-21 Series 3	5,000.00	26.10.2020 26.10.2030	5.83	120
<b>TOTAL</b>		<b>35,289.90</b>			

## 18.2. Asset Liability Management:

### a. Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March, 2022

(₹ in crore)

	Day1	2-7 Days	8-14 Days	15 to 30 days	Over 31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 Year	Over 1 Year & upto 3 years	Over 3 Years & upto 5 years	Over 5 Years	Total
Deposits	65,464.24	79,811.62	49,407.77	66,029.77	74,518.20	62,378.97	1,69,876.16	9,51,227.96	8,88,676.97	4,42,764.54	12,01,377.92	40,51,534.12
	(61,000.40)	(81,740.96)	(37,397.22)	(60,992.50)	(67,323.35)	(52,966.63)	(1,47,492.87)	(8,84,125.18)	(7,95,452.18)	(3,81,382.99)	(11,11,402.81)	(36,81,277.08)
Advances	35,455.14	17,489.88	21,462.78	45,328.82	57,802.93	59,606.96	1,53,396.53	2,20,131.63	9,63,157.51	3,58,491.91	8,01,642.50	27,33,966.59
	(44,156.96)	(13,618.48)	(16,535.47)	(37,631.95)	(44,757.21)	(35,877.97)	(1,17,416.16)	(1,98,447.37)	(8,70,870.70)	(3,19,249.93)	(7,50,935.58)	(24,49,497.79)
Investments	324.55	1,146.46	4,577.73	3,851.73	9,930.25	21,605.55	58,778.27	96,380.18	3,88,944.97	2,54,458.06	6,41,447.72	14,81,445.47
	(-)	(723.63)	(16,260.31)	(6,012.07)	(9,495.37)	(28,297.98)	(51,810.86)	(99,275.54)	(3,31,272.42)	(2,25,496.00)	(5,83,061.03)	(13,51,705.21)
Borrowings	58.99	1,50,299.24	7,992.20	12,734.96	18,023.76	16,628.14	27,877.17	21,910.67	86,386.10	60,331.41	23,800.74	4,26,043.38
	(823.85)	(1,53,783.04)	(1,469.67)	(11,857.36)	(13,923.44)	(14,091.50)	(38,619.46)	(33,828.43)	(68,089.88)	(50,667.23)	(30,143.85)	(4,17,297.70)
Foreign Currency Assets #	10,959.11	7,939.73	12,880.42	25,295.77	31,319.50	32,758.84	60,542.17	58,350.82	1,29,602.34	80,642.55	63,806.67	5,14,097.92
	(20,756.79)	(4,673.29)	(6,896.79)	(15,877.37)	(18,425.06)	(21,565.40)	(42,269.41)	(52,925.55)	(1,21,257.36)	(78,665.89)	(61,116.20)	(4,44,428.10)
Foreign Currency Liabilities \$	30,609.40	9,560.59	9,743.65	17,542.84	22,526.37	26,932.35	43,668.69	56,277.39	70,303.27	46,238.82	21,258.68	3,54,662.04
	(27,955.86)	(8,346.94)	(2,687.12)	(16,523.04)	(20,318.23)	(21,034.39)	(45,402.52)	(63,708.64)	(57,863.70)	(39,598.84)	(14,511.65)	(3,17,950.91)

# Foreign Currency Assets represent advances and investments.

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31<sup>st</sup> March, 2021).

### b. Liquidity Coverage Ratio (LCR):

#### i. Standalone LCR

- Liquidity Coverage Ratio (LCR) standard represents an 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 significantly severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{Stock of high-quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

- Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios.
- There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively.
- The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.
- Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down.

- Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

**Quantitative Disclosure:**

(₹ in crore)

LIQUIDITY COVERAGE RATIO											
LCR COMPONENTS	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021		Quarter ended March 31, 2021		
	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)	11,26,684		12,04,678		12,18,824		11,62,073		11,65,122	
CASH OUTFLOWS											
2	Retail Deposits and deposits from small business customers, of which:										
(i)	Stable deposits	8,54,540	42,727	8,54,954	42,748	8,53,988	42,699	8,49,046	42,452	8,29,333	41,467
(ii)	Less Stable Deposits	18,66,220	1,86,622	18,30,855	1,83,085	18,08,831	1,80,883	17,78,038	1,77,804	17,47,243	1,74,724
3	Unsecured wholesale funding, of which:										
(i)	Operational deposits(all counterparties)	0	0	0	0	0	0	0	0	781	195
(ii)	Non-operational deposits (all counterparties)	10,33,929	6,30,544	9,78,700	5,95,527	9,65,937	5,90,798	9,42,797	5,61,775	8,83,699	5,41,738
(iii)	Unsecured debt	0	0	0	0	0	0	0	0	0	0
4	Secured wholesale funding	1,76,267	25	1,50,878	631	1,01,830	966	1,12,241	914	1,39,993	1,372
5	Additional requirements, of which										
(i)	Outflows related to derivative exposures and other collateral requirements	4,01,193	4,01,193	3,41,852	3,41,852	2,51,345	2,51,345	2,12,326	2,12,326	1,52,989	1,52,989
(ii)	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	47,971	7,990	48,280	8,428	44,694	7,887	44,185	7,737	43,125	7,326
6	Other contractual funding obligations	38,146	38,146	33,522	33,522	32,885	32,885	30,260	30,260	39,215	39,215
7	Other contingent funding obligations	6,37,250	22,598	6,21,723	22,080	6,00,776	21,438	5,99,963	21,304	6,10,132	22,007
8	TOTAL CASH OUTFLOWS	50,55,515	13,29,845	48,60,765	12,27,873	46,60,286	11,28,902	45,68,854	10,54,572	44,46,513	9,81,034
CASH INFLOWS											
9	Secured lending(eg. Reverse repos)	75,185	0	1,04,007	0	1,16,529	0	1,01,723	0	1,46,720	0
10	Inflows from fully performing exposures	5,04,133	4,77,011	4,29,257	4,07,358	3,40,078	3,14,257	3,07,393	2,81,125	2,36,691	2,11,019
11	Other cash inflows	44,252	36,201	50,861	43,821	60,045	52,093	51,715	44,892	41,962	35,399
12	TOTAL CASH INFLOWS	6,23,571	5,13,212	5,84,125	4,51,179	5,16,653	3,66,350	4,60,832	3,26,017	4,25,373	2,46,418
13	TOTAL HQLA		11,26,684		12,04,678		12,18,824		11,62,073		11,65,122
14	TOTAL NET CASH OUTFLOWS		8,16,633		7,76,695		7,62,552		7,28,555		7,34,616
15	LIQUIDITY COVERAGE RATIO(%)		137.97%		155.10%		159.83%		159.50%		158.60%

In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March 2015, average weighted and unweighted amounts have been calculated taking simple daily average since 1<sup>st</sup> January 2017. We have considered 66 data points for the quarter January to March 2022.

Bank's LCR comes to 137.97% based on daily average of three months (Q4 FY21-22) and is above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹ 11,26,684 crore, with 95.14% being Level 1 assets. Level 2A and Level 2B assets constitute 4.23% and 0.63% of total HQLA, respectively. Government Securities constituted 95.68% of Total Level 1 Assets. During the quarter, the weighted average HQLA level has decreased by ₹ 77,994 crore, primarily on account of decrease in excess SLR balance and the weighted average net cash outflows position has gone up by ₹ 39,938 crore, mainly on account of increase in cash outflows in unsecured wholesale funding. 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 at 339.84%, on an average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are apprising the liquidity position to the Asset Liability Management Committee (ALCO) of the Bank. 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 subsequently. In addition to daily/monthly LCR reporting, Bank also 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 commitments.

## ii. Consolidated LCR

The RBI through a supplementary guideline issued on March 31, 2015 had stipulated the implementation of LCR at a consolidated level from January 1, 2016 and accordingly, LCR has been computed at Group level.

The entities covered in the Group LCR are SBI and seven Overseas Banking Subsidiaries - Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California) Ltd, SBI Canada Bank, State Bank of India (Mauritius) Ltd, Bank SBI Indonesia and SBI (UK) Ltd.

SBI Group LCR comes to 138.29% as on 31<sup>st</sup> March 2022 based on average of three months January, February and March, 2022, which is above the minimum regulatory requirement of 100%.

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.

(₹ in crore)

Group Liquidity Coverage Ratio (LCR)											
LIQUIDITY COVERAGE RATIO											
State Bank of India Group											
GLCR COMPONENTS	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021		Quarter ended March 31, 2021		
	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)	
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>											
1	Total High Quality Liquid Assets(HQLA)		11,32,828		12,10,622		12,24,707		11,68,393		11,71,796
<b>CASH OUTFLOWS</b>											
2	Retail Deposits and deposits from small business customers, of which:										
	(i) Stable deposits	8,63,104	43,155	8,63,351	43,168	8,62,161	43,108	8,57,321	42,866	8,37,619	41,881
	(ii) Less Stable Deposits	18,77,488	1,87,749	18,42,354	1,84,235	18,20,108	1,82,011	17,89,453	1,78,945	17,58,476	1,75,848
3	Unsecured wholesale funding, of which:										
	(i) Operational deposits(all counterparties)	213	53	197	49	167	42	182	46	920	230
	(ii) Non-operational deposits(all counterparties)	10,36,748	6,32,558	9,81,606	5,97,336	9,69,609	5,93,180	9,45,679	5,63,525	8,86,157	5,43,301
	(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4	Secured wholesale funding	1,76,737	156	1,51,134	663	1,02,032	971	1,12,528	943	1,40,383	1,428
5	Additional requirements, of which										
	(i) Outflows related to derivative exposures and other collateral requirements	4,01,387	4,01,387	3,42,056	3,42,056	2,51,550	2,51,550	2,12,526	2,12,526	1,53,055	1,53,055
	(ii) Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0
	(iii) Credit and liquidity facilities	50,247	8,719	50,566	9,310	47,147	9,162	46,239	8,783	44,886	8,251
6	Other contractual funding obligations	39,315	39,315	34,397	34,397	33,925	33,925	31,741	31,741	40,907	40,907
7	Other contingent funding obligations	6,39,545	22,668	6,24,030	22,151	6,02,932	21,504	6,02,047	21,368	6,12,100	22,068
8	<b>TOTAL CASH OUTFLOWS</b>	<b>50,84,784</b>	<b>13,35,760</b>	<b>48,89,692</b>	<b>12,33,364</b>	<b>46,89,631</b>	<b>11,35,454</b>	<b>45,97,715</b>	<b>10,60,743</b>	<b>44,74,505</b>	<b>9,86,968</b>
<b>CASH INFLOWS</b>											
9	Secured lending(eg. Reverse repos)	75,185	0	1,04,007	0	1,16,529	0	1,01,723	0	1,46,720	0
10	Inflows from fully performing exposures	5,10,004	4,80,116	4,34,728	4,10,185	3,46,439	3,18,022	3,13,594	2,85,384	2,42,807	2,14,517
11	Other cash inflows	44,508	36,457	51,154	44,115	60,338	52,386	52,015	45,192	42,301	35,739
12	<b>TOTAL CASH INFLOWS</b>	<b>6,29,697</b>	<b>5,16,572</b>	<b>5,89,889</b>	<b>4,54,299</b>	<b>5,23,306</b>	<b>3,70,407</b>	<b>4,67,333</b>	<b>3,30,576</b>	<b>4,31,828</b>	<b>2,50,255</b>
13	<b>TOTAL HQLA</b>		11,32,828		12,10,622		12,24,707		11,68,393		11,71,796
14	<b>TOTAL NET CASH OUTFLOWS</b>		8,19,188		7,79,065		7,65,046		7,30,167		7,36,713
15	<b>LIQUIDITY COVERAGE RATIO(%)</b>		<b>138.29%</b>		<b>155.39%</b>		<b>160.08%</b>		<b>160.02%</b>		<b>159.06%</b>

\*\* Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

## c. Net Stable Funding Ratio:

## i. Standalone Net Stable Funding Ratio:

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

**Quantitative Disclosure:** The following table contains the unweighted and weighted values of the NSFR components of the SBI (Solo) as at 31<sup>st</sup> March 2022 (i.e. quarter end observations)

(₹ in crore)

NET STABLE FUNDING RATIO						
State Bank of India						
NSFR DISCLOSURE TEMPLATE AS ON QUARTER ENDED 31.03.2022						
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>ASF Item</b>						
1	Capital: (2+3)	0.00	0.00	0.00	3,71,575.25	3,71,575.25
2	Regulatory capital	0.00	0.00	0.00	3,71,575.25	3,71,575.25
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	13,32,707.42	4,96,720.45	4,73,676.67	4,41,565.50	25,12,074.46
5	Stable deposits	3,97,510.32	1,59,617.16	1,58,337.71	1,21,962.95	7,95,556.75
6	Less stable deposits	9,35,197.10	3,37,103.29	3,15,338.96	3,19,602.55	17,16,517.71
7	Wholesale funding: (8+9)	2,61,621.14	3,60,809.65	2,14,647.50	3,21,658.65	7,11,288.10
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	2,61,621.14	3,60,809.65	2,14,647.50	3,21,658.65	7,11,288.10
10	Other liabilities: (11+12)	0.00	1,09,566.48	40,699.68	19,089.97	0.00
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	861507.19	1,09,566.48	40,699.68	19,089.97	0.00
13	<b>Total ASF (1+4+7+10)</b>					<b>35,94,937.82</b>
<b>RSF Item</b>						
14	Total NSFR high-quality liquid assets (HQLA)					72,249.74
15	Deposits held at other financial institutions for operational purposes	22,644.31	51,632.15	0.00	3,270.25	38,773.35
16	Performing loans and securities: (17+18+19+21+23)	6,232.82	6,12,568.65	3,14,457.29	7,37,706.91	9,39,729.93
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	482.38	0.00	0.00	48.24
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	94,241.86	0.00	0.00	14,136.28
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	5,17,844.41	3,14,457.29	3,56,750.80	6,48,038.87
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	0.00	0.00	3,56,750.80	2,31,888.02
21	Performing residential mortgages, of which:	0.00	0.00	0.00	2,58,020.23	1,67,713.15
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	0.00	0.00	2,58,020.23	1,67,713.15
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	6,232.82	0.00	0.00	1,22,935.88	1,09,793.40
24	Other assets: (sum of rows 25 to 29)	9,75,855.98	89,197.59	2,666.00	11,02,846.97	19,58,771.90
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	1,041.85
27	NSFR derivative assets		4,647.22	0.00	0.00	4,647.22
28	NSFR derivative liabilities before deduction of variation margin posted		1,814.12	1,454.08	927.53	4,195.73
29	All other assets not included in the above categories	9,75,855.98	82,736.25	1,211.92	11,01,919.44	19,48,887.09
30	Off-balance sheet items		6,93,866.35	0.00	0.00	25,393.38
31	<b>Total RSF (14+15+16+24+30)</b>					<b>30,34,918.29</b>
32	<b>Net Stable Funding Ratio (%)</b>					<b>118.45%</b>

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC.No.106/21.04.098/2017-18 dated 17-May-2018, the quarter end observations are presented in the template above.



Bank's NSFR comes to 118.45% as at the end of the quarter Q4 (FY 2021-22) and is above the minimum regulatory requirement of 100% set out in the RBI guideline effective from October 01, 2021. The Available Stable Funding (ASF) as on 31.03.2022 stood at ₹ 35,94,938 crores and amount for Required Stable Funding (RSF) as on 31.03.2022 was ₹ 30,34,918 crores. There is an increase in the values of the total ASF and total RSF as on 31.03.2022 over 31.12.2021. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR, which extends to one year. The amount of stable funding required (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its Off-Balance Sheet (OBS) exposures.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and in-line with the regulatory prescriptions. The Domestic and International Operations are apprising the liquidity position to the Asset Liability Management Committee (ALCO) of the Bank. 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 subsequently. In addition to monthly NSFR reporting, Bank also computes Liquidity Coverage Ratio and prepares Structural Liquidity Statements on a daily basis to assess the liquidity needs of the Bank. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cushion to meet its likely future commitments.

## ii. Consolidated Net Stable Funding Ratio

The RBI guidelines stipulated the implementation of NSFR at a consolidated level from December 2021 quarter and accordingly, NSFR has been computed at Group level.

The entities covered in the Group NSFR are SBI and seven Overseas Banking Subsidiaries. Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California) Ltd, SBI Canada Bank, State Bank of India (Mauritius) Ltd, Bank SBI Indonesia and SBI(UK) Ltd.

SBI Group NSFR comes to 118.51% as on 31<sup>st</sup> March 2022 which is above the minimum regulatory requirement of 100%.

Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The Required stable funding (RSF) of a specific group is a function of the liquidity characteristics and residual maturities of the various assets held by that group as well as those of its Off-Balance Sheet (OBS) exposures.

(₹ in crore)

NET STABLE FUNDING RATIO						
STATE BANK OF INDIA GROUP						
Statement for the Quarter Ending		31st March 2022				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>ASF Item</b>						
1	Capital: (2+3)	6,635	-	-	3,79,507	3,86,142
2	Regulatory capital	6,635	-	-	3,73,153	3,79,788
3	Other capital instruments	-	-	-	6,354	6,354
4	Retail deposits and deposits from small business customers: (5+6)	13,46,773	5,02,664	4,77,824	4,42,070	25,35,002
5	Stable deposits	4,05,981	1,62,966	1,60,670	1,22,468	8,09,481
6	Less stable deposits	9,40,792	3,39,697	3,17,154	3,19,603	17,25,521
7	Wholesale funding: (8+9)	2,62,924	3,63,436	2,16,679	3,21,659	7,14,269
8	Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	-	-	-	-	-
9	Other wholesale funding	2,62,924	3,63,436	2,16,679	3,21,659	7,14,269
10	Other liabilities: (11+12)	8,62,915	1,13,639	40,700	19,370	-
11	NSFR derivative liabilities	67	-	-	-	-
12	All other liabilities and equity not included in the above categories	8,62,847	1,13,639	40,700	19,370	-
13	Total ASF (1+4+7+10)	24,79,248	9,79,739	7,35,203	11,62,606	36,35,413
<b>RSF Item</b>						
14	Total NSFR high-quality liquid assets (HQLA)	3,616	1,522	671	2,748	72,858
15	Deposits held at other financial institutions for operational purposes	23,024	51,633	662	3,270	39,294
16	Performing loans and securities: (17+18+19+21+23)	6,233	6,17,584	3,16,722	7,64,940	9,64,637
17	Performing loans to financial institutions secured by Level 1 HQLA	-	482	-	-	48
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	96,753	-	-	14,513
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	5,20,349	3,16,722	3,57,699	6,51,032
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	-	-	3,57,645	2,32,469
21	Performing residential mortgages, of which:	-	-	-	2,81,748	1,87,078
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	-	-	2,77,726	1,84,463
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	6,233	-	-	1,25,492	1,11,966
24	Other assets: (sum of rows 25 to 29)	9,76,145	89,766	2,943	11,08,236	19,65,295
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	1,042
27	NSFR derivative assets	20	4,647	-	-	4,667
28	NSFR derivative liabilities before deduction of variation margin posted	1	1,814	1,454	928	4,196
29	All other assets not included in the above categories	9,76,125	83,304	1,489	11,07,308	19,55,390
30	Off-balance sheet items	-	6,95,109	-	-	25,601
31	Total RSF (14+15+16+24+30)	-	-	-	-	30,67,686
32	Net Stable Funding Ratio (%)					118.51%

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC.No.106/21.04.098/2017-18 dated 17-May-2018, the quarter end observations are presented.

### 18.3. Investments

#### a. Composition of investment portfolio: Current Year

(₹ in crore)

Composition of Investments	Investments in India						Investments outside India				Whole Bank Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries &/or Joint Ventures	Others	Total investments in India	Government Securities (including Local Authorities)	Subsidiaries &/or Joint Ventures	Others		Total investments outside India
<b>Held to Maturity</b>												
Gross	8,33,382.82	-	8.00	33,741.28	6,205.26	1,490.06	8,74,827.42	794.14	5,028.44	133.94	5,956.52	8,80,783.94
Less: Provision for non-performing investments (NPI)	-	-	8.00	-	2.87	-	10.87	-	-	-	-	10.87
<b>Net</b>	<b>8,33,382.82</b>	-	-	<b>33,741.28</b>	<b>6,202.39</b>	<b>1,490.06</b>	<b>8,74,816.55</b>	<b>794.14</b>	<b>5,028.44</b>	<b>133.94</b>	<b>5,956.52</b>	<b>8,80,773.07</b>
<b>Available for Sale</b>												
Gross	3,29,274.86	-	13,770.82	1,84,479.80	7,810.00	29,951.22	5,65,286.72	18,967.40	-	28,613.65	47,581.06	6,12,867.75
Less: Provision for depreciation and NPI	-	-	1,356.19	2,416.66	-	7,859.04	11,631.89	32.61	-	65.58	98.19	11,730.08
<b>Net</b>	<b>3,29,274.86</b>	-	<b>12,414.63</b>	<b>1,82,063.14</b>	<b>7,810.00</b>	<b>22,092.19</b>	<b>5,53,654.81</b>	<b>18,934.79</b>	-	<b>28,548.07</b>	<b>47,482.86</b>	<b>6,01,137.67</b>
<b>Held for Trading</b>												
Gross	@-475.04	-	9.77	-	-	-	-465.27	-	-	-	-	-465.27
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>-475.04</b>	-	<b>9.77</b>	-	-	-	<b>-465.27</b>	-	-	-	-	<b>-465.27</b>
<b>Total Investments</b>												
Gross	11,62,182.64	-	13,788.59	2,18,221.08	14,015.26	31,441.28	14,39,648.85	19,761.54	5,028.44	28,747.59	53,537.57	14,93,186.42
Less: Provision for non-performing investments (NPI) *	-	-	1,197.31	879.00	-	-	2,076.31	-	-	56.34	56.34	2,132.65
Less: Provision for depreciation	-	-	166.88	1,537.66	2.87	7,859.04	9,566.45	32.61	-	9.24	41.85	9,608.30
<b>Net</b>	<b>11,62,182.64</b>	-	<b>12,424.40</b>	<b>2,15,804.42</b>	<b>14,012.39</b>	<b>23,582.24</b>	<b>14,28,006.09</b>	<b>19,728.93</b>	<b>5,028.44</b>	<b>28,682.01</b>	<b>53,439.38</b>	<b>14,81,445.47</b>

\* includes LICRA; @ Short sale

(₹ in crore)

Previous Year

Composition of Investments	Investments In India					Investments outside India				Whole Bank		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries &/or Joint Ventures	Others	Total investments in India	Government Securities (including Local Authorities)	Subsidiaries &/or Joint Ventures	Others	Total investments outside India	Total Investments
<b>Held to Maturity</b>												
Gross	7,62,084.20	-	8.00	33,209.70	5,668.04	929.11	8,01,899.06	643.79	4,768.16	133.93	5,545.88	8,07,444.93
Less: Provision for non-performing investments (NPI)	-	-	8.00	-	2.87	-	10.87	-	-	-	-	10.87
<b>Net</b>	<b>7,62,084.20</b>	-	-	<b>33,209.70</b>	<b>5,665.17</b>	<b>929.11</b>	<b>8,01,888.19</b>	<b>643.79</b>	<b>4,768.16</b>	<b>133.93</b>	<b>5,545.88</b>	<b>8,07,434.06</b>
<b>Available for Sale</b>												
Gross	2,93,106.80	-	9,531.98	1,79,762.47	7,810.00	22,046.33	5,12,257.58	17,316.05	-	24,599.48	41,915.53	5,54,173.11
Less: Provision for depreciation and NPI	-	-	1,717.70	4,083.56	-	4,335.10	10,136.37	13.50	-	16.84	30.34	10,166.71
<b>Net</b>	<b>2,93,106.80</b>	-	<b>7,814.28</b>	<b>1,76,158.31</b>	<b>7,810.00</b>	<b>17,711.22</b>	<b>5,02,121.21</b>	<b>17,302.55</b>	-	<b>24,582.64</b>	<b>41,885.19</b>	<b>5,44,006.40</b>
<b>Held for Trading</b>												
Gross	97.89	-	169.54	-	-	-	267.43	-	-	-	-	267.43
Less: Provision for depreciation and NPI	0.25	-	2.44	-	-	-	2.69	-	-	-	-	2.69
<b>Net</b>	<b>97.64</b>	-	<b>167.10</b>	-	-	-	<b>264.74</b>	-	-	-	-	<b>264.74</b>
<b>Total Investments</b>												
Gross	10,55,288.89	-	9,709.52	2,12,972.17	13,478.04	22,975.44	13,14,424.06	17,959.84	4,768.16	24,733.41	47,461.41	13,61,885.47
Less: Provision for non-performing investments (NPI)*	-	-	1,502.24	3,604.16	-	-	5,106.40	13.50	-	16.84	30.34	5,136.74
Less: Provision for depreciation *	0.25	-	225.90	479.40	2.87	4,335.11	5,043.53	-	-	-	-	5,043.53
<b>Net</b>	<b>10,55,288.84</b>	-	<b>7,981.38</b>	<b>2,08,888.61</b>	<b>13,475.17</b>	<b>18,640.33</b>	<b>13,04,274.13</b>	<b>17,946.34</b>	<b>4,768.16</b>	<b>24,716.57</b>	<b>47,431.07</b>	<b>13,51,705.20</b>

\*(includes LICRA)

Securities of a face value of ₹ 2,14,612.86 crore (Previous Year ₹ 2,00,812.86 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/NSCCL/MCX/ NSEIL/BSE towards Securities Settlement.

- i. During the year, the Bank infused additional capital in:
  - Jio Payments Bank Ltd (jointly controlled entity) ₹ 9.48 crore.  
(There is no change in SBI's stake after capital infusion.)
  - Bank SBI Indonesia PT (Foreign Banking Subsidiary) ₹ 341.26 crore  
(Bank's stake has increased from 99.00% to 99.34%)
- ii. In accordance with DFS notification DO. No. 3/9/2020-RRB dated February 21, 2022, Bank has infused additional capital in following RRBs. There is no change in Bank's stake after capital infusion.
  - Arunachal Pradesh Rural Bank (₹ 0.46 crore),
  - Madhyanchal Gramin Bank (₹ 198.59 crore),
  - Nagaland Rural Bank (₹ 2.36 crore),
  - Uttarakhand Gramin Bank (₹ 38.84 crore)
- iii. Bank has also infused its share of additional capital in following 4 RRBs on 10.03.2022 which is now held under Share Application Money A/c:
  - Ellaquai Dehati Bank (₹ 34.92 crore),
  - Jharkand Rajya Gramin Bank (₹ 1.59 crore),
  - Mizoram Rural Bank (₹ 11.82 crore),
  - Utkal Gramin Bank (₹ 239.16 crore).

## b. Movement of provisions for Depreciation on Investments and Investment Fluctuation Reserve

### i. Movement in provisions held towards depreciation on investments

(₹ in crore)

Particulars	Current Year	Previous Year
a) Balance at the beginning of the year	9,198.25	9,580.95
b) Add: Provisions made during the year	3,440.10	3,759.46
c) Less: Provision utilised during the year	-	9.29
d) Add: Foreign Exchange revaluation adjustment	2.00	17.06
e) Less: Write off/Write back of excess provision during the year.	1,815.13	4,149.93
f) Balance at the end of the year	10,825.22	9,198.25

### ii. Movement of Investment Fluctuation Reserve

(₹ in crore)

Particulars	Current Year	Previous Year
a) Opening Balance	3,048.08	1,119.88
Add: Amount transferred during the year	4,647.87	1,928.20
Less: Drawdown	--	--
Closing balance	7,695.95	3,048.08
iii. Closing balance of investments in AFS and HFT category	6,00,672.40	5,44,271.14
iv. Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	1.28%	0.56%



Vide Circular No: RBI/2017-2018/147 DBR.No.BP.BC.102/21.04.048 dated April 2, 2018 RBI advised the Banks to create an Investment Fluctuation Reserve (IFR) with effect from the year 2018-19, to reach a level of 2 per cent of their AFS and HFT portfolio within a period of three years where feasible, to build up adequate reserves to protect against increase in yields in future. Bank has devised the roadmap to create investment fluctuation Reserve at prescribed level by FY 2023-24

**c. Sales and Transfers Of Securities To/From HTM Category**

The value of sales and transfers of securities to/from HTM Category has not exceeded 5% of the book value of investment held in HTM category at the beginning of the year.

**d. Non-SLR Investment Portfolio**

**i. Non Performing Non-SLR Investments**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	5,229.52	8,995.80
Additions during the year	185.95	446.39
Reductions during the year	3,138.76	4,212.67
Closing balance	2,276.71	5,229.52
<b>Total provisions held</b>	<b>2,070.06</b>	<b>5,031.49</b>

**ii. 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*	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
i PSUs	49,804.97	67,194.64	33,542.80	49,960.71	-	-	-	-	-	-
ii FIs	1,41,044.49	1,28,609.88	82,006.85	99,053.50	345.07	2,753.21	-	-	70.00	70.00
iii Banks	21,850.25	17,146.96	12,503.45	8,084.82	2,173.31	3,294.33	23.62	23.62	23.62	23.62
iv Private Corporates	68,269.59	46,428.01	29,575.24	23,395.02	589.73	817.77	207.93	-	707.93	-
v Subsidiaries / Joint Ventures **	19,043.70	18,246.20	-	-	-	-	-	-	-	-
vi Others	30,990.78	28,970.89	2,638.17	2,223.99	5,072.38	2,845.99	17.31	33.03	-	6.65
vii Less: Provision held towards depreciation including LICRA	11,740.95	10,180.02	-	-	-	0.45	56.34	-	56.34	-
<b>Total</b>	<b>3,19,262.83</b>	<b>2,96,416.56</b>	<b>1,60,266.51</b>	<b>1,82,718.04</b>	<b>8,180.49</b>	<b>9,710.85</b>	<b>192.52</b>	<b>56.65</b>	<b>745.21</b>	<b>100.27</b>

\* 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.

**e. 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:

**Current Year**

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March 2022
<b>Securities sold under Repo</b>				
i. Government Securities	30,025.27	2,73,518.11	1,62,561.94	1,68,483.03
ii. Corporate Debt Securities	4,377.46	8,663.34	5,824.90	8,663.34
iii. Any other Securities	-	-	-	-
<b>Securities purchased under Reverse Repo</b>				
i. Government Securities	44.03	1,89,095.58	1,00,304.84	60,888.22
ii. Corporate Debt Securities	-	-	-	-
iii. Any other Securities	-	-	-	-

**Previous Year**

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March 2021
<b>Securities sold under Repo</b>				
i. Government Securities	26,187.27	2,17,557.59	81,383.31	1,76,756.95
ii. Corporate Debt Securities	7,154.09	9,332.03	8,989.67	7,154.09
iii. Any other Securities	-	-	-	-
<b>Securities purchased under Reverse Repo</b>				
i. Government Securities	-	2,40,000.00	1,03,424.17	46,179.93
ii. Corporate Debt Securities	-	5,597.89	737.93	-
iii. Any other Securities	-	-	-	-

**18.4. Asset Quality**
**a. Classification of Advances and provisions held**
**Current Year**

(₹ in crore)

	Standard Advances	Sub-Standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
<b>Gross Standard Advances and NPAs</b>						
A. Opening Balance	24,13,004.26	19,590.89	81,767.26	25,030.87	1,26,389.02	25,39,393.28
B. Add: Additions during the year					25,021.23	3,18,664.51
C. Less: Reductions during the year *					39,386.88	39,386.88
<b>Closing balance (A+B-C)</b>	<b>27,06,647.54</b>	<b>15,453.17</b>	<b>68,592.40</b>	<b>27,977.80</b>	<b>1,12,023.37</b>	<b>28,18,670.91</b>

(₹ in crore)

	Standard Advances	Sub-Standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
* Reduction in Gross NPAs due to:						
i) Upgradation					9,377.57	9,377.57
ii) Recoveries (excluding recoveries from upgraded accounts)					10,343.09	10,343.09
iii) Technical/Prudential Write Offs					-	-
iv) Write-offs other than those under (iii) above					19,666.22	19,666.22
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	15,293.98	5,758.39	58,598.43	25,030.87	89,387.69	104,681.67
Add: Fresh provisions made during the year					14,142.96	18,821.58
Less: Excess provision reversed/ Write-off loans					19,664.60	19,664.60
<b>Closing balance of provisions held</b>	<b>19,972.61</b>	<b>4,486.76</b>	<b>51,401.48</b>	<b>27,977.80</b>	<b>83,866.05</b>	<b>103,838.65</b>
<b>Net NPAs</b>						
Opening Balance*		13,832.50	22,977.22	-	36,809.72	
Add: Fresh additions during the year					10,878.27	
Less: Reductions during the year					19,722.28	
<b>Closing Balance</b>		<b>10,966.41</b>	<b>16,999.30</b>	<b>-</b>	<b>27,965.71</b>	

\*Floating provision of ₹191.61 crore is netted to arrive at net NPA.

**Previous Year**

(₹ in crore)

	Standard Advances	Sub-Standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
<b>Gross Standard Advances and NPAs</b>						
A. Opening Balance	22,73,752.92	35,834.91	88,616.13	24,640.81	1,49,091.85	24,22,844.77
B. Add: Additions during the year					28,563.45	1,67,814.80
C. Less: Reductions during the year *					51,266.28	51,266.28
<b>Closing balance (A+B-C)</b>	<b>24,13,004.26</b>	<b>19,590.89</b>	<b>81,767.26</b>	<b>25,030.87</b>	<b>1,26,389.02</b>	<b>25,39,393.28</b>
Reduction in Gross NPAs due to:						
i) Upgradation					4,250.89	4,250.89
ii) Recoveries (excluding recoveries from upgraded accounts)					12,613.19	12,613.19
iii) Technical/Prudential Write Offs					-	-
iv) Write-offs other than those under (iii) above					34,402.20	34,402.20
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	11,544.24	7,889.78	64,498.35	24,640.81	97,028.94	1,08,573.18
Add: Fresh provisions made during the year					27,269.95	31,019.69
Less: Excess provision reversed/ Write-off loans					34,911.20	34,911.20
<b>Closing balance of provisions held</b>	<b>15,293.98</b>	<b>5,758.39</b>	<b>58,598.43</b>	<b>25,030.87</b>	<b>89,387.69</b>	<b>1,04,681.67</b>
<b>Net NPAs</b>						
Opening Balance*		27,945.13	24,117.78	-	51,871.30	
Add: Fresh additions during the year					1,293.50	
Less: Reductions during the year					16,355.08	
<b>Closing Balance</b>		<b>13,832.50</b>	<b>22,977.22</b>	<b>-</b>	<b>36,809.72</b>	

\*Floating provision of ₹ 191.61 crore is netted to arrive at net NPA.

**Floating Provisions:**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	193.75
Add: Additional provisions made during the year	-	-
Less: Amount drawn down during the year	-	-
Closing balance of floating provisions	193.75	193.75

**Technical write-offs and the recoveries made thereon:**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of Technical/ Prudential written-off accounts	-	-
Add: Technical/ Prudential write-offs during the year	-	-
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	-	-
Closing balance	-	-

**Asset Quality Ratios:**

Particulars	Current Year	Previous Year
Gross NPA to Gross Advances	3.97%	4.98%
Net NPA to Net Advances	1.02%	1.50%
Provision Coverage Ratio (PCR) including AUCA	90.20%	87.75%
Provision Coverage Ratio (PCR) excluding AUCA	75.04%	70.88%

**b. Sector-wise Advances**

(₹ in crore)

Sr. No.	Sector	Current Year			Previous year		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture & allied activities	2,26,323.87	30,281.87	13.38	2,12,818.77	32,392.47	15.22
2	Industry Sector Eligible as Propriety Sector Lending	1,28,015.22	10,832.34	8.46	92,993.76	11,206.95	12.05
3	Services	1,53,385.75	9,989.11	6.51	1,22,088.06	10,198.53	8.35
4	Personal Loans	1,87,896.41	2,158.71	1.15	1,71,541.16	2,352.84	1.37
	<b>Sub-total (A)</b>	<b>6,95,621.25</b>	<b>53,262.03</b>	<b>7.66</b>	<b>5,99,441.75</b>	<b>56,150.79</b>	<b>9.37</b>
<b>B</b>	<b>Non-Priority Sector</b>						
1	Agriculture & allied activities	2,350.56	197.83	8.42	1,562.08	205.85	13.18
2	Industry	6,93,310.91	40,015.00	5.77	6,78,089.82	47,770.41	7.04
3	Services	6,10,645.37	13,279.56	2.17	5,60,186.39	17,636.56	3.15
4	Personal Loans	8,16,742.82	5,268.95	0.65	7,00,113.23	4,625.41	0.66
	<b>Sub-total (B)</b>	<b>21,23,049.66</b>	<b>58,761.34</b>	<b>2.77</b>	<b>19,39,951.52</b>	<b>70,238.23</b>	<b>3.62</b>
<b>C</b>	<b>Total (A+B)</b>	<b>28,18,670.91</b>	<b>1,12,023.37</b>	<b>3.97</b>	<b>25,39,393.27</b>	<b>1,26,389.02</b>	<b>4.98</b>



**c. Overseas Assets, NPAs and Revenue**

(₹ in crore)

Particulars	Current Year	Previous Year
1 Total Assets	5,31,255.45	4,77,577.94
2 Total NPAs (Gross)	2,264.82	2,426.10
3 Total Revenue	9,279.41	9,918.98

**d. Resolution plan and restructuring:**
**i. Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019**

Asset Classification of advances subject to Resolution Plan & restructuring	Current Financial Year		Previous Financial Year	
	Number of Borrower	Amount outstanding (₹ in crore)	Number of Borrower	Amount outstanding (₹ in crore)
Standard	2,224	1,237	4,667	1,780
Sub Standard	207	71	317	339
Doubtful	2,084	4,549	745	4097
<b>Total</b>	<b>4,515</b>	<b>5,857</b>	<b>5,729</b>	<b>6,216</b>

**ii. Acquisition of shares due to conversion of debt to equity during the restructuring process:**

Equity shares acquired by way of conversion of debt to equity during the restructuring process did not exceed the prescribed regulatory ceilings/ restriction on capital market exposure, investment in para banking activities & intra group exposure.

**iii. MSME Restructuring:**

As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019. the details of restructured MSME accounts is as below:-

Particulars	Current Year	Previous Year
No. of accounts restructured	96,464	93,573
Aggregate outstanding (₹ in crore)	8,877.10	6,035.93

**e. Divergence in asset classification and provisioning:**

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2021, based on the conditions mentioned in RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019.

**f. Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR.REC.51/21.04.048/2021-22 dated 24<sup>th</sup> September 2021**

i) The details of the Non-Performing Assets transferred during the year ended March 31, 2022 is given in the table below

Sr	Particulars	To ARCs	To permitted transferees	To other transferees
a.	No of accounts	23	16	-
b.	Aggregate principal outstanding of loans transferred (₹ in crore)	3,239.91	497.88	-
c.	Weighted average residual tenor of the loans transferred (Years)	1.14	-	-
d.	Net book value of loans transferred (at the time of transfer) (₹ in crore)	115.27	196.61	-
e.	Aggregate consideration (₹ in crore)	1,119.14	271.30	-
f.	Additional consideration realized in respect of accounts transferred in earlier years (₹ in crore)	29.12	-	-

Excess Provision amounting to ₹ 429.92 crore (Previous year ₹ 246.67 crore) on sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC) has been accounted for in the Profit & Loss Account.

The Security Receipts are provided for and hence the book value is nil across various categories of Ratings assigned to Security Receipts by the Credit Rating Agencies as on 31.03.2022. Provision held on the security receipts as on 31<sup>st</sup> March 2022 is ₹ 7,859.04 crore.

- ii) The bank has not transferred any Special Mention Account and loan not in default.
- iii) The Bank has not acquired any stressed loan.
- iv) The Bank has purchased homogeneous assets from NBFCs/HFCs/MFIs which are not in default under Direct Assignment Route covered under Transfer of Loan Exposure. The Bank purchased secured home loans and secured & unsecured SME and ABU loans.

Details of loans-not-in-default acquired during the year ended on 31<sup>st</sup> March 2022 through assignment are given below:

(₹ in crore)

Sr No.	Particulars	From lenders listed in Clause 3	From ARCs
i.	Aggregate amount of loans acquired:		
	Secured Loans	458.47	-
	Unsecured Loans	2,627.69	-
ii.	Weighted average residual maturity (in years)	1.50	-
iii.	Weighted average holding period by originator		-
	Secured Loans	0.50 yr	
	Unsecured Loans	0.25 yr	
iv.	Retention of beneficial economic interest by the originator		-
	Secured Loans	10.00%	
	Unsecured Loans	12.50%	
v.	Tangible security coverage	149.00% to 111.93%	-

The loans acquired are not rated as these are not corporate borrowers.

**g. Fraud Reported and provision made during the year:**

Particulars	Current Year	Previous Year
Number of Frauds reported	4192	5724
Amount involved in Fraud (₹ in crore)	7,100.65	10,085.92
Amount of provision made for such frauds (₹ in crore)	7,100.65	10,085.92
Amount of unamortized provision debited from 'Other Reserves' as at the end of the year (₹ in crore)	Nil	Nil

#### h. Resolution of COVID-19 related Stress:

The details of resolution plan as on March 31, 2022, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated August 06, 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework 2.0) are:

(₹ in crore)

Particulars	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	15,541	143	0.14	182	15,498
Corporate persons	17,354	1,650	0.14	2307	15,462
of which, MSME	12,274	720	0.14	883	12,446
Others	-	-	-	-	-
<b>Total</b>	<b>32,895</b>	<b>1,793</b>	<b>0.28</b>	<b>2,624</b>	<b>30,960</b>

Includes restructuring implemented during the half year ended September 2021 under the Resolution Framework 1.0

### 18.5. 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
<b>I Direct exposure</b>		
<b>i) Residential Mortgages</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	4,59,838.80	4,06,179.32
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.	2,07,916.65	2,09,028.90
<b>ii) Commercial Real Estate</b>		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multipurpose 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.	68,351.76	56,343.00
<b>iii) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures:</b>		
a) Residential	-	-
b) Commercial Real Estate	-	-
<b>II Indirect Exposure</b>		
Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	96,802.79	1,13,704.91
<b>Total Exposure to Real Estate Sector</b>	<b>6,24,993.35</b>	<b>5,76,227.23</b>

## 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.	14,566.26	7,112.65
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.	131.98	66.63
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.	-	-
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.	0.38	-
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	1,569.15	725.23
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.	-	-
7) Bridge loans to companies against expected equity flows/issues.	-	-
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.	-	-
9) Financing to stockbrokers for margin trading.	-	-
10) Exposures to Venture Capital Funds. (both registered and unregistered)	4,325.98	3,463.62
<b>Total Exposure to Capital Market</b>	<b>20,593.75</b>	<b>11,368.13</b>

## 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.

(₹ in crore)

Risk Category	Net Funded Exposure			Provision held
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Insignificant	1,782.72	5,586.26	Nil	Nil
Very Low	2,22,431.21	2,02,094.63	165.12	148.51
Low	27,346.84	16,539.05	Nil	Nil
Medium	29,467.82	9,767.77	Nil	Nil
High	23,470.66	26,470.88	Nil	Nil
Very High	5,402.11	8,586.29	Nil	Nil
Restricted	6,160.87	2,426.80	Nil	Nil
<b>Total</b>	<b>3,16,062.23</b>	<b>2,71,471.68</b>	<b>165.12</b>	<b>148.51</b>

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.

**d) Unsecured Advances**

(₹ in crore)

Particulars	Current Year	Previous Year
a Total Unsecured Advances of the bank	7,44,594.25	5,92,821.83
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

**e) Factoring Exposures:**

The Banks factoring exposure as at 31.03.2022 is ₹ 20,136.45 crore (Previous Year: ₹ 15,113.97 crore).

**f) Intra-Group Exposures:**

(₹ in crore)

Particulars	Current Year	Previous Year
Total amount of intra-group exposures	24,431.05	41,268.96
Total amount of top-20 intra-group exposures	24,430.71	41,263.80
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.54%	1.01%
Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

**g) Unhedged Foreign Currency Exposure**

- An amount of ₹ 145.37 crore (Previous Year ₹ 116.40 crore) was held as on 31<sup>st</sup> March 2022 towards Currency Induced Credit Risk.
- Capital allocated for Currency Induced Credit Risk amounts to ₹ 72.90 crore (Previous Year ₹ 121.71 crore).

**h) Single Borrower and Group Borrower exposure limits exceeded by the Bank**

The Bank has not exceeded the single borrower exposure &amp; Group Borrower exposure prudential limits as prescribed by RBI.

**18.5.1. Concentration of Deposits, Advances, Exposures & NPAs (computed as per directions of RBI)**
**a) Concentration of Deposits**

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors (₹ in crore)	1,61,936.62	1,36,577.00
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	4.00%	3.71%

**b) Concentration of Advances**

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers (₹ in crore)	3,46,209.56	3,15,554.46
Percentage of Advances to twenty largest borrowers to Total Gross Advances of the Bank	12.28%	12.43%

**c) Concentration of Exposures**

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers (₹ in crore)	4,99,542.80	4,35,690.45
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	11.05%	10.63%



## d) Concentration of NPAs

Particulars	Current Year	Previous Year
Total Exposure to top twenty largest NPA exposure to Total Gross NPAs (₹ in crore)	29,921.64	40,905.49
Percentage of exposures to the twenty largest NPA accounts to total gross NPAs	27.26%	33.00%

## 18.6. Derivatives

## a. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS)

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	The notional principal of swap agreements#	5,14,809.90	2,75,128.10
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2,537.80	4,095.38
iii)	Collateral required by the Bank upon entering swaps	453.97	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	1,532.87	3,894.26

#Excludes IRS/FRA amounting to ₹ 37,265.38 crore (Previous Year ₹ 39,189.96 crore) entered with the Bank's own foreign offices.

Nature and terms of Forward Rate Agreement or Interest Rate Swaps as on 31<sup>st</sup> March, 2022 are given below:

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	299	48,544.51	LIBOR	Fixed Receivable Vs Floating Payable
IRS	Hedging	1	193.27	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	40	1,085.65	Others	Fixed Receivable Vs Floating Payable
IRS	Hedging	14	1,735.65	LIBOR	Floating Receivable Vs Fixed Payable
IRS	Hedging	3	3,074.66	SOFR	Fixed Receivable Vs Floating Payable
IRS	Hedging	2	1,515.85	SOFR	Floating Receivable Vs Fixed Payable
IRS	Trading	117	48,405.19	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	87	28,814.98	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	33	20,577.66	LIBOR	Floating Payable Vs Floating Receivable
IRS	Trading	3557	1,50,195.38	MIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	4205	1,72,240.00	MIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	3	795.82	Others	Fixed Payable Vs Floating Receivable
IRS	Trading	12	13,630.58	Others	Floating Payable Vs Fixed Receivable
IRS	Trading	24	16,192.98	LIBOR	Fixed Receivable Vs Floating Payable
IRS	Trading	3	1,538.59	LIBOR	Fixed Receivable Vs Fixed Payable
IRS	Trading	24	6,253.97	SOFR	Fixed Receivable Vs Floating Payable
IRS	Trading	2	15.16	SOFR	Floating Receivable Vs Fixed Payable
<b>Total</b>			<b>5,14,809.90</b>		

**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 (instrument-wise)		
	a. Interest Rate Futures	Nil	NIL
	b. 10 Year Government of India Securities	3988.26	6,400.38
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March 2022 (instrument-wise)		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	501	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A.	N.A.

**c. Risk Exposure in Derivatives**

**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. The Bank also deals in Non-deliverable Options and Non-deliverable Forwards as permitted by RBI.
- 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).
- v) Interest Rate Swaps are mainly used for hedging of the assets and liabilities.
- vi) Majority of the swaps were done with First class counterparty banks.
- vii) Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
- viii) Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

## 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	17,269.22	18,858.30@	54,974.80	54,869.19#
(b) For trading *	13,90,743.44	10,47,976.78	4,65,802.38	2,26,304.06
(II) Marked to Market Positions				
(a) Asset (+)	9,219.37	9,451.37	2,537.80	4,095.38
(b) Liability (-)	9,254.89	7,574.61	2,347.92	2,926.20
(III) Credit Exposure	47,965.29	43,234.09	7,180.48	6,868.01
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	17.63	0.25	1,513.11	309.95
(b) on trading derivatives	871.86	538.16	401.07	0.70
(V) Maximum and Minimum of 100*PV01 observed during the year				
(a) on hedging –				
Maximum	23.39	22.09	1,572.46	1,526.75
Minimum	15.97	8.83	1,109.15	1,112.88
(b) on trading –				
Maximum	938.43	5.47	512.07	1.67
Minimum	516.20	0.85	23.91	0.70

@Excludes swaps amounting to ₹ 2,003.56 crore (Previous Year ₹ 2,156.47 crore) entered with the Bank's own foreign offices.

#IRS/FRA amounting to ₹ 37,265.38 crore (Previous Year ₹ 39,189.96 crore) entered with the Bank's own Foreign offices are excluded.

\*Excludes Currency Derivatives of ₹ 403.87 crore (Previous Year ₹ 2,167.90 crore) and NDF ₹ 4,693.25 crore (Previous Year ₹ 296.13 crore) done with the Bank's Foreign offices.

- The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31<sup>st</sup> March, 2022 amounted to ₹ 44,366.06 crore (Previous Year ₹ 43,810.46 crore) and the derivatives done between SBI Foreign Offices as on 31<sup>st</sup> March, 2022 amounted to ₹ 34,018.38 crore (Previous Year ₹ 10,331.69 crore).
- 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 31<sup>st</sup> March, 2022 amounted to ₹ 98,921.35 crore (Previous Year ₹ 77,741.31 crore).

#### d. Credit Default Swaps

Bank did not enter in any credit default Swap.

### 18.7. Disclosure relating to Securitization

The bank have not securitized any standard assets.

### 18.8. Off-balance Sheet SPVs sponsored

The Bank had not floated any off Balance Sheet SPV.

**18.9. Unclaimed Liabilities transferred to Depositor Education and Awareness Fund**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	3,636.41	3,387.65
Add : Amounts transferred to DEA Fund during the year	893.35	267.30
Less : Amounts reimbursed by DEA Fund towards claims	15.89	18.54
Closing balance of amounts transferred to DEA Fund	4,513.87	3,636.41

**18.10. Disclosure of complaints**
**a) Summary information of complaints received by the Bank from customers and from the Office of Ombudsman on complaints and grievance redressal**

Sr. No	Particulars	Current year	Previous year
<b>Complaints received by the bank from its customers</b>			
1	Number of complaints pending at beginning of the year	1,46,280	1,76,057
2	Number of complaints received during the year	34,52,782	31,31,509
3	Number of complaints disposed during the year	34,16,850	31,61,286
3.1	Of which, number of complaints rejected by the bank	93,618	1,20,191
4	Number of complaints pending at the end of the year	1,82,212	1,46,280
<b>Maintainable complaints received by the bank from Office of Ombudsman</b>			
5	Number of maintainable complaints received by the bank from Office of Ombudsman	45,693@	58,956@
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	35,297	54,680
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	8,664	12,024
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	1	6
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

@ Including complaints which were pending as at the end of the FY 2020-21 and carried over to FY 2021-22

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

## b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
ATM/ Debit Card	64,100	18,83,728	4.38	65,097	30,313
INB/ MB	43,015	13,43,568	135.42	97,236	67,738
Bank Charges levied	4,016	55,280	-11.53	3,766	3,410
Operation of accounts	3,459	24,529	-24.02	8,339	3,127
Cheque Book related	660	20,432	67.98	1,694	1,056
Others	31,030	1,25,245	-80.71	6,080	683
<b>Total</b>	<b>1,46,280</b>	<b>34,52,782</b>	<b>10.26</b>	<b>1,82,212</b>	<b>1,06,327</b>
<b>Previous Year</b>					
ATM/ Debit Card	1,14,230	18,04,653	-33.25	64,100	10,946
INB/ MB	51,819	5,70,711	-9.50	43,015	22,620
Bank Charges levied	667	62,482	48.99	4,016	361
Operation of accounts	585	32,285	80.05	3,459	683
Cheque Book related	73	12,163	167.55	660	96
Others	8,683	6,49,215	54.64	31,030	350
<b>Total</b>	<b>1,76,057</b>	<b>31,31,509</b>	<b>-17.77</b>	<b>1,46,280</b>	<b>35,056</b>

## 18.11. Disclosure of penalties imposed by the Reserve Bank of India:

- a) During the year ending March 31, 2022, The Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949 has levied following monetary penalties on the Bank:
- ₹ 50 Lakh (Rupees Fifty Lakh only) for failure to ensure taking utmost care about data accuracy and integrity while submitting the data on large credit (through CRILC portal) to the Reserve Bank during the quarter ended on June 30, 2021.
  - ₹ 1 crore (Rupees One Crore only) for non-compliance with the directions contained in 'Reserve Bank of India (Frauds classification and reporting by commercial banks and select FIs) directions 2016' during the quarter ended on September 30, 2021.
  - ₹ 1 crore (Rupees One Crore only) for contravention of provision of sub section (2) of Section 19 of the Banking Regulation Act, 1949 during the quarter ended on December 31, 2021.
- b) No penalty has been levied on the Bank for contravention under the provisions of Payment and Settlement Act, 2007, Government Securities Act, 2016 (for bouncing SGL).
- c) There is no default in reverse repo transaction.



**18.12. Other Disclosures:**
**a) Business Ratios**

Sr. No.	Particulars	Current Year	Previous Year
i.	Interest Income as a percentage to Working Funds	6.27%	5.93%
ii.	Non-interest income as a percentage to Working Funds	0.92%	0.97%
iii.	Cost of Deposits	3.83%	4.20%
iv.	Net Interest Margin	3.12%	3.04%
v.	Operating Profit as a percentage to Working Funds	1.55%	1.60%
vi.	Return on Assets (on net-asset basis)	0.67%	0.48%
vii.	Business (Deposits plus advances) per employee (₹ in crore)	25.74	23.73
viii.	Profit per employee (₹ in thousands)	1292.72	828.35

**b) Bancassurance Business:**

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business

(₹ in crore)

Name of the Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	1,567.50	1,239.75
SBI General Insurance Co. Ltd.	319.00	327.39
NTUC and Manu life Financial Limited	1.27	0.83
Tokio Marine and ACE	0.61	1.52
Unit Trust and LIC	0.01	0.22
AIA Singapore	0.04	0.06
IFAST	0.43	0.17
Aviva	0.39	-
<b>TOTAL</b>	<b>1,889.25</b>	<b>1,569.94</b>

**c) Marketing and distribution:**

The details of fees /remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as follows:

₹ in crore

Name of the Company	Current Year	Previous Year
SBI Mutual Fund	741.84	451.40
SBI Cards and Payment Services Limited	199.61	134.62
National Pension System	10.00	6.17
SBICAP Securities Ltd.	5.06	3.35
Other Mutual Funds	22.64	11.45
Others (PMS, Bonds, Corporate FDs etc.)	2.55	0.96
<b>Total</b>	<b>981.70</b>	<b>607.95</b>

**d) Priority Sector Lending Certificate (PSLC)**

The Bank has purchased the following PSLCs during the year:-

(₹ in crore)

Category	Current Year	Previous Year
PSLC Micro Enterprises	5,792.00	37,405.25
PSLC Agriculture	10,192.00	14,883.50
PSLC General	58,361.75	10,050.00
PSLC Small and Marginal Farmers	63,654.25	63,442.50
<b>Total</b>	<b>1,38,000.00</b>	<b>1,25,781.25</b>

The Bank did not sell any PSLC during the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

**e) Provisions and Contingencies**

Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account as follows:

(₹ in crore)

Provisions debited to Profit & Loss Account	Current Year	Previous Year
Provision for Taxation		
- Current Tax	11,427.30	10,760.88
- Deferred Tax	318.57	(-)3,630.23
- Write Back/Additional Provision of Income Tax	-	-
Provision for Depreciation on Investments	3,440.10	3,014.50
Provision on Non-Performing Assets	14,142.96	27,269.95
Provision on Restructured Assets	(-)56.11	(-) 25.60
Provision on Standard Assets	4,677.04	3,789.78
Other Provisions	2,248.14	9,964.40
<b>Total</b>	<b>36,198.00</b>	<b>51,143.68</b>

**f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year. Accordingly, the Bank is preparing and submitting to RBI Proforma Ind AS financial statements every half year after approval of Steering Committee headed by MD (R,C & SARG) formed for monitoring of implementation of Ind AS in the Bank.

**g) Payment of DICGC Insurance Premium**

(₹ in crore)

Particulars	Current Year	Previous Year
Payment of DICGC Insurance Premium	4,006.14	3,573.92
Arrears in payment of DICGC premium	-	-

**h) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of bank**

Pursuant to the revision in family pension payable to employees of the Bank covered under 11<sup>th</sup> Bi-Partite settlement and Joint Note dated November 11, 2020, the Bank had provided for the entire additional liability of ₹ 7,418.39 crore in the Profit and Loss Account for the year ended 31<sup>st</sup> March 2022. The same had been disclosed as an exceptional item.

There is no unamortized expenditure in the Balance Sheet on account of Family Pension Scheme.

### 18.13. 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 Financial Year 2021-2022 as compared to those followed in the previous Financial Year 2020-2021.

#### 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 Plan		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation	1,25,806.37	1,09,830.37	13,447.17	12,852.56
Current Service Cost	914.92	970.09	466.44	440.06
Interest Cost	8,680.64	7,501.41	917.10	879.12
Past Service Cost (Vested Benefit)	11,124.14	-	-	-
Actuarial (Gains)/ Losses	9,789.06	15,822.32	42.20	1,185.34
Benefits paid	(4,926.71)	(3,475.67)	(2,158.69)	(1,909.91)
Direct Payment by Bank	(5,263.43)	(4,842.15)	-	-
Closing defined benefit obligation at 31 <sup>st</sup> March 2022	1,46,124.99	1,25,806.37	12,714.22	13,447.17
<b>Change in Plan Assets</b>				
Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2021	1,06,445.86	97,458.52	10,950.23	10,570.95
Expected Return on Plan Assets	7,344.76	6,656.42	746.81	723.05
Contributions by employer	22,163.77	2,100.68	1,463.56	1,234.77
Expected Contributions by the employees	-	-	-	-
Benefits Paid	(4,926.71)	(3,475.67)	(2,158.69)	(1,909.91)
Actuarial Gains / (Loss) on plan Assets – Due to Experience	(436.95)	3,705.91	(76.85)	331.37
Closing fair value of plan assets as at 31 <sup>st</sup> March 2022	1,30,590.73	1,06,445.86	10,925.06	10,950.23
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>				
Present Value of Funded obligation at 31 <sup>st</sup> March 2022	1,46,124.99	1,25,806.37	12,714.22	13,447.17
Fair Value of Plan assets at 31 <sup>st</sup> March 2022	1,30,590.73	1,06,445.86	10,925.06	10,950.23
Deficit/(Surplus)	15,534.26	19,360.51	1,789.16	2,496.94
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	15,534.26	19,360.51	1,789.16	2,496.94

Particulars	Pension Plan		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
<b>Amount Recognised in the Balance Sheet</b>				
Liabilities	1,46,124.99	1,25,806.37	12,714.22	13,447.17
Assets	1,30,590.73	1,06,445.86	10,925.06	10,950.23
Net Liability / (Asset) recognised in Balance Sheet	15,534.26	19,360.51	1,789.16	2,496.94
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	15,534.26	19,360.51	1,789.16	2,496.94
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	914.92	970.09	466.44	440.06
Interest Cost	8,680.64	7,501.41	917.10	879.12
Expected return on plan assets	(7,344.76)	(6,656.42)	(746.81)	(723.05)
Expected Contributions by the employees	-	-	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	11,124.14	-	-	-
Net actuarial losses/ (Gain) recognised during the year	10,226.01	12,116.41	119.05	853.97
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	23,600.95	13,931.49	755.78	1,450.10
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	7,344.76	6,656.42	746.81	723.05
Actuarial Gain/ (loss) on Plan Assets– Due to Experience	(436.95)	3,705.91	(76.85)	331.37
Actual Return on Plan Assets	6,907.81	10,362.33	669.96	1,054.42
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>				
Opening Net Liability/ (Asset) as at 1 <sup>st</sup> April 2021	19,360.51	12,371.85	2,496.94	2,281.61
Expenses as recognised in Profit and Loss account	23,600.95	13,931.49	755.78	1,450.10
Paid by Bank Directly	(5,263.43)	(4,842.15)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(22,163.77)	(2,100.68)	(1,463.56)	(1,234.77)
Net liability/(Asset) recognised in Balance Sheet	15,534.26	19,360.51	1,789.16	2,496.94

Plan Assets of Pension Fund & Gratuity Fund as on 31<sup>st</sup> March 2022 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	19.72%	19.23%
State Govt. Securities	34.84%	37.02%
Debt Securities, Money Market Securities and Bank Deposits	31.50%	30.46%
ETF and Mutual Funds	10.26%	10.23%
Insurer Managed Funds	1.31%	1.42%
Others	2.37%	1.64%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### Principal actuarial assumptions

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	7.35%	6.90%
Expected Rate of return on Plan Asset	7.35%	6.90%
Salary Escalation Rate	5.80%	5.60%
Pension Escalation Rate	1.60%	1.20%
Attrition Rate	2.00%	2.00%
Mortality Table During Employment	IALM 2012-14 (Urban)	IALM (2006-08) Ultimate
Mortality Table After Employment	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

#### Principal actuarial assumptions

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	7.27%	6.82%
Expected Rate of return on Plan Asset	7.27%	6.82%
Salary Escalation Rate	5.80%	5.60%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM 2012-14 (Urban)	IALM (2006-08) Ultimate

#### Surplus/ Deficit in the Plan

##### Gratuity Plan

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021	Year ended 31-03-2022
Liability at the end of the year	12,872.60	12,189.05	12,852.56	13,447.17	12,714.22
Fair value of Plan Assets at the end of the year	9,140.76	10,326.00	10,570.95	10,950.23	10,925.06
Difference	3,731.84	1,863.05	2,281.61	2,496.94	1,789.16
Unrecognised Past Service Cost	2,707.50	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	1,024.34	1,863.05	2,281.61	2,496.94	1,789.16



**Experience adjustment**

(₹ in crore )

Amount recognized in the Balance Sheet	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021	Year ended 31-03-2022
On Plan Liability (Gain) /Loss	399.62	(212.11)	382.17	1,053.04	366.15
On Plan Asset (Loss) /Gain	(25.96)	102.16	249.84	331.37	(76.85)

**Surplus/Deficit in the plan****Pension**

(₹ in crore )

Amount recognized in the Balance Sheet	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021	Year ended 31-03-2022
Liability at the end of the year	87,786.56	95,362.15	1,09,830.37	1,25,806.37	1,46,124.99
Fair value of Plan Assets at the end of the year	85,249.60	90,399.61	97,458.52	1,06,445.86	1,30,590.73
Difference	2,536.96	4,962.54	12,371.85	19,360.51	15,534.26
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	2,536.96	4,962.54	12,371.85	19,360.51	15,534.26

**Experience adjustment**

(₹ in crore )

Amount recognized in the Balance Sheet	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021	Year ended 31-03-2022
On Plan Liability (Gain) /Loss	4,439.54	3,642.57	4,078.53	12,528.38	4,162.26
On Plan Asset (Loss) /Gain	(135.07)	109.65	1,550.28	3,705.91	(436.95)

The expected contribution to the Pension and Gratuity Fund for the next year is ₹ 3,150.25 crore and ₹ 1,741.66 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.

**ii. 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 FY 2021-22.

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
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April 2021	35,289.14	31,188.49
Current Service Cost	1,493.06	3,289.62
Interest Cost	2,917.84	2,563.49
Employee Contribution (including VPF)	1,958.76	2,562.41
Actuarial losses/(gains)	150.44	63.43
Benefits paid	(5,079.24)	(4,378.30)
Closing defined benefit obligation at 31 <sup>st</sup> March 2022	36,730.00	35,289.14
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2021	36,365.80	32,104.22
Expected Return on Plan Assets	2,917.84	2,563.49
Contributions	3,451.82	5,852.03
Provision for loss on maturity of non-performing investment	-	(60.59)
Benefits Paid	(5,079.24)	(4,378.30)
Actuarial Gains / (Loss) on plan Assets	(23.37)	284.95
Closing fair value of plan assets as at 31 <sup>st</sup> March 2022	37,632.85	36,365.80
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>		
Present Value of Funded obligation at 31 <sup>st</sup> March 2022	36,730.00	35,289.14
Fair Value of Plan assets at 31 <sup>st</sup> March 2022	37,632.85	36,365.80
Deficit/(Surplus)	(902.85)	(1,076.66)
Net Asset not recognized in Balance Sheet	902.85	1,076.66
<b>Net Cost recognized in the profit and loss account</b>		
Current Service Cost	1,493.06	3,289.62
Interest Cost	2,917.84	2,563.49
Expected return on plan assets	(2,917.84)	(2,563.49)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,493.06	3,289.62
<b>Reconciliation of opening and closing net liability/ (asset) recognized in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April 2021	-	-
Expense as above	1,493.06	3,289.62
Employer's Contribution	(1,493.06)	(3,289.62)
Net Liability/(Asset) Recognized in the Balance Sheet	-	-

Plan Assets of Provident Fund as on 31<sup>st</sup> March 2022 are as follows:

Category of Assets	Provident Fund	
	% of Plan Assets	
Central Govt. Securities	32.74%	
State Govt. Securities	29.31%	
Debt Securities, Money Market Securities and Bank Deposits	30.35%	
Mutual Funds	5.83%	
Others	1.77%	
<b>Total</b>	<b>100.00%</b>	

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	7.27%	6.82%
Guaranteed Return	8.50%	8.50%
Attrition Rate	2.00%	2.00%
Salary Escalation Rate	5.80%	5.60%
Mortality Table	IALM 2012-14 (Urban)	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 31<sup>st</sup> 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. 2021-22, the Bank has contributed ₹ 1,177.54 crore (Previous Year ₹ 648.17 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
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April 2021	8,182.24	7,533.04
Current Service Cost	456.87	311.06
Interest Cost	558.03	515.26
Actuarial losses/(gains)	2,567.32	1,221.15
Benefits paid	(1,392.09)	(1,398.27)
Closing defined benefit obligation at 31 <sup>st</sup> March 2022	10,372.37	8,182.24

(₹ in crore)

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current year	Previous year
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	456.87	311.06
Interest Cost	558.03	515.26
Actuarial (Gain)/ Losses	2,567.32	1,221.15
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	3,582.22	2,047.47
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April 2021	8,182.24	7,533.04
Expense as above	3,582.22	2,047.47
Employer's Contribution	-	-
Benefit paid directly by the Employer	(1,392.09)	(1,398.27)
Net Liability/(Asset) Recognized in the Balance Sheet	10,372.37	8,182.24

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	7.27%	6.82%
Salary Escalation Rate	5.80%	5.60%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM 2012-14 (Urban)	IALM (2006-08) Ultimate

**(B) Other Long-Term Employee Benefits**

Amount of ₹ 115.51 crore (Previous Year ₹ 32.29 crore) is provided as per the actuarial valuation by the independent Actuary appointed by the Bank towards Other Long-Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment / Availment), Silver Jubilee Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	7.27%	6.82%
Salary Escalation Rate	5.80%	5.60%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM 2012-14 (Urban)	IALM (2006-08) ULTIMATE

**c. Accounting Standard – 17 "Segment Reporting"**
**1. Segment Identification**
**I. Primary (Business Segment)**

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

**i. Treasury**

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

**ii. Corporate / Wholesale Banking**

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

**iii. Retail Banking**

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

**iv. Other Banking business**

Segments not classified under (i) to (iii) above are classified under this primary segment.

**II. Secondary (Geographical Segment)**

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

**III. Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**IV. Allocation of Expenses, Assets and Liabilities**

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.



**2. Segment Information**
**Part A: Primary (Business Segments)**

(₹ in crore)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Revenue (before exceptional items) #	1,00,000.05	74,379.36	1,38,504.95	-	3,12,884.36
	(91,916.79)	(81,782.12)	(1,31,783.02)	(-)	(3,05,481.93)
Unallocated Revenue #					3,136.84
					(1,625.34)
Total Revenue #					3,16,021.20
					(3,07,107.27)
Result (before exceptional items) #	13,654.90	26,959.15	12,541.38	-	53,155.43
	(15,561.38)	(5,149.19)	(9,448.38)	(-)	(30,158.95)
Add: Exceptional Items #					(-) 7,418.39
					(1,539.73)
Result (after exceptional items) #					45,737.04
					(31,698.68)
Unallocated Income(+) / Expenses(-) - net #					(-) 2,315.19
					(-4,157.56)
Profit before tax #					43,421.85
					(27,541.12)
Tax #					11,745.87
					(7,130.65)
Extraordinary Profit #					Nil
					Nil
Net Profit #					31,675.98
					(20,410.47)
Other Information:					
Segment Assets *	16,13,186.75	13,02,237.02	20,21,244.45	-	49,36,668.22
	(14,53,111.55)	(11,97,649.91)	(18,15,024.48)	(-)	(44,65,785.94)
Unallocated Assets *					50,929.19
					(68,643.69)
Total Assets*					49,87,597.41
					(45,34,429.63)
Segment Liabilities *	14,68,058.66	12,74,940.11	18,48,288.43	-	45,91,287.20
	(13,26,432.08)	(11,68,462.70)	(16,82,902.21)	(-)	(41,77,796.99)
Unallocated Liabilities*					1,16,222.15
					(1,02,757.46)
Total Liabilities *					47,07,509.35
					(42,80,554.45)

(Figures in brackets are for previous year).

**Part B: Secondary (Geographic Segments)**

(₹ in crore)

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	3,06,741.79	2,97,188.29	9,279.41	9,918.98	3,16,021.20	3,07,107.27
Net Profit#	27,905.87	17,236.17	3,770.11	3,174.30	31,675.98	20,410.47
Assets *	44,56,341.96	40,56,851.69	5,31,255.45	4,77,577.94	49,87,597.41	45,34,429.63
Liabilities*	41,76,253.90	38,02,976.51	5,31,255.45	4,77,577.94	47,07,509.35	42,80,554.44

# For the year ended 31<sup>st</sup> March, 2022.\* As at 31<sup>st</sup> March, 2022.**d. Accounting Standard – 18 “Related Party Disclosures”****1. Related Parties****A. SUBSIDIARIES****i. FOREIGN BANKING SUBSIDIARIES**

1. Commercial Indo Bank LLC, Moscow
2. SBI Canada Bank
3. State Bank of India (California)
4. State Bank of India (UK) Limited
5. SBI (Mauritius) Ltd.
6. PT Bank SBI Indonesia
7. Nepal SBI Bank Ltd.
8. Bank SBI Botswana Limited (upto 07.09.2021)

**ii. DOMESTIC NON-BANKING SUBSIDIARIES**

1. SBI Life Insurance Company Ltd.
2. SBI General Insurance Company Ltd.
3. SBI Cards & Payment Services Ltd.
4. SBI Funds Management Ltd.
5. SBI Mutual Fund Trustee Co. Pvt. Ltd.
6. SBI Capital Markets Ltd.
7. SBICAP Trustee Co. Ltd.
8. SBICAP Ventures Ltd.
9. SBICAP Securities Ltd.
10. SBI Global Factors Ltd.
11. SBI - SG Global Securities Services Pvt. Ltd.
12. SBI DFHI Ltd.
13. SBI Pension Funds Pvt. Ltd.
14. SBI Payment Services Pvt. Ltd.
15. SBI Infra Management Solutions Pvt. Ltd. (under liquidation)
16. SBI Foundation

**iii. FOREIGN NON-BANKING SUBSIDIARIES**

1. SBI Funds Management (International) Pvt. Ltd.
2. State Bank of India Servicos Limitada.
3. Nepal SBI Merchant Banking Ltd.
4. SBICAP (Singapore) Ltd. (under liquidation)

**B. JOINTLY CONTROLLED ENTITIES**

1. C-Edge Technologies Ltd.
2. Jio Payments Bank Ltd.
3. SBI Macquarie Infrastructure Management Pvt. Ltd.
4. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
5. Macquarie SBI Infrastructure Management Pte. Ltd.
6. Macquarie SBI Infrastructure Trustee Ltd.
7. Oman India Joint Investment Fund- Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.

**C. ASSOCIATES**

**i. Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Saurashtra Gramin Bank
10. Utkal Grameen Bank
11. Uttarakhand Gramin Bank
12. Jharkhand Rajya Gramin Bank
13. Rajasthan Marudhara Gramin Bank
14. Telangana Grameena Bank

**ii. Others**

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Pvt. Ltd. (from 29.06.2021)
5. SBI Home Finance Ltd. (under liquidation)

**D. Key Management Personnel of the Bank**

1. Shri Dinesh Kumar Khara, Chairman
2. Shri Challa Sreenivasulu Setty, Managing Director (Retail & Digital Banking)
3. Shri Ashwani Bhatia, Managing Director (Corporate Banking & Global Markets)
4. Shri Swaminathan Janakiraman, Managing Director (Risk, Compliance & SARG)
5. Shri Ashwini Kumar Tewari, Managing Director (International Banking, Technology & Subsidiaries)

**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	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>Outstanding as at</b>	<b>31<sup>st</sup> March 2022</b>			<b>31<sup>st</sup> March 2021</b>		
Borrowings	-	-	-	-	-	-
Deposits	833.02	-	833.02	1,351.05	-	1,351.05
Other Liabilities	10.23	-	10.23	7.83	-	7.83
Balances with Banks and Money at call and short notice	0.12	-	0.12	-	-	-
Advances	856.50	-	856.50	1,434.76	-	1,434.76
Investments	10,614.81	-	10,614.81	12,520.51	-	12,520.51
Other Assets	224.63	-	224.63	150.79	-	150.79
Non-fund commitments (LCs/BGs)	-	-	-	2,935.10	-	2,935.10
<b>Maximum outstanding</b>	<b>during FY 2021-22</b>			<b>during FY 2020-21</b>		
Borrowings	-	-	-	-	-	-
Deposits	1,351.05	-	1,351.05	1,541.27	-	1,541.27
Other Liabilities	13.78	-	13.78	7.83	-	7.83
Balances with Banks and Money at call and short notice	636.41	-	636.41	-	-	-
Advances	2,218.48	-	2,218.48	17,763.35	-	17,763.35
Investments	12,520.51	-	12,520.51	12,520.51	-	12,520.51
Other Assets	372.58	-	372.58	150.79	-	150.79
Non-fund commitments (LCs/BGs)	2,935.10	-	2,935.10	2,935.10	-	2,935.10
<b>During the year</b>	<b>during FY 2021-22</b>			<b>during FY 2020-21</b>		
Interest Income	207.19	-	207.19	160.52	-	160.52
Interest expenditure	31.48	-	31.48	18.44	-	18.44
Income earned by way of dividend	21.23	-	21.23	22.61	-	22.61
Other Income	1.50	-	1.50	1.00	-	1.00
Other expenditure	7.14	-	7.14	-	-	-
Profit/(loss) on sale of land/ building and other assets	-	-	-	-	-	-
Management contracts	-	1.63	1.63	-	1.50	1.50

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 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Not later than 1 year	88.70	61.32
Later than 1 year and not later than 5 years	55.02	109.10
Later than 5 years	5.32	10.57
<b>Total</b>	<b>149.04</b>	<b>180.99</b>

(ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹ 3,892.94 crore (Previous Year ₹ 3,360.58 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
<b>Basic and diluted</b>		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,46,11,534
Number of Equity Shares issued during the year	Nil	Nil
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,46,11,534
Weighted average number of equity shares used in computing basic earnings per share	892,46,11,534	892,46,11,534
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,46,11,534
Net profit / (loss) (₹ in crore)	31,675.98	20,410.47
Basic earnings per share (₹)	35.49	22.87
Diluted earnings per share (₹)	35.49	22.87
Nominal value per share (₹)	1.00	1.00

**g. Accounting Standard – 22 “Accounting for Taxes on Income”**

**a. Current Tax :-**

During the year, the Bank has debited to Profit & Loss Account ₹ 11,427.30 crore (Previous Year ₹ 10,760.88 crore) on account of current tax. The current tax in India has been calculated in accordance with the provisions of Income Tax Act, 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

**b. Deferred Tax :-**

During the year, ₹ 318.57 crore has been debited to Profit & Loss Account (Previous Year credit ₹ 3,630.23 crore) on account of deferred tax.



The Bank has a net DTA of ₹ 6,244.72 crore (Previous Year net DTA of ₹ 6,556.82 crore), which comprises of DTL of ₹ 2.56 crore (Previous Year ₹ 2.46 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹ 6,247.28 crore (Previous Year ₹ 6,559.28 crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

(₹ in crore )

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Deferred Tax Assets (DTA)</b>		
Provision for long term employee Benefits	6,568.86	7,918.85
Provision for advances	4,863.64	3,691.83
Provision for Other Assets/Other Liabilities	3,650.06	3,115.57
On Foreign Currency Translation Reserve	982.69	759.10
Depreciation on Fixed Assets	269.66	199.52
On account of Foreign Offices	409.56	275.67
<b>Total</b>	<b>16,744.47</b>	<b>15,960.54</b>
<b>Deferred Tax Liabilities (DTL)</b>		
Interest accrued but not due on Securities	6,546.58	5,744.73
Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961	3,950.61	3,656.53
On account of Foreign Offices	2.56	2.46
<b>Total</b>	<b>10,499.75</b>	<b>9,403.72</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>6,244.72</b>	<b>6,556.82</b>

The Bank had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

#### h. Accounting Standard – 27 “Financial Reporting of interests in Joint Ventures”

Investments include ₹ 107.14 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	79.08 (69.60)	India	30%
<b>Total</b>		<b>107.14</b> <b>(97.66)</b>		

# 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 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Liabilities</b>		
Capital & Reserves	236.69	227.35
Deposits	5.69	5.22
Borrowings	7.48	2.92
Other Liabilities & Provisions	48.20	55.51
<b>Total</b>	<b>298.06</b>	<b>291.00</b>
<b>Assets</b>		
Cash and Balances with RBI	1.82	2.15
Balances with Banks and money at call and short notice	143.16	132.12
Investments	71.77	67.77
Advances	-	-
Fixed Assets	14.97	18.76
Other Assets	66.34	70.20
<b>Total</b>	<b>298.06</b>	<b>291.00</b>
Capital Commitments	-	-
Other Contingent Liabilities	1.91	2.10
<b>Income</b>		
Interest earned	7.41	7.98
Other income	171.75	164.29
<b>Total</b>	<b>179.16</b>	<b>172.27</b>
<b>Expenditure</b>		
Interest expended	0.11	0.04
Operating expenses	148.60	153.99
Provisions & contingencies	12.62	13.16
<b>Total</b>	<b>161.33</b>	<b>167.19</b>
<b>Profit</b>	<b>17.83</b>	<b>5.08</b>

**i. Accounting Standards – 28 “Impairment of Assets”**

In the opinion of the Bank's Management, there is no indication of impairment to the non-monetary assets during the year.

## 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.

**Movement of provisions against Contingent Liabilities**

The movement of provisions against contingent liabilities given in the table below:

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	3,429.98	628.62
Additions during the year	438.42	2,981.22
Amount utilised during the year	7.40	68.45
Unused amount reversed during the year	196.82	111.41
<b>Closing balance</b>	<b>3,664.18</b>	<b>3,429.98</b>

## 18.14. Additional Disclosures

### a. 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.

### b. Letter of Comfort

The Bank has given Letter of Comfort to the Governor, Bank of Indonesia for its subsidiary Bank SBI Indonesia, a foreign Subsidiary. Letter of Comfort has been given to the Minister of Finance, Ottawa, Ontario, Canada for SBI Canada Bank, a foreign Subsidiary. The consolidated amount for this letter of comfort is ₹ 1,894.81 crore (USD 250 Mio) as at 31<sup>st</sup> March, 2022. (Previous year ₹ 1,827.75 crore).

### c. 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 there is no material effect is on the profit and loss account of the current year.

### d. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated 5<sup>th</sup> May 2021 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on 31<sup>st</sup> December 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, the Bank has not utilized the CCPB for making specific provision for NPAs.

### e. Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):

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 23<sup>rd</sup> June 2017 and 28<sup>th</sup> August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 4,740 crore (100% of total outstanding) as on 31<sup>st</sup> March, 2022 (Previous Year ₹ 4,479 crore {100% of total outstanding})

f. During the year ended March 31, 2021, the Bank had accounted for ₹ 5,353.50 crore arising out of 11<sup>th</sup> Bi-Partite Wage Settlement effective from November 01, 2017 as 'Payments to and provisions for employees' under "Schedule 16: Operating Expenses".

g. During the year ended March 31, 2021, to ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated Mar 23, 2021, directed that there shall not be any charge of interest on interest /compound interest/penal interest for the period during the moratorium from March 1,2020 to August 31,2020 and such interest shall be refunded to the concerned borrowers to be given credit/adjusted in the next instalment of the loan amount. Accordingly, Bank has reversed interest income by ₹ 830 crore during the year ended March 31, 2021.

h. The COVID-19 pandemic across the globe resulted in decline in economic activities and movement in financial markets. In this situation, Bank geared up to meet the challenges and has been evaluating the situation on an ongoing basis and had proactively provided against the challenges of likely stress on the Bank's assets. Bank's management is not expecting any significant impact on Bank's liquidity or profitability. On the basis of aforementioned assessment, during the year ended March 31, 2022, the existing covid provision of ₹ 6,183 crore have been utilized towards incremental provisions against restructured assets.

i. The Central Board has declared a dividend of ₹ 7.10 per share @ 710% for the year ended March 31, 2022.

j. 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 31<sup>st</sup> March, 2022

(000s omitted)

Particulars	Year ended 31.03.2022 (FY21-22) ₹	Year ended 31.03.2021 (FY20-21) ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before Taxes	43421,85,36	27541,11,61
<b>Adjustments for:</b>		
Depreciation on Fixed Assets	3248,58,58	3317,55,25
(Profit)/Loss on sale of Fixed Assets (Net)	16,86,60	28,58,17
(Profit)/Loss on revaluation of Investments (Net)	263,27,88	-
(Profit) on sale of Investments in Subsidiaries / Joint Ventures / Associates	-	(1539,73,30)
Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates	12,92,61	-
Provision for diminution in fair value & Non Performing Assets	14086,84,54	27244,35,02
Provision on Standard Assets	4677,03,92	3789,78,38
Provision on non-performing Investments	3440,09,87	3014,49,66
Other provisions including provision for contingencies	2248,14,81	9964,40,51
Income from investment in Subsidiaries / Joint Ventures / Associates	(718,37,49)	(642,86,22)
Interest charged on Capital Instruments	5451,98,00	5782,51,98
	<b>76149,24,68</b>	<b>78500,21,06</b>
<b>Adjustments for:</b>		
Increase/(Decrease) in Deposits	370257,04,31	439656,34,53
Increase/ (Decrease) in Borrowings other than Capital Instruments	5064,98,09	92135,53,47
(Increase)/ Decrease in Investments other than investments in Subsidiaries / Joint Ventures / Associates	(132646,14,69)	(305564,41,58)
(Increase)/ Decrease in Advances	(298555,64,72)	(151452,58,06)
Increase/ (Decrease) in Other Liabilities	40375,27,17	16516,35,43
(Increase)/ Decrease in Other Assets	5583,06,80	(77531,38,47)
	<b>66227,81,64</b>	<b>92260,06,38</b>
Tax refund/ (Taxes paid )	(7812,36,34)	(2394,52,46)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES</b> A	<b>58415,45,30</b>	<b>89865,53,92</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments in Subsidiaries / Joint Ventures / Associates	(878,47,10)	(2234,97,50)
Sale of Investments in Subsidiaries / Joint Ventures / Associates	★ 80,97,57	34,20,66
Profit on sale of Investments in Subsidiaries / Joint Ventures / Associates	-	1539,73,30
(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates	★ (12,92,61)	-
Income from investment in Subsidiaries / Joint Ventures / Associates	718,37,49	642,86,23
(Increase) in Fixed Assets	(2715,31,18)	(3440,64,73)
Decrease in Fixed Assets	194,64,06	104,56,08
<b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES</b> B	<b>(2612,71,77)</b>	<b>(3354,25,96)</b>



(000s omitted)

Particulars	Year ended 31.03.2022 (FY21-22) ₹	Year ended 31.03.2021 (FY20-21) ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Issue of Capital Instruments	13974,00,00	27431,00,00
Redemption of Capital Instruments	(10293,30,00)	(16847,83,80)
Interest paid on Capital Instruments	(5288,37,02)	(4950,52,99)
Dividend paid	(3569,84,46)	-
<b>NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES C</b>	<b>(5177,51,48)</b>	<b>5632,63,21</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE D</b>	<b>888,39,12</b>	<b>(202,20,77)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>	<b>51513,61,17</b>	<b>91941,70,40</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1<sup>ST</sup> APRIL</b>	<b>343038,70,94</b>	<b>251097,00,54</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31<sup>ST</sup> MARCH</b>	<b>394552,32,11</b>	<b>343038,70,94</b>
<b>Notes:</b>		
★ The banking licence of 'Bank SBI Botswana' is surrendered on 30.06.2021. Operations of the same were closed post deregistration & the capital of ₹ 80.98 crore is repatriated at loss of ₹ 12.93 crore.		
1. Components of Cash & Cash Equivalents as at:	<b>31.03.2022</b>	<b>31.03.2021</b>
Cash & Balance with RBI	257859,20,71	213201,53,63
Balances with Banks and money at call & short notice	136693,11,40	129837,17,31
	<b>394552,32,11</b>	<b>343038,70,94</b>
2. Cash flow from operating activities is reported by using indirect method.		

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

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

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

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

**Directors:**

Shri B. Venugopal  
Dr Ganesh Natarajan  
Shri Mrugank M Paranjape  
Shri Ketan S. Vikamsey  
Shri Sanjeev Maheshwari  
Shri Prafulla P. Chhajed

**Shri Dinesh Kumar Khara**  
Chairman

Place: Mumbai  
Date : 13<sup>th</sup> May, 2022

In terms of our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants

**Shailesh Shah**  
Partner: M. No. 033632  
Firm Regn. No. 105049W

**For Shah Gupta & Co.**  
Chartered Accountants

**Heneel K Patel**  
Partner: M. No. 114103  
Firm Regn. No. 109574W

**For Umamaheswara Rao & Co.**  
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**L Shyama Prasad**  
Partner: M. No. 028224  
Firm Regn. No. 004453S

**For SCV & Co. LLP**  
Chartered Accountants

**Anuj Dhingra**  
Partner: M. No. 512535  
Firm Regn. No. 000235N/N500089

**For ASA & Associates LLP**  
Chartered Accountants

**Parveen Kumar**  
Partner: M. No. 088810  
Firm Regn. No. 009571N/N500006

**For Prem Gupta & Co.**  
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**Prem Behari Gupta**  
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Firm Regn. No. 302039E

**For M C Bhandari & Co.**  
Chartered Accountants

**M R Jain**  
Partner: M. No. 050919  
Firm Regn. No. 303002E

**For K C Mehta & Co.**  
Chartered Accountants

**Chirag Bakshi**  
Partner: M. No. 047164  
Firm Regn. No. 106237W

**For V Singhi & Associates**  
Chartered Accountants

**Aniruddha Sengupta**  
Partner: M. No. 051371  
Firm Regn. No. 311017E

**For Suri & Co.**  
Chartered Accountants

**V Natarajan**  
Partner: M. No. 223118  
Firm Regn. No. 004283S

**For Talati & Talati LLP**  
Chartered Accountants

**Anand Sharma**  
Partner: M. No. 129033  
Firm Regn. No. 110758W/W100377

Place – Mumbai  
Date – May 13, 2022

# Independent Auditors' Report

To  
**The President of India**

## REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OF STATE BANK OF INDIA

### Opinion

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2022, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

- i. The Central offices, 17 Local Head offices, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 20 branches audited by us;
- ii. 8,557 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 15,977 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 17.62% of advances, 33.76% of deposits, 28.94% of interest income and 40.21% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 in the manner so required for the Bank and are in

conformity with accounting principles generally accepted in India and:

- a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March, 2022;
- b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards of 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, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time 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.

### Key Audit Matters

3. 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, 2022. 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 18.4 of Schedule 18 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>Advances constitute 54.82 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 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 Software and other processes.</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 and calculation of provisions, 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>	<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"> <li>a. The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC norms in respect of the branches allotted to us;</li> <li>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;</li> <li>c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</li> <li>d. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>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 RBI Master Circulars / Guidelines.</li> <li>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.</li> <li>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.</li> <li>h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> </ol>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
ii.	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 18.3 of Schedule 18 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 29.70 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>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>	<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> <ol style="list-style-type: none"> <li>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;</li> <li>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>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;</li> <li>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.</li> </ol>



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
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 18.12 (e) 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> <ol style="list-style-type: none"> <li>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>Understanding the current status of the litigations/tax assessments;</li> <li>Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>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;</li> <li>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</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol>

#### Information Other than the Standalone Financial Statements and Auditors' Report thereon

4. The Bank's Board of Directors is responsible for preparation of the Other Information. The Other Information comprises the Corporate Governance Report which we obtained at the time of issue of this report. The Other Information also includes Directors' Report including annexures in Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' Report, including annexures in Annual Report, if any, thereon, if we conclude that there

is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above mentioned Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Standalone Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial

Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

7. We did not audit the financial statements / information of 8,591 branches included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹ 21,18,949 crores at March 31, 2022 and total revenue of ₹ 1,17,395 crores for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

8. 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 to 7 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
  - d) The profit and loss account shows the true balance of profit for the year ended 31.3.2022.
9. 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.
10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
  - b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
  - c) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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) Our Audit report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls over Financial Reporting is given in **Annexure – A** to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31<sup>st</sup> March, 2022.

In terms of our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants

**For Shah Gupta & Co.**  
Chartered Accountants

**For Umamaheswara Rao & Co.**  
Chartered Accountants

**Shailesh Shah**  
Partner: M. No. 033632  
Firm Regn. No. 105049W  
UDIN:22033632AIXHQQ3021

**Heneel K Patel**  
Partner: M. No. 114103  
Firm Regn. No. 109574W  
UDIN:22114103AIXKLG7230

**L Shyama Prasad**  
Partner: M. No. 028224  
Firm Regn. No. 004453S  
UDIN:22028224AIXHMB9621

**For SCV & Co. LLP**  
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**For ASA & Associates LLP**  
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**For Prem Gupta & Co.**  
Chartered Accountants

**Anuj Dhingra**  
Partner: M. No.512535  
Firm Reg.No.000235N/N500089  
UDIN:22512535AIXKXX2970

**Parveen Kumar**  
Partner: M. No. 088810  
Firm Regn. No. 009571N/N500006  
UDIN:22088810AIXJER5275

**Prem Behari Gupta**  
Partner: M. No. 080245  
Firm Regn. No. 000425N  
UDIN:22080245AIXKLC5297

**For Guha Nandi & Co.**  
Chartered Accountants

**For M C Bhandari & Co.**  
Chartered Accountants

**For K C Mehta & Co.**  
Chartered Accountants

**Dr. B. S. Kundu**  
Partner: M. No. 051221  
Firm Regn. No. 302039E  
UDIN:22051221AIXPYM6914

**M R Jain**  
Partner: M. No. 050919  
Firm Regn. No. 303002E  
UDIN:22050919AIXHIH2828

**Chirag Bakshi**  
Partner: M. No. 047164  
Firm Regn. No. 106237W  
UDIN:22047164AIXKOQ4739

**For V Singhi & Associates**  
Chartered Accountants

**For Suri & Co.**  
Chartered Accountants

**For Talati & Talati LLP**  
Chartered Accountants

**Aniruddha Sengupta**  
Partner: M. No. 051371  
Firm Regn. No. 311017E  
UDIN:22051371AIXHWT8422

**V Natarajan**  
Partner: M. No. 223118  
Firm Regn. No. 004283S  
UDIN:22223118AIXKPX8986

**Anand Sharma**  
Partner: M. No.129033  
Firm Regn. No. 110758W/W100377  
UDIN:22129033AIXMPT2135

Place – Mumbai  
Date – May 13, 2022

# ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 11(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the “RBI”) Letter DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the “RBI communication”)**

We have audited the internal financial controls over financial reporting of State Bank of India (“the Bank”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank’s branches.

## Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

## Auditors’ Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A Bank’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A Bank’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on “the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI”.

## Other Matters

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting of 730 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

In terms of our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants

**Shailesh Shah**  
Partner: M. No. 033632  
Firm Regn. No. 105049W  
UDIN:22033632AIXHQ3021

**For SCV & Co. LLP**  
Chartered Accountants

**Anuj Dhingra**  
Partner: M. No.512535  
Firm Reg.No.000235N/N500089  
UDIN:22512535AIXKXX2970

**For Guha Nandi & Co.**  
Chartered Accountants

**Dr. B. S. Kundu**  
Partner: M. No. 051221  
Firm Regn. No. 302039E  
UDIN:22051221AIXPYM6914

**For V Singhi & Associates**  
Chartered Accountants

**Aniruddha Sengupta**  
Partner: M. No. 051371  
Firm Regn. No. 311017E  
UDIN:22051371AIXHWT8422

**For Shah Gupta & Co.**  
Chartered Accountants

**Heneel K Patel**  
Partner: M. No. 114103  
Firm Regn. No. 109574W  
UDIN:22114103AIXKLG7230

**For ASA & Associates LLP**  
Chartered Accountants

**Parveen Kumar**  
Partner: M. No. 088810  
Firm Regn. No. 009571N/N500006  
UDIN:22088810AIXJER5275

**For M C Bhandari & Co.**  
Chartered Accountants

**M R Jain**  
Partner: M. No. 050919  
Firm Regn. No. 303002E  
UDIN:22050919AIXHIH2828

**For Suri & Co.**  
Chartered Accountants

**V Natarajan**  
Partner: M. No. 223118  
Firm Regn. No. 004283S  
UDIN:22223118AIXKPX8986

**For Umamaheswara Rao & Co.**  
Chartered Accountants

**L Shyama Prasad**  
Partner: M. No. 028224  
Firm Regn. No. 004453S  
UDIN:22028224AIXHMB9621

**For Prem Gupta & Co.**  
Chartered Accountants

**Prem Behari Gupta**  
Partner: M. No. 080245  
Firm Regn. No. 000425N  
UDIN:22080245AIXKLC5297

**For K C Mehta & Co.**  
Chartered Accountants

**Chirag Bakshi**  
Partner: M. No. 047164  
Firm Regn. No. 106237W  
UDIN:22047164AIXKQ4739

**For Talati & Talati LLP**  
Chartered Accountants

**Anand Sharma**  
Partner: M. No.129033  
Firm Regn. No. 110758W/W100377  
UDIN:22129033AIXMPT2135

Place – Mumbai  
Date – May 13, 2022

# State Bank of India

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022

(000s omitted)

	Schedule No.	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	304695,58,39	274669,09,88
Minority Interest	2A	11207,42,28	9625,91,66
Deposits	3	4087410,60,06	3715331,24,17
Borrowings	4	449159,78,36	433796,20,81
Other Liabilities and Provisions	5	507517,67,73	411303,62,01
<b>TOTAL</b>		<b>5360883,52,94</b>	<b>4845618,54,65</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	258086,43,01	213498,61,59
Balances with Banks and Money at Call & Short Notice	7	140818,69,16	134208,41,98
Investments	8	1776489,89,88	1595100,26,64
Advances	9	2794076,00,18	2500598,98,67
Fixed Assets	10	39510,03,05	40166,78,82
Other Assets	11	351902,47,66	362045,46,95
<b>TOTAL</b>		<b>5360883,52,94</b>	<b>4845618,54,65</b>
Contingent Liabilities	12	2007232,49,00	1714239,51,59
Bills for Collection		77783,05,62	56557,64,31
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet

**Shri Ashwini Kumar Tewari**  
Managing Director  
(IB, T & S)

**Shri Swaminathan J.**  
Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**  
Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(R & DB)

In terms of our Report of even date  
**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
Firm Regn. No. 105049W

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Shailesh Shah**  
Partner  
Membership No. 033632

**Place: Mumbai**  
**Date : 13<sup>th</sup> May, 2022**

## SCHEDULES

### SCHEDULE 1 - CAPITAL

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>Authorised Capital :</b>		
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
<b>Issued Capital :</b>		
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
<b>Subscribed and Paid-up Capital :</b>		
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 10,36,05,740 Equity shares of ₹ 1/- each (Previous Year 10,97,28,170 Equity shares of ₹ 1/- each) represented by 10,36,05,74 (Previous Year 10,97,28,17) Global Depository Receipts]		
<b>TOTAL</b>	<b>892,46,12</b>	<b>892,46,12</b>

### SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	77170,11,43	70882,27,64
Additions during the year	9769,02,69	6287,83,79
Deductions during the year	- 86939,14,12	- 77170,11,43
<b>II. Capital Reserves</b>		
Opening Balance	15231,66,59	13766,54,18
Additions during the year	538,15,24	1465,12,41
Deductions during the year	- 15769,81,83	- 15231,66,59
<b>III. Share Premium</b>		
Opening Balance	79115,47,05	79115,47,05
Additions during the year	-	-
Deductions during the year	- 79115,47,05	- 79115,47,05

(000s omitted)

	As at 31.03.2022 (Current Year) ₹		As at 31.03.2021 (Previous Year) ₹	
<b>IV. Investment Fluctuation Reserve</b>				
Opening Balance		3048,07,72		1119,88,09
Additions during the year		4647,87,02		1928,19,63
Deductions during the year		- 7695,94,74		- 3048,07,72
<b>V. Foreign Currency Translation Reserve</b>				
Opening Balance		10290,42,37		10224,02,47
Additions during the year		966,26,66		268,60,67
Deductions during the year		- 11256,69,03		202,20,77 10290,42,37
<b>VI. Revenue and Other Reserves</b>				
Opening Balance		57936,43,59		52481,96,28
Additions during the year #		2072,94,73		5499,71,21
Deductions during the year		136,12,42 59873,25,90		45,23,90 57936,43,59
<b>VII. Revaluation Reserve</b>				
Opening Balance		23577,34,78		23762,66,57
Additions during the year		-		-
Deductions during the year		199,48,07 23377,86,71		185,31,79 23577,34,78
<b>VIII. Capital Reserve on Consolidation</b>				
Opening Balance		203,02,24		176,58,27
Additions during the year		70,01,72		26,43,97
Deductions during the year		- 273,03,96		- 203,02,24
IX. Balance in Profit and Loss Account		20394,35,05		8096,54,11
<b>TOTAL</b>		<b>304695,58,39</b>		<b>274669,09,88</b>

# net of consolidation adjustments

## SCHEDULE 2A - MINORITY INTEREST

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
Minority Interest at the beginning of the year	9625,91,66	7943,82,20
Subsequent increase/decrease during the year	1581,50,62	1682,09,46
<b>Minority Interest on the date of balance sheet</b>	<b>11207,42,28</b>	<b>9625,91,66</b>



**SCHEDULE 3 - DEPOSITS**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	6328,02,10	5469,19,61
(ii) From Others	273403,37,96	283808,86,05
<b>II. Savings Bank Deposits</b>	1539980,57,43	1397501,44,70
<b>III. Term Deposits</b>		
(i) From Banks	8971,36,01	5492,77,67
(ii) From Others	2258727,26,56	2023058,96,14
<b>TOTAL</b>	<b>4087410,60,06</b>	<b>3715331,24,17</b>
<b>B. (i) Deposits of Branches in India</b>	3917357,59,34	3567926,84,86
(ii) Deposits of Branches outside India	170053,00,72	147404,39,31
<b>TOTAL</b>	<b>4087410,60,06</b>	<b>3715331,24,17</b>

**SCHEDULE 4 - BORROWINGS**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	24956,00,00	24956,00,00
(ii) Other Banks	12601,43,98	10678,34,70
(iii) Other Institutions and Agencies	152877,62,75	159271,91,86
(iv) Capital Instruments:		
a. Innovative Perpetual Debt Instruments (IPDI)	36709,70,00	29835,70,00
b. Subordinated Debt	36529,90,00	73239,60,00
<b>TOTAL</b>	<b>263674,66,73</b>	<b>262371,86,56</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	185320,49,83	169041,42,45
(ii) Capital Instruments:		
a. Innovative Perpetual Debt Instruments (IPDI)	-	2193,30,00
b. Subordinated Debt	164,61,80	164,61,80
<b>TOTAL</b>	<b>185485,11,63</b>	<b>171424,34,25</b>
<b>GRAND TOTAL</b>	<b>449159,78,36</b>	<b>433796,20,81</b>
Secured Borrowings included in I & II above	188360,08,98	190279,61,10

## SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
I. Bills payable	33485,82,47	17728,51,70
II. Inter Bank Adjustments (net)	37,86,55	49,69,05
III. Inter Office adjustments (net)	2344,61,99	1,23,54
IV. Interest accrued	17990,61,59	15309,15,71
V. Deferred Tax Liabilities (net)	5,68,86	3,70,81
VI. Liabilities relating to Policyholders in Insurance Business	264548,27,48	219027,87,65
VII. Provision for Standard Assets	20592,09,08	16005,37,56
VIII. Others (including provisions)	168512,69,71	143178,05,99
<b>TOTAL</b>	<b>507517,67,73</b>	<b>411303,62,01</b>

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	21967,22,06	23691,32,43
II. Balances with Reserve Bank of India		
(i) In Current Account	236119,20,95	189807,29,16
(ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>258086,43,01</b>	<b>213498,61,59</b>

## SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Account	1064,57,10	1067,90,06
(b) In Other Deposit Accounts	3727,11,66	3160,05,92
(ii) Money at call and short notice		
(a) With banks	60938,22,08	47369,93,31
(b) With Other Institutions	-	-
<b>TOTAL</b>	<b>65729,90,84</b>	<b>51597,89,29</b>
<b>II. Outside India</b>		
(i) In Current Account	62547,03,12	64287,31,27
(ii) In Other Deposit Accounts	3579,70,45	8587,68,13
(iii) Money at call and short notice	8962,04,75	9735,53,29
<b>TOTAL</b>	<b>75088,78,32</b>	<b>82610,52,69</b>
<b>GRAND TOTAL (I and II)</b>	<b>140818,69,16</b>	<b>134208,41,98</b>

**SCHEDULE 8 - INVESTMENTS**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Investments in India in:</b>		
(i) Government Securities	1261071,12,87	1139960,41,91
(ii) Other Approved Securities	35365,93,17	27743,27,21
(iii) Shares	90652,83,35	68972,62,29
(iv) Debentures and Bonds	269609,83,27	253967,00,87
(v) Subsidiary and Associates #, \$	14603,34,61	13209,01,04
(vi) Others (Units of Mutual Funds etc.)	47875,58,26	40219,16,31
<b>TOTAL</b>	<b>1719178,65,53</b>	<b>1544071,49,63</b>
<b>II. Investments outside India in:</b>		
(i) Government Securities (including local authorities)	24165,67,65	21697,01,67
(ii) Associates #	158,80,87	145,62,73
(iii) Other Investments (Shares, Debentures, etc.)	32986,75,83	29186,12,61
<b>TOTAL</b>	<b>57311,24,35</b>	<b>51028,77,01</b>
<b>GRAND TOTAL (I and II)</b>	<b>1776489,89,88</b>	<b>1595100,26,64</b>
<b>III. Investments in India:</b>		
(i) Gross Value of Investments	1731051,89,01	1554398,52,92
(ii) Less: Aggregate of Provisions / Depreciation	11873,23,48	10327,03,29
Net Investments (vide I above)	<b>1719178,65,53</b>	<b>1544071,49,63</b>
<b>IV. Investments outside India:</b>		
(i) Gross Value of Investments	57458,70,66	51070,30,95
(ii) Less: Aggregate of Provisions / Depreciation	147,46,31	41,53,94
Net Investments (vide II above)	<b>57311,24,35</b>	<b>51028,77,01</b>
<b>GRAND TOTAL (III and IV)</b>	<b>1776489,89,88</b>	<b>1595100,26,64</b>
<b># Investment in Associates (In India and Outside India)</b>		
Equity Investment in Associates	10215,12,19	9669,58,12
Add : Goodwill on acquisition of Associates	25,91,12	-
Less : Capital reserve on acquisition of Associates	981,48,87	981,48,87
Less : Provision for diminution	-	-
Cost of Investment in Associates	<b>9259,54,44</b>	<b>8688,09,25</b>
Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	5498,61,05	4662,54,53
<b>TOTAL</b>	<b>14758,15,49</b>	<b>13350,63,78</b>

\$ including Share Application Money

**SCHEDULE 9 - ADVANCES**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>A. (i) Bills purchased and discounted</b>	168552,97,29	96263,84,05
(ii) Cash credits, overdrafts and loans repayable on demand	740936,12,49	697691,68,91
(iii) Term Loans	1884586,90,40	1706643,45,71
<b>TOTAL</b>	<b>2794076,00,18</b>	<b>2500598,98,67</b>

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>B. (i)</b> Secured by tangible assets (includes advances against Book Debt ₹ 130915,53,15 thousands (Previous Year ₹ 134277,32,43 thousands)	1901776,92,33	1784402,74,29
(ii) Covered by Bank / Government Guarantees	114844,70,33	96691,34,81
(iii) Unsecured	777454,37,52	619504,89,57
<b>TOTAL</b>	<b>2794076,00,18</b>	<b>2500598,98,67</b>
<b>C. (I) Advances in India</b>		
(i) Priority Sector	658546,87,83	564570,85,92
(ii) Public Sector	167199,40,75	257246,23,86
(iii) Banks	1536,43,37	4833,33,50
(iv) Others	1519580,51,83	1285608,47,38
<b>TOTAL</b>	<b>2346863,23,78</b>	<b>2112258,90,66</b>
<b>(II) Advances outside India</b>		
(i) Due from banks	119514,35,15	80143,34,26
(ii) Due from others		
(a) Bills purchased and discounted	35345,80,07	35004,71,22
(b) Syndicated loans	196311,75,75	184413,38,38
(c) Others	96040,85,43	88778,64,15
<b>TOTAL</b>	<b>447212,76,40</b>	<b>388340,08,01</b>
<b>GRAND TOTAL [C (I) and C (II)]</b>	<b>2794076,00,18</b>	<b>2500598,98,67</b>

## SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
<b>I. Premises (including Revalued Premises)</b>		
At cost/revalued as at 31 <sup>st</sup> March of the preceding year	31130,03,43	31094,35,54
Additions:		
- during the year	226,53,68	81,64,96
- for Revaluation	-	-
Deductions		
- during the year	4,46,02	35,43,48
- for Revaluation	15,50,22	10,53,59
Depreciation to date:		
- on cost	1168,76,60	1043,45,83
- on Revaluation	1028,90,79	850,52,10
	29138,93,48	29236,05,50
<b>IA. Premises under construction</b>	252,96,55	351,83,45

(000s omitted)

	As at 31.03.2022 (Current Year) ₹		As at 31.03.2021 (Previous Year) ₹	
<b>II. Other Fixed Assets (including furniture and fixtures)</b>				
At cost/revaluation as at 31 <sup>st</sup> March of the preceding year	38991,32,27		36021,19,34	
Additions during the year	2952,36,16		3753,83,35	
Deductions during the year	741,50,60		783,70,42	
Depreciation to date	31339,27,63	9862,90,20	28686,49,53	10304,82,74
<b>IIA. Leased Assets</b>				
At cost/revalued as at 31 <sup>st</sup> March of the preceding year	288,85,63		240,38,84	
Additions during the year	126,36,17		74,34,19	
Deductions during the year	17,27,78		25,87,40	
Depreciation to date (including provisions)	170,27,88		131,13,19	
	<b>227,66,14</b>		<b>157,72,44</b>	
Less : Lease Adjustment Account	-	227,66,14	-	157,72,44
<b>TOTAL (I, IA,II and IIA)</b>	<b>39482,46,37</b>		<b>40050,44,13</b>	
<b>III. Capital-Work-in progress (including Leased Assets) net of Provisions</b>		27,56,68		116,34,69
<b>TOTAL (I, IA, II, IIA and III)</b>	<b>39510,03,05</b>		<b>40166,78,82</b>	

**SCHEDULE 11 - OTHER ASSETS**

(000s omitted)

	As at 31.03.2022 (Current Year) ₹		As at 31.03.2021 (Previous Year) ₹	
I. Inter Office adjustments (net)	-		20540,95,39	
II. Inter Bank Adjustments (net)	-		-	
III. Interest accrued	37043,85,65		32770,84,89	
IV. Tax paid in advance / tax deducted at source	22650,12,52		26435,38,67	
V. Deferred Tax Assets (net)	6745,22,82		7244,80,47	
VI. Stationery and Stamps	59,06,04		89,60,16	
VII. Non-banking assets acquired in satisfaction of claims	11,52,34		10,49,60	
VIII. Deposits placed with NABARD/SIDBI/NHB	195618,29,52		184093,45,48	
IX. Goodwill on consolidation	1550,02,47		1549,99,41	
X. Others	88224,36,30		89309,92,88	
<b>TOTAL</b>	<b>351902,47,66</b>		<b>362045,46,95</b>	



## SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As at 31.03.2022 (Current Year) ₹	As at 31.03.2021 (Previous Year) ₹
I. Claims against the group not acknowledged as debts	86519,11,42	79862,51,29
II. Liability for partly paid investments / Venture Funds	2773,96,99	2617,80,58
III. Liability on account of outstanding forward exchange contracts	1213429,79,26	1029404,66,06
IV. Guarantees given on behalf of constituents		
(a) In India	166528,97,91	173297,71,34
(b) Outside India	95727,54,21	72991,10,08
V. Acceptances, endorsements and other obligations	171892,93,33	149014,00,66
VI. Other items for which the group is contingently liable	270360,15,88	207051,71,58
<b>TOTAL #</b>	<b>2007232,49,00</b>	<b>1714239,51,59</b>

# ₹ 1,91,46 thousands (previous year ₹ 2,09,62 thousands) pertains to share in contingent liability of Joint Ventures

# State Bank of India

Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2022

(000s omitted)

	Schedule No.	Year ended 31 <sup>st</sup> March 2022 (Current Year) ₹	Year ended 31 <sup>st</sup> March 2021 (Previous Year) ₹
<b>I. INCOME</b>			
Interest earned	13	289972,68,60	278115,47,67
Other Income	14	117000,40,37	107222,41,38
<b>TOTAL</b>		<b>406973,08,97</b>	<b>385337,89,05</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	156194,34,41	156010,16,71
Operating expenses	16	174363,42,58	150429,59,53
Provisions and contingencies		40059,14,84	54618,40,87
<b>TOTAL</b>		<b>370616,91,83</b>	<b>361058,17,11</b>
<b>III. PROFIT</b>			
Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest)		36356,17,14	24279,71,94
Add: Share in Profit/(Loss) of Associates		827,01,33	(391,90,45)
Less: Minority Interest		1809,30,49	1482,35,73
Net Profit for the Group		35373,87,98	22405,45,76
Add Profit/(Loss) Brought forward		8096,54,12	(1361,74,25)
<b>TOTAL</b>		<b>43470,42,10</b>	<b>21043,71,51</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		9769,02,69	6287,83,79
Transfer to Capital Reserve		538,15,24	1465,12,42
Transfer to Investment Fluctuation Reserve		4647,87,02	1928,19,63
Transfer to Revenue and Other Reserves		1783,68,04	(307,48,07)
Final Dividend for the year		6336,47,42	3569,84,46
Tax on Dividend		86,64	3,65,16
Balance carried over to Balance Sheet		20394,35,05	8096,54,12
<b>TOTAL</b>		<b>43470,42,10</b>	<b>21043,71,51</b>
<b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b>			
Basic (in ₹)		39.64	25.11
Diluted (in ₹)		39.64	25.11
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Profit & Loss Account

**Shri Ashwini Kumar Tewari**  
Managing Director  
(IB, T & S)

**Shri Swaminathan J.**  
Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**  
Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(R & DB)

In terms of our Report of even date  
**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Regn. No. 105049W

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Shailesh Shah**  
Partner  
Membership No. 033632

Place: Mumbai  
Date : 13<sup>th</sup> May, 2022

## SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Interest / discount on advances/ bills	177474,83,13	176780,18,56
II. Income on Investments	93477,89,84	87130,62,06
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4608,34,99	4541,42,58
IV. Others	14411,60,64	9663,24,47
<b>TOTAL</b>	<b>289972,68,60</b>	<b>278115,47,67</b>

## SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Commission, exchange and brokerage	24549,32,06	23566,55,62
II. Profit / (Loss) on sale of investments (Net)#	6375,64,61	7504,45,40
III. Profit / (Loss) on revaluation of investments (Net)	(445,73,69)	(5,15,48)
IV. Profit / (Loss) on sale of land, building and other assets including leased assets (net)	(16,40,47)	(28,33,64)
V. Profit / (Loss) on exchange transactions (Net)	3530,17,97	2457,74,75
VI. Dividends from Associates in India/ abroad	3,19,50	3,19,50
VII. Credit Card membership/ service fees	5269,67,80	3915,36,49
VIII. Insurance Premium Income (net)	62188,03,44	53162,60,19
IX. Recoveries made in Write-off Accounts	8286,78,94	10700,37,34
X. Miscellaneous Income	7259,70,21	5945,61,21
<b>TOTAL</b>	<b>117000,40,37</b>	<b>107222,41,38</b>

# Profit/(Loss) on sale of Investments (Net) includes exceptional item of Nil (Previous year ₹ 1367,27,26 thousands)

## SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Interest on Deposits	141765,28,30	143060,44,62
II. Interest on Reserve Bank of India/ Inter-bank borrowings	7751,72,68	6237,20,49
III. Others	6677,33,43	6712,51,60
<b>TOTAL</b>	<b>156194,34,41</b>	<b>156010,16,71</b>

**SCHEDULE 16 - OPERATING EXPENSES**

(000s omitted)

	Year ended 31.03.2022 (Current Year) ₹	Year ended 31.03.2021 (Previous Year) ₹
I. Payments to and provisions for employees #	61445,12,63	54330,82,58
II. Rent, taxes and lighting	5707,73,68	5557,13,72
III. Printing and Stationery	709,90,76	581,72,43
IV. Advertisement and publicity	2693,92,63	2458,63,07
V. (a) Depreciation on Fixed Assets (other than Leased Assets)	3652,67,77	3673,42,72
(b) Depreciation on Leased Assets	38,59,23	37,63,64
VI. Directors' fees, allowances and expenses	12,82,78	13,26,40
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	283,56,85	285,25,22
VIII. Law charges	448,57,06	401,91,78
IX. Postages, Telegrams, Telephones, etc.	710,44,57	492,69,84
X. Repairs and maintenance	1219,04,35	1116,49,53
XI. Insurance	4799,96,54	4272,88,91
XII. Other Operating Expenses relating to Credit Card Operations	2945,50,71	1503,01,93
XIII. Other Operating Expenses relating to Insurance Business	69706,73,54	58397,01,70
XIV. Other Expenditure	19988,79,48	17307,66,06
<b>TOTAL</b>	<b>174363,42,58</b>	<b>150429,59,53</b>

# Payment to and provisions for employees includes exceptional item of ₹ 7418,39,00 thousands (Previous year Nil) for enhancement in Family Pension under 11<sup>th</sup> Bipartite Settlement and Joint Note dated November 11, 2020

## SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES

### A. Background:

State Bank of India ('SBI' or 'the Bank') is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

State Bank of India Group ('SBI Group' or 'the Group') consists of SBI, 27 Subsidiaries, 8 Joint Ventures and 18 Associates.

Following are the Significant Accounting Policies of SBI Group i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of consolidated financial statements of SBI.

### B. Basis of Preparation:

The accounting and reporting policies of the SBI Group conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India.

In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

The Bank's consolidated financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with guidelines issued by RBI and requirements under the Third Schedule of the Banking Regulation Act, 1949.

### C. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### D. Basis of Consolidation:

1. Consolidated financial statements of the SBI Group includes:
  - a. 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. Elimination of all material intra-group balances/transactions and resulting unrealised gains and adjustments required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
  - c. Proportionate share of asset/liability/income/expense of the joint venture entities are consolidated 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 shareholders at the date on which the investment in the equity shares of the subsidiary is made, and
  - b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

### E. Significant Accounting Policies

#### 1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/Discount income is recognised, in the Profit and Loss Account, on realisation basis for the following:
  - a. Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities),
  - b. Income on Rupee Derivatives designated as "Trading"
- 1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments



held in the “Held to Maturity” category of the Bank and on sale of Fixed Assets held by the Bank is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount, if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

- a. on Interest bearing securities, it is accounted for at the time of sale/ redemption.
  - b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.4 Dividend income is recognised when the right to receive the dividend is established.
  - 1.5 Commission on Letter of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & “Upfront fee on restructured account” are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on their realisation.
  - 1.6 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
  - 1.7 Brokerage, Commission etc. paid/incurred in connection with the issue of Bonds/Deposits are amortized over the tenure of the related Bonds/Deposits and the expenses incurred in connection with the issue are charged upfront.
  - 1.8 The Bank derecognises its financial assets when it sells to Securitisation Company (SC) / Reconstruction Company (RC), and accounts for as under :
    - 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.
  - 1.9 Issue management fees and advisory fees, in case of Group’s merchant banking business, are recognised as per the terms of the agreement with the customer/client. The fee income is recognised only when the milestone defined in the agreement is executed/completed.
    - 1.9.1.Fees for private placement are recognised on completion of assignments.
    - 1.9.2.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 incentives paid on scheme.

- 1.9.3.Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.
  - 1.9.4.Brokerage income relating to public issues/ mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/intermediaries.
  - 1.9.5. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.
- 1.10 Management fee, in case of Group’s asset management business, 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.
    - 1.10.1.Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Funds (AIF) are recognised on accrual basis as per the terms of the contract.
    - 1.10.2.Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted based on receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.
    - 1.10.3.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.
    - 1.10.4.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.
  - 1.11 Income earned from provision of membership services, in case of Group’s credit card business, is recognised as revenue over the membership period consisting of 12 months at fair value

of consideration net of expected reversals / cancellations.

1.11.1. Other service revenue consists of value-add services provided to the card holders. Other service revenues are recognised in the same period in which related transactions occur or services rendered.

1.11.2. Interchange fees are collected from acquirers and paid to issuers by network partners to reimburse the issuers for portion of the costs incurred for providing services that benefit all participants in the system, including acquirers and merchants. Revenue from interchange income is recognised when related transaction occurs, or service is rendered.

1.11.3. 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.

1.11.4. All other service income/fees are recorded at the time of occurrence of the respective events.

1.12 Factoring charges, in case of Group's factoring business, 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. 1<sup>st</sup> of May is deemed as date for accrual of the FCF.

1.13 Premium, in case of Group's life insurance business, of non-linked business is recognised as income (net of 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.

1.13.1. Top-up premiums are considered as single premium.

1.13.2. 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.

1.13.3. Realised gains and losses in respect of equity securities, units of mutual funds, Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) 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 the difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares, units of mutual fund Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are computed using the weighted average method.

1.13.4. 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.

1.13.5. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

1.13.6. 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.

1.13.7. 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.

1.13.8. **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 from time to time and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

#### 1.13.9. Funds for future appropriation

For non-linked participating business, the balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' fund. In respect of participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

The fund for future appropriations held in the unit-linked funds, represents surplus that has arisen from lapsed policies unlikely to be revived. This surplus is required to be held within the policyholders' fund till the point at which the policyholders' can no longer revive their policy.

1.14 Premium including reinsurance accepted (net of goods & service tax) , in case of Group's general insurance business, is recognised in the books at the commencement of risk over the contract period or the period of risk, whichever is appropriate. 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. In case of long-term motor insurance policies premium is recognised on a yearly basis as mandated by IRDAI. 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.

1.14.1. Commission on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.

Sliding scale commission under reinsurance treaties, wherever applicable, is recognised as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

1.14.2. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk over the contract period or the period 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.

1.14.3. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

1.14.4. 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). In case of long-term motor insurance policies commission is expensed at the applicable rates on the premium allocated for the year as mandated by IRDAI.

1.14.5. Premium Received in Advance which represents premium received prior to the commencement of the risk is shown separately under the head "Other Liabilities and Provision" in the financial statements and is recorded as income on the date of commencement of risk.

Reserve for Unexpired risk is that part of the net premium written (i.e., premium net of reinsurance ceded) that is attributable to, and to be allocated to succeeding accounting periods on contract period basis or risk period basis, whichever is appropriate. Such reserves are calculated on a pro-rata basis under 1/365 basis, subject to minimum reserve requirements as per Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016.

1.14.6. If the ultimate amount of expected net claim costs (as calculated and certified by the Actuary), related expenses and maintenance costs (related to claims handling) in respect of unexpired risks at the end of the accounting period exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk, the same is recognised as premium deficiency.

Premium deficiency is calculated on annual basis and at the company level.

1.14.7. 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. Claims paid (net of recoveries including value of salvage retained by the insured and interest, if any, paid on the claims) is charged to the profit & loss account when approved for payment. Where salvage is taken over by the company, the recoveries from sale of salvage are recognised at the time of such sale.

1.14.8. 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.

1.15 The revenue (net of goods & service tax), in case of Group's custody & fund accounting services, is recognised only when it can be reliably measured and it is probable that the economic benefits will flow to the company. Custody fees, fund accounting fees and referral fees are accounted on accrual basis as per the agreed terms of agreement.

1.16 Management fee, in case of Group's pension fund business, 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). Commission income from Point of Presence (POP) Business i.e. Account opening fees and contribution processing fees are recognized on the basis of contributions received from subscribers and generation of Permanent Retirement Account Number (PRAN). The Company presents revenues net of goods and service tax in profit and loss account.

1.17 Mutual Fund Trusteeship fee, in case of Group's trusteeship business, 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.

1.17.1. Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued based on terms of trusteeship contracts/agreements entered into with clients.

1.17.2. 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.

1.18 The revenue, in case of Group’s merchant acquiring business, 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.

1.18.1. 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. Based on the contract terms, the merchant makes payment for merchant discount rate (MDR), monthly rental and commitment charges and the same is treated as revenue from operation.

1.18.2. 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, in accordance with terms of the contract.

1.18.3. Revenue is recognised to the extent it is probable that the economic benefits will flow, and the revenue can be reliably measured.

## 2. Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### 2.1 Classification:

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others. The Investments outside India are classified under three categories – (i) Government Securities, (ii) Subsidiaries and/or joint Ventures abroad and (iii) Other Investments.

### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorised as “Held to Maturity (HTM)”.
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as “Held for Trading (HFT)”.
- iii. Investments, which are not classified in the above two categories, are classified as “Available for Sale (AFS)”.
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in associates are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- i. The transactions in all securities are recorded on a Settlement Date. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
  - a. Brokerage/commission received on subscriptions is reduced from the cost. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - b. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

### ii. Valuation of investments classified as Held to Maturity:

- a. Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition, if any, is amortised over the term to maturity on constant yield basis. Such amortisation of premium is accounted as income on investments.



- b. A provision is made for diminution, other than temporary, for each investment individually.
- c. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

**iii. Valuation of investments classified as Available for Sale and Held for Trading:**

Investments held under Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation, if any, of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and Associates; and (vi) others) is provided for and net appreciation is ignored.

**iv. Valuation policy in event of inter category transfer of investments:**

- a. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b. Transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, in the Profit and Loss Account.

**v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC) / Asset Reconstruction Company (ARC) against issue of Security Receipts:**

- a. The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.
- b. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/

ARC, is reckoned for valuation of such investments.

- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

**2.4 Investments (NPI)**

- i. In respect of domestic offices/ entities, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:
  - a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b. In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 per company on account of the non-availability of the latest Balance Sheet, those equity shares would be reckoned as NPI.
  - c. The Bank also classifies an investment as a non-performing investment, in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.
  - d. The investments in debentures/bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices/entities, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

**2.5 Accounting for Repo/ Reverse Repo transactions**

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- a. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.
- b. In Market Repo and Reverse Repo transaction, securities sold (purchased) and repurchased (resell) are accounted as normal outright sale (purchase) transactions

and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.

- c. Balance in Repo Account is classified under Schedule 4 (Borrowings).
  - d. The balance in Reverse Repo Account with original tenor of 14 days or less are classified under Schedule 7 (Balance with Banks and Money at call & short notice). Reverse Repos with original maturity more than 14 days but up to 1 year are classified as Cash Credits, overdrafts, and loans repayable on demand, under Schedule 9 (Advances). All other Reverse Repos are classified as Term Loans under Schedule 9 (Advances).
  - e. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.
- 2.6 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.
- The Investment in units of REITs/InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual fund units, AIFs and units of REITs/InvITs 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).
- The Investment in units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.
- Unrealized gains or losses arising due to changes in the fair value are recognized in the Profit & Loss Account.

### 3. Loans /Advances and Provisions thereon:

3.1 Based on the guidelines/directives issued by the RBI, Loans and Advances are classified as performing and non-performing as follows:

- i. A term loan is classified a non-performing asset, if interest and/or instalment of principal remains overdue for a period of more than 90 days;

- ii. An Overdraft or Cash Credit is classified a non-performing asset, if the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. The bills purchased/discounted are classified as non-performing assets, if the bill remains overdue for a period of more than 90 days;
- iv. The agricultural advances are classified as non-performing assets, if (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:	<ul style="list-style-type: none"> <li>i. A general provision of 15% on the total outstanding;</li> <li>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);</li> <li>iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.</li> </ul>
Doubtful Assets:	<ul style="list-style-type: none"> <li>i. Upto one year – 25%</li> <li>ii. One to three years – 40%</li> <li>iii. More than three years – 100%</li> </ul>
- Secured portion	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 prudent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the 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 The Bank also makes additional provisions on specific non-performing assets.
- 3.11 Appropriation of recoveries in NPAs are made in order of priority as under :
- 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 & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for Floating Provisions separately for advances, investments and general purposes. The quantum

of Countercyclical Provisioning Buffer and Floating Provisions to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

#### 6. Derivatives:

- 6.1 The Bank enters in derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements 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 in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

#### 7. Fixed Assets Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices/ entities are depreciated at straight line method based on useful life of the assets states as under:

S r. No.	Description of Fixed Assets	Useful Life
1	Computers	3 Years
2	Computer Software forming an integral part of the computer hardware	3 Years
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	3 Years
4	Automated Teller Machine/ Cash Deposit Machine/Coin Dispenser / Coin Vending Machine	5 Years
5	Servers	4 Years
6	Network Equipment	5 Years
7	Other major fixed assets	
	Premises	60 Years
	Vehicles	5 Years
	Safe Deposit Lockers	20 Years
	Furniture & Fixtures	10 Years

- 7.3 In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

- 7.4 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices/ entities, depreciation is provided as per the regulations /norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

#### 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

#### 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the Wcarrying 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 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 Bank's 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 based on 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 Employees' Pension Fund Regulations. 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 Fund 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 1<sup>st</sup> 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 SBI's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

## iii. Other Long Term Employee benefits:

- a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of such long-term employee benefits are internally funded by the group entities.
- 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, if any, 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 considering taxes paid at the foreign offices, 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 because of a past event and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

**15.2 No provision is recognised for**

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or
- ii. any present obligation that arises from past events but is not recognised because
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of SBI is being provided for on actuarial estimates.

15.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

15.5 Contingent Assets are not recognised in the financial statements.

**16. Bullion Transactions:**

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the

interest paid/received classified as interest expense / income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

**17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

**18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

**19. Cash and cash equivalents**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

**SCHEDULE 18 NOTES TO ACCOUNTS:****1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:**

1.1 The 27 Subsidiaries, 8 Joint Ventures and 18 Associates including 14 Regional Rural Banks from/upto respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

**A) Subsidiaries:**

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	SBI Capital Markets Ltd.	India	100.00	100.00
2)	SBICAP Securities Ltd.	India	100.00	100.00
3)	SBICAP Trustee Company Ltd.	India	100.00	100.00
4)	SBICAP Ventures Ltd.	India	100.00	100.00
5)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00
6)	SBI DFHI Ltd.	India	72.17	72.17
7)	SBI Global Factors Ltd.	India	86.18	86.18
8)	SBI Infra Management Solutions Pvt. Ltd.	India	100.00	100.00
9)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
10)	SBI Payment Services Pvt. Ltd.@	India	74.00	74.00
11)	SBI Pension Funds Pvt Ltd.	India	92.52	92.58
12)	SBI Life Insurance Company Ltd.	India	55.48	55.50
13)	SBI General Insurance Company Ltd.	India	69.96	70.00
14)	SBI Cards and Payment Services Ltd.	India	69.20	69.39
15)	SBI-SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
16)	SBI Funds Management Ltd. @	India	62.59	62.88
17)	SBI Funds Management (International) Private Ltd. @	Mauritius	62.59	62.88
18)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
19)	Bank SBI Botswana Limited (upto 07.09.2021)	Botswana	100.00	100.00
20)	SBI Canada Bank	Canada	100.00	100.00
21)	State Bank of India (California)	USA	100.00	100.00
22)	State Bank of India (UK) Limited	UK	100.00	100.00
23)	State Bank of India Servicios Limitada	Brazil	100.00	100.00
24)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
25)	PT Bank SBI Indonesia	Indonesia	99.34	99.00
26)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
27)	Nepal SBI Merchant Banking Limited	Nepal	55.00	55.00

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.



**B) Joint Ventures:**

S. No.	Name of the Joint Venture	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
3)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
4)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
5)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
6)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
7)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00
8)	Jio Payments Bank Ltd.	India	30.00	30.00

**C) Associates:**

S. No.	Name of the Associate	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Madhyanchal Gramin Bank	India	35.00	35.00
6)	Meghalaya Rural Bank	India	35.00	35.00
7)	Mizoram Rural Bank	India	35.00	35.00
8)	Nagaland Rural Bank	India	35.00	35.00
9)	Saurashtra Gramin Bank	India	35.00	35.00
10)	Utkal Grameen Bank	India	35.00	35.00
11)	Uttarakhand Gramin Bank	India	35.00	35.00
12)	Jharkhand Rajya Gramin Bank	India	35.00	35.00
13)	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
14)	Telangana Grameena Bank	India	35.00	35.00
15)	The Clearing Corporation of India Ltd.	India	20.05	20.05
16)	Yes Bank Ltd.	India	30.00	30.04
17)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00
18)	Investec Capital Services (India) Private Limited	India	19.70	-

a) Pursuant to exercise of options under the approved Employee Stock Option Plan (ESOP), following group entities have issued equity shares to their eligible employees:-

- i) SBI Cards and Payment Services Limited has allotted 26,47,033 equity shares of ₹ 10 each during the year ended March 31,2022. Consequently, the stake of SBI in SBI Cards and Payment Services Limited has reduced to 69.20% from 69.39%.
- ii) SBI Life Insurance Company Limited has allotted 2,99,654 equity shares of ₹ 10 each during the year ended March 31,2022. Consequently, the stake of SBI in SBI Life Insurance Company Limited has reduced to 55.48% from 55.50%.
- iii) SBI Funds Management Limited has allotted 23,80,464 equity shares of ₹ 1 each during the year ended March 31,2022. Consequently, the stake of SBI Group in SBI Funds Management Limited has reduced to 62.59% from 62.88%. Consequently, the stake of SBI Group in SBI Funds Management (International) Private Limited and SBI Pension Funds Private Limited has reduced to 62.59% and 92.52% from 62.88% and 92.58% respectively.

- iv) SBI General Insurance Company Limited has allotted 1,16,720 equity shares of ₹ 10 each during the year ended March 31,2022. Consequently, the stake of SBI in SBI General Insurance Company Limited has reduced to 69.96% from 70.00%.
- v) Yes Bank Limited has allotted 47,000 equity shares of ₹ 2 each during the year ended March 31,2022.
- b) In accordance with DFS notification DO. No. 3/9/2020-RRB dated February 21, 2022, SBI has infused its share of additional capital in the following Regional Rural Banks (RRBs). There is no change in SBI's stake after capital infusion.

₹ in crore

Sr. No.	Name of RRBs	Amount infused by SBI
i.	Arunachal Pradesh Rural Bank	0.46
ii.	Ellaquai Dehati Bank	34.92
iii.	Jharkhand Rajya Gramin Bank	1.59
iv.	Madhyanchal Gramin Bank	198.59
v.	Mizoram Rural Bank	11.82
vi.	Nagaland Rural Bank	2.36
vii.	Utkal Grameen Bank	239.16
viii.	Uttarakhand Gramin Bank	38.84
<b>Total</b>		<b>527.74</b>

The amount of additional capital infused by SBI in Ellaquai Dehati Bank, Jharkhand Rajya Gramin Bank, Mizoram Rural Bank and Utkal Grameen Bank is now held under Share Application Money Account.

- c) During the year ended March 31, 2022, SBI has infused additional capital in the following:
- i) ₹ 9.48 crore in Jio Payments Bank Ltd, a jointly controlled entity. There is no change in SBI's stake after capital infusion.
- ii) ₹ 341.26 crore in PT Bank SBI Indonesia, a subsidiary. Consequently, the stake of SBI has increased from 99.00% to 99.34% in the subsidiary.
- d) During the year ended March 31, 2022, SBI Capital Markets Limited, a subsidiary, has sold 94,01,256 equity shares of Yes Bank Limited, an associate, with a profit of ₹ 0.69 crore. Consequently, the stake of the Group in Yes Bank Limited has reduced from 30.04% to 30.00%.
- In previous year ended March 31, 2021, SBI and its subsidiary had infused ₹ 3,176 crore in equity shares of Yes Bank Limited, an associate, through a Follow-on Public Offer. Subsequently, the subsidiary of SBI has incrementally sold a certain portion of shares of Yes Bank Limited. The Group's stake stands reduced to 30.04% as on March 31, 2021 from 48.21% as on March 31, 2020.
- e) Bank SBI Botswana Limited, a wholly owned subsidiary of SBI, has surrendered its banking license with the approval of the local regulator on June 30, 2021. The company has also been deregistered on September 07, 2021 from The Companies and Intellectual Properties Authority, Botswana.
- f) The financials of SBICAP (Singapore) Limited and SBI Infra Management Solutions Private Limited have been prepared on non-going concern basis. However, there is no material impact on the financials from changing the accounting basis to non-going concern basis. The details are as below: -
- i) SBICAP (Singapore) Limited, a wholly owned step-down subsidiary of SBI, had applied to surrender its Capital Market Service License (CMSL) issued by Monetary Authority of Singapore ('MAS'). MAS vide an email dated May 04, 2021 approved the cancellation of Capital Market Service License with effect from the date of email. On December 31, 2021 the Board of Directors passed a resolution to wind up the company and appointed liquidators for the purpose of such winding up.
- ii) SBI Infra Management Solutions Private Limited, a wholly owned subsidiary of SBI, has passed a resolution for "voluntary liquidation" on its Board Meeting held on January 11, 2022. The subsidiary has appointed an liquidator and is in process of liquidation under The Insolvency and Bankruptcy Code 2016 .

The total assets, total income and Net profit/ (loss) after tax of the above subsidiaries for the year ended March 31, 2022 is as below: -

₹ in crore

Particulars	SBICAP (Singapore) Limited	SBI Infra Management Solutions Private Limited
Total Assets	59.88	3.89
Total Income	0.89	0.09
Net Profit / (Loss) after tax	(1.69)	(7.86)

- g) SBI Capital Markets Limited, a wholly owned subsidiary of SBI, has acquired 19.70% stake in Investec Capital Services (India) Private Limited (the company) by making an investment of ₹55.00 crore. The company is considered as an associate by SBI Capital Markets Limited.
- h) SBI Funds Management Private Limited, a subsidiary of SBI, has been converted as a Public Limited Company. Accordingly, the name of the subsidiary is changed to “SBI Funds Management Limited”.
- i) SBI Home Finance Ltd., an associate in which the Group is having 26% 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 2021-22 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & one associate (Bank of Bhutan Ltd.) the results of which are not material.

## 2. Disclosures as per Accounting Standards

### 2.1 Accounting Standard 5 – “Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies”

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2021-2022 as compared to those followed in the previous Financial Year 2020-2021.

### 2.2 Accounting Standard- 15 “Employee Benefits”:

#### 2.2.1 Defined Benefit Plans

##### 2.2.1.1 Employee’s Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005):

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation at 1 <sup>st</sup> April 2021	<b>1,25,806.37</b>	<b>1,09,830.37</b>	<b>13,727.65</b>	<b>13,090.13</b>
Current Service Cost	914.92	970.09	499.18	469.35
Interest Cost	8,680.64	7,501.41	933.40	893.87
Past Service Cost (Vested Benefit)	11,124.14	-	8.35	-
Actuarial losses /(gains)	9,789.06	15,822.32	46.35	1,195.02
Benefits paid	(4,926.71)	(3,475.67)	(2,179.92)	(1,920.72)
Direct Payment by SBI	(5,263.43)	(4,842.15)	-	-
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2022</b>	<b>1,46,124.99</b>	<b>1,25,806.37</b>	<b>13,035.01</b>	<b>13,727.65</b>

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in Plan Assets</b>				
Opening fair value of plan assets at 1 <sup>st</sup> April 2021	1,06,445.86	97,458.52	11,210.84	10,775.10
Expected Return on Plan assets	7,344.76	6,656.42	762.11	735.81
Contributions by employer	22,163.77	2,100.68	1,504.26	1,277.03
Expected Contribution by the employees	-	-	-	-
Benefits Paid	(4,926.71)	(3,475.67)	(2,179.92)	(1,920.72)
Actuarial Gains / (Losses) on plan assets	(436.95)	3,705.91	(74.83)	343.62
<b>Closing fair value of plan assets at 31<sup>st</sup> March 2022</b>	<b>1,30,590.73</b>	<b>1,06,445.86</b>	<b>11,222.46</b>	<b>11,210.84</b>
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>				
Present Value of funded obligation at 31 <sup>st</sup> March 2022	1,46,124.99	1,25,806.37	13,035.01	13,727.65
Fair Value of plan assets at 31 <sup>st</sup> March 2022	1,30,590.73	1,06,445.86	11,222.46	11,210.84
Deficit/(Surplus)	15,534.26	19,360.51	1,812.55	2,516.81
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
<b>Net Liability/(Asset )</b>	<b>15,534.26</b>	<b>19,360.51</b>	<b>1,812.55</b>	<b>2,516.81</b>
<b>Amount Recognised in the Balance Sheet</b>				
Liabilities	1,46,124.99	1,25,806.37	13,035.01	13,727.65
Assets	1,30,590.73	1,06,445.86	11,222.46	11,210.84
Net Liability / (Asset) recognised in Balance Sheet	15,534.26	19,360.51	1,812.55	2,516.81
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
<b>Net Liability/ (Asset)</b>	<b>15,534.26</b>	<b>19,360.51</b>	<b>1,812.55</b>	<b>2,516.81</b>
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	914.92	970.09	499.18	469.35
Interest Cost	8,680.64	7,501.41	933.40	893.87
Expected return on plan assets	(7,344.76)	(6,656.42)	(762.11)	(735.81)
Expected Contributions by the employees	-	-	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefits) Recognised	11,124.14	-	8.35	-
Net Actuarial Losses / (Gains) recognised during the year	10,226.01	12,116.41	121.18	851.40
<b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b>	<b>23,600.95</b>	<b>13,931.49</b>	<b>800.00</b>	<b>1,478.81</b>
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	7,344.76	6,656.42	762.11	735.81
Actuarial Gains/ (Losses) on Plan Assets	(436.95)	3,705.91	(74.83)	343.62
Actual Return on Plan Assets	<b>6,907.81</b>	<b>10,362.33</b>	<b>687.28</b>	<b>1,079.43</b>

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet</b>				
Opening Net Liability/(Asset) as at 1 <sup>st</sup> April 2021	<b>19,360.51</b>	<b>12,371.85</b>	<b>2,516.81</b>	<b>2,315.03</b>
Expenses as recognised in profit and loss account	23,600.95	13,931.49	800.00	1,478.81
Paid by SBI Directly	(5,263.43)	(4,842.15)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(22,163.77)	(2,100.68)	(1,504.26)	(1,277.03)
<b>Net liability/(Asset) recognised in Balance Sheet</b>	<b>15,534.26</b>	<b>19,360.51</b>	<b>1,812.55</b>	<b>2,516.81</b>

Investments under Plan Assets of Gratuity Fund &amp; Pension Fund as on March 31, 2022 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	19.72%	18.72%
State Govt. Securities	34.84%	36.04%
Debt Securities, Money Market Securities and Bank Deposits	31.50%	29.65%
ETF and Mutual Funds	10.26%	9.96%
Insurer Managed Funds	1.31%	4.03%
Others	2.37%	1.60%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**Principal actuarial assumptions:**

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	7.35%	6.90%
Expected Rate of return on Plan Asset	7.35%	6.90%
Salary Escalation Rate	5.80%	5.60%
Pension Escalation Rate	1.60%	1.20%
Attrition Rate	2.00%	2.00%

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	7.27%	6.82%
Expected Rate of return on Plan Asset	7.27%	6.82%
Salary Escalation Rate	5.80%	5.60%
Attrition Rate	2.00%	2.00%

The expected contribution to the Pension and Gratuity fund for the next year is ₹ 3,150.25 crore and ₹ 1,783.97 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.



**2.2.1.2 Employees Provident Fund**

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows “Nil” liability, hence no provision is made in F.Y. 2021-22.

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
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April 2021	<b>35,946.22</b>	<b>31,744.55</b>
Current Service Cost	1,527.66	3,320.40
Interest Cost	2,976.21	2,610.99
Employee Contribution (including VPF)	2,037.09	2,636.54
Actuarial losses/(gains)	150.44	51.85
Benefits paid	(5,130.09)	(4,418.11)
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2022</b>	<b>37,507.53</b>	<b>35,946.22</b>
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2021	<b>37,036.39</b>	<b>32,648.72</b>
Expected Return on Plan Assets	2,976.21	2,610.99
Contributions	3,564.74	5,956.94
Provision for loss on maturity of non-performing investment	-	(60.59)
Benefits Paid	(5,130.09)	(4,418.11)
Actuarial Gains / (Loss) on plan Assets	(20.42)	298.44
<b>Closing fair value of plan assets as at 31<sup>st</sup> March 2022</b>	<b>38,426.83</b>	<b>37,036.39</b>
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>		
Present Value of Funded obligation at 31 <sup>st</sup> March 2022	37,507.53	35,946.22
Fair Value of Plan assets at 31 <sup>st</sup> March 2022	38,426.83	37,036.39
Deficit/(Surplus)	(919.30)	(1,090.17)
Net Asset not recognised in Balance Sheet	<b>919.30</b>	<b>1,090.17</b>
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	1,527.66	3,320.40
Interest Cost	2,976.21	2,610.99
Expected return on plan assets	(2,976.21)	(2,610.99)
Interest shortfall reversed	-	(11.58)
<b>Total costs of defined benefit plans included in Schedule 16 “Payments to and provisions for employees”</b>	<b>1,527.66</b>	<b>3,308.82</b>
<b>Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April 2021	-	-
Expense as above	1,527.66	3,308.82
Employer’s Contribution	(1,527.66)	(3,308.82)
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>-</b>	<b>-</b>

Investments under Plan Assets of Provident Fund as on March 31, 2022 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	32.61%
State Govt. Securities	29.23%
Debt Securities, Money Market Securities and Bank Deposits	30.46%
ETF and Mutual Funds	5.71%
Others	1.99%
<b>Total</b>	<b>100.00%</b>

**Principal actuarial assumptions:**

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	7.27%	6.82%
Guaranteed Return	8.50%	8.50%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.80%	5.60%

- i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:
  - (a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31<sup>st</sup> day of March); or
  - (b) three percent per annum, subject to approval of Executive Committee.
- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

**2.2.2 Defined Contribution Plans**

**2.2.2.1 Employees Provident Fund**

An amount of ₹ 56.65 crore (Previous Year ₹ 47.48 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 2.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

**2.2.2.2 Defined Contribution Pension Scheme**

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining 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. 2021-22, SBI has contributed ₹ 1,177.54 crore (Previous Year ₹ 648.17 crore).

**2.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:**

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Employee Pension Scheme under PF Act	35.53	32.54
2	National Pension System	7.92	6.94
3	Others	10.40	10.05
<b>Total</b>		<b>53.85</b>	<b>49.53</b>

**2.2.3 Long Term Employee Benefits (Unfunded Obligation):****2.2.3.1 Accumulating Compensated Absences (Privilege Leave)**

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April 2021	<b>8,190.54</b>	<b>7,542.58</b>
Current Service Cost	458.48	312.76
Interest Cost	558.32	515.59
Actuarial losses/(gains)	2,571.66	1,225.34
Benefits paid	(1,397.91)	(1,405.73)
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2022</b>	<b>10,381.09</b>	<b>8,190.54</b>
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	458.48	312.76
Interest Cost	558.32	515.59
Actuarial (Gain)/ Losses	2,571.66	1,225.34
<b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b>	<b>3,588.46</b>	<b>2,053.69</b>
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April 2021	<b>8,190.54</b>	<b>7,542.58</b>
Expense as above	3,588.46	2,053.69
Employer's Contribution	-	-
Benefit paid directly by the Employer	(1,397.91)	(1,405.73)
<b>Net Liability/(Asset) recognized in the Balance Sheet</b>	<b>10,381.09</b>	<b>8,190.54</b>

**Principal actuarial assumptions:**

Particulars	Current Year	Previous Year
Discount Rate	7.27%	6.82%
Salary Escalation	5.80%	5.60%
Attrition Rate	2.00%	2.00%

**Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)**

An amount of ₹ 32.19 crore (Previous Year ₹ 52.64 crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

**2.2.3.2 Other Long Term Employee Benefits**

Amount of ₹ 114.39 crore (Previous Year ₹ 39.58 crore) is provided by the group towards Other Long Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment / Availment), Silver Jubilee / Long Team Service Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

2.2.4 The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

## 2.3 Accounting Standard- 17 “Segment Reporting”:

### 2.3.1 Segment identification

#### A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) **Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.
- c) **Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs
- d) **Insurance Business:** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) **Other Banking Business:** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

#### B) Secondary (Geographical Segment):

- a) **Domestic Operations** - Branches, Subsidiaries and Joint Ventures having operations in India.
- b) **Foreign Operations** - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

#### C) Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

#### D) Allocation of Revenue, Expenses, Assets and Liabilities

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

## 2.3.2 SEGMENT INFORMATION

## PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Revenue (before exceptional item)	99,649.80	75,675.43	1,38,896.25	76,586.87	16,726.04	4,07,534.39
	(91,032.50)	(83,073.07)	(132,094.86)	(64,569.16)	(14,647.06)	(3,85,416.65)
Unallocated Revenue						3,155.89
						(1,651.31)
Less : Inter Segment Revenue						3,717.19
						(3,097.34)
Total Revenue						4,06,973.09
						(3,83,970.62)
Result (before exceptional items)	13,055.52	27,037.39	12,333.19	1,904.29	5,022.31	59,352.70
	(14,393.01)	(5,273.34)	(9,511.41)	(2,337.97)	(3,952.10)	(35,467.83)
Add : Exceptional items						(-7,418.39)
						(1,367.27)
Result (after exceptional items)						51,934.31
						(36,835.10)
Unallocated Income(+)/Expenses(-) net						(-) 2,195.68
						(-4,039.14)
Profit/(Loss) Before Tax						49,738.63
						(32,795.96)
Taxes						13,382.46
						(8,516.25)
Extraordinary Profit						0.00
						(0.00)
Net Profit/(Loss) before share in profit in Associates and Minority Interest						36,356.17
						(24,279.71)
Add: Share in Profit in Associates						827.01
						(-391.90)
Less: Minority Interest						1,809.30
						(1,482.36)
Net Profit/(Loss) for the Group						35,373.88
						(22,405.45)
<b>Other Information:</b>						
Segment Assets	16,11,406.25	13,26,995.56	20,27,135.23	2,85,210.54	58,894.25	53,09,641.83
	(14,52,023.37)	(12,21,624.66)	(18,19,067.05)	(2,37,323.29)	(46,307.46)	(47,76,345.83)
Unallocated Assets						51,241.70
						(69,272.72)
<b>Total Assets</b>						53,60,883.53
						(48,45,618.55)
Segment Liabilities	14,56,533.68	12,93,294.16	18,65,708.05	2,70,570.71	41,562.93	49,27,669.53
	(13,15,938.88)	(11,85,545.78)	(16,99,537.03)	(2,24,101.85)	(32,314.42)	(44,57,437.96)



Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Unallocated Liabilities						1,27,625.95
						(1,12,619.03)
<b>Total Liabilities</b>						<b>50,55,295.48</b>
						(45,70,056.99)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2022.

(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)#	3,95,564.85	3,72,005.60	11,408.24	11,965.02	4,06,973.09	3,83,970.62
Net Profit#	31,153.99	18,935.93	4,219.89	3,469.52	35,373.88	22,405.45
Assets *	47,74,622.21	43,16,869.48	5,86,261.32	5,28,749.07	53,60,883.53	48,45,618.55
Liabilities*	44,77,321.28	40,48,986.49	5,77,974.20	5,21,070.50	50,55,295.48	45,70,056.99

# For the year ended 31<sup>st</sup> March, 2022.

\* As at 31<sup>st</sup> March, 2022.

### 2.4 Accounting Standard-18 “Related Party Disclosures”:

#### 2.4.1 Related Parties to the Group:

##### A) JOINT VENTURES:

1. C - Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Limited

##### B) ASSOCIATES:

###### i) Regional Rural Banks

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank

4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Saurashtra Gramin Bank
10. Utkal Grameen Bank
11. Uttarakhand Gramin Bank
12. Jharkhand Rajya Gramin Bank
13. Rajasthan Marudhara Gramin Bank
14. Telangana Grameena Bank

**ii) Others**

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Private Limited (from 29.06.2021)
5. SBI Home Finance Ltd. (under liquidation)

**C) KEY MANAGEMENT PERSONNEL OF SBI:**

1. Shri Dinesh Kumar Khara, Chairman
2. Shri Challa Sreenivasulu Setty, Managing Director
3. Shri Ashwani Bhatia, Managing Director
4. Shri Swaminathan Janakiraman, Managing Director
5. Shri Ashwini Kumar Tewari, Managing Director

**2.4.2 Related Parties with whom transactions were entered into during the year:**

No disclosure is required in respect of related parties, which are “State controlled Enterprises” as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

**2.4.3 Transactions and Balances:**

₹ in crore

Particulars	31 <sup>st</sup> March 2022			31 <sup>st</sup> March 2021		
	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>Outstanding as at</b>						
Borrowings	-	-	-	-	-	-
Deposit	834.90	-	834.90	1,352.84	-	1,352.84
Other Liabilities	11.66	-	11.66	8.27	-	8.27
Balance with Banks and Money at call and short notice	0.39	-	0.39	-	-	-
Advance	856.50	-	856.50	1,434.76	-	1,434.76

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Investment	10,667.36	-	10,667.36	12,814.54	-	12,814.54
Other Assets	307.17	-	307.17	188.39	-	188.39
Non-fund commitments (LCs/BGs)	-	-	-	2,935.10	-	2,935.10
<b>Maximum outstanding</b>	<b>During FY 2021-22</b>			<b>During FY 2020-21</b>		
Borrowings	-	-	-	-	-	-
Deposit	1,352.93	-	1,352.93	1,543.06	-	1,543.06
Other Liabilities	14.60	-	14.60	8.27	-	8.27
Balance with Banks and Money at call and short notice	636.41	-	636.41	-	-	-
Advance	2,218.52	-	2,218.52	17,763.35	-	17,763.35
Investment	12,817.93	-	12,817.93	14,551.41	-	14,551.41
Other Assets	487.67	-	487.67	188.39	-	188.39
Non-fund commitments (LCs/BGs)	2,935.10	-	2,935.10	2,935.10	-	2,935.10
<b>During the year</b>	<b>During FY 2021-22</b>			<b>During FY 2020-21</b>		
Interest Income	213.01	-	213.01	167.94	-	167.94
Interest expenditure	31.48	-	31.48	18.58	-	18.58
Income earned by way of dividend	21.90	-	21.90	23.29	-	23.29
Other Income	6.18	-	6.18	78.51	-	78.51
Other expenditure	24.16	-	24.16	2.44	-	2.44
Profit/(loss) on sale of land/ building and other assets	(0.83)	-	(0.83)	4.04	-	4.04
Management contracts	-	1.63	1.63	37.94	1.50	39.44

There are no materially significant related party transactions during the year.

## 2.5 Accounting Standard-19 “Leases”:

### 2.5.1 Finance Leases

Assets taken on Financial Leases on or after April 01, 2001:

The details of financial leases are given below:

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Total Minimum lease payments outstanding</b>		
Less than 1 year	66.04	51.02
1 to 5 years	140.00	105.91
5 years and above	56.83	31.14
<b>Total</b>	<b>262.87</b>	<b>188.07</b>

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Interest Cost payable</b>		
Less than 1 year	11.61	8.30
1 to 5 years	20.83	15.96
5 years and above	11.75	11.52
<b>Total</b>	<b>44.19</b>	<b>35.78</b>
<b>Present value of minimum lease payments payable</b>		
Less than 1 year	54.43	42.72
1 to 5 years	119.17	89.95
5 years and above	45.08	19.62
<b>Total</b>	<b>218.68</b>	<b>152.29</b>

### 2.5.2 Operating Lease

Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

Liability for Premises taken on Non-Cancellable operating lease are given below:

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Not later than 1 year	172.58	121.98
Later than 1 year and not later than 5 years	279.17	203.77
Later than 5 years	183.89	33.55
<b>Total</b>	<b>635.64</b>	<b>359.30</b>

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 4,134.88 crore (Previous Year ₹ 4,847.29 crore).

### 2.6 Accounting Standard-20 "Earnings per Share":

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
<b>Basic and diluted</b>		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,46,11,534
Number of Equity Shares issued during the year	Nil	Nil
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,46,11,534
Weighted average number of equity shares used in computing basic earnings per share	892,46,11,534	892,46,11,534
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,46,11,534
Net Profit/(Loss) for the Group (₹ in crore)	35,373.88	22,405.45
Basic earnings per share (₹)	39.64	25.11
Diluted earnings per share (₹)	39.64	25.11
Nominal value per share (₹)	1.00	1.00

**2.7 Accounting Standard-22 “Accounting for Taxes on Income”:**

- i) During the year, ₹ 520.09 crore has been debited to Profit and Loss Account (Previous Year ₹ 3,748.99 crore credited) on account of deferred tax.
- ii) The breakup of deferred tax assets and liabilities into major items is given below:

₹ in crore

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
<b>Deferred Tax Assets</b>		
Provision for long term employee Benefits	6,619.13	7,975.13
Provision for advances	5,093.33	4,125.04
Provision for Other Assets/ Other Liability	3,650.06	3,115.56
On Accumulated Losses	37.38	36.80
On Foreign Currency Translation Reserve	982.69	759.10
Depreciation on Fixed Assets	305.20	230.35
DTAs on account of FOs of SBI	409.56	275.67
Others	189.94	171.79
<b>Total</b>	<b>17,287.29</b>	<b>16,689.44</b>
<b>Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets	41.80	38.30
Interest accrued but not due on securities	6,546.58	5,744.73
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,950.60	3,656.53
DTLs on account of FOs of SBI	2.56	2.46
Others	6.21	6.33
<b>Total</b>	<b>10,547.75</b>	<b>9,448.35</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>6,739.54</b>	<b>7,241.09</b>

- iii) SBI had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

**2.8 Accounting Standard-28 “Impairment of assets”:**

In the opinion of the Management, there is no impairment to the non-monetary assets during the year.

**2.9 Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”**

- **Provisions and contingencies recognised in Profit and Loss Account:**

The breakup of provisions is given in the table below :

₹ in crore

Sr No.	Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account	Current Year	Previous Year
a	Provision for Taxation		
	- Current Tax	12,859.32	12,278.08
	- Deferred Tax	520.09	(3,748.99)
	- (Write Back)/Additional Provision of Income Tax	3.05	(12.84)
b	Provision on Non-Performing Assets	15,902.01	29,758.90
c	Provision on Restructured Assets	(56.11)	(26.25)
d	Provision on Standard Assets	4,581.82	3,601.32
e	Provision for Depreciation on Investments	3,471.78	2,820.99
f	Other Provisions	2,777.19	9,947.20
	<b>Total</b>	<b>40,059.15</b>	<b>54,618.41</b>

(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	<b>Closing balance</b>	<b>193.75</b>	<b>193.75</b>

## ➤ Description of contingent liabilities (AS-29):

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The Group is a party 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, the Group generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Group is contingently liable	The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.



➤ **Movement of provisions against contingent liabilities:**

The movement of provisions against contingent liabilities given in the table below:

₹ in crore

Sr No.	Particulars	Current Year	Previous Year
a	Opening Balance	3,435.01	633.72
b	Additions during the year	438.44	2,981.19
c	Amount utilised during the year	7.43	68.47
d	Unused amount reversed during the year	196.85	111.43
e	<b>Closing balance</b>	<b>3,669.17</b>	<b>3,435.01</b>

3. Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis and there is on material effect on the profit and loss account of the current year.
4. No disclosure on divergence in asset classification and provisioning for NPAs is required by SBI with respect to RBI's supervisory process for the year ended March 31, 2021, based on the conditions mentioned in RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1<sup>st</sup> April 2019.
5. **Counter Cyclical Provisioning Buffer (CCPB)**  
RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on December 31, 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.  
During the year, SBI has not utilized the CCPB for making specific provision for NPAs.
6. Pursuant to the revision in family pension payable to employees of the Bank covered under 11<sup>th</sup> Bi-Partite settlement and Joint Note dated November 11, 2020, SBI had provided for the entire additional liability of ₹ 7,418.39 crore in the Profit and Loss Account for the year ended 31<sup>st</sup> March 2022. The same had been disclosed as an exceptional item.  
There is no unamortised expenditure in the Balance Sheet on account of Family Pension Scheme.
7. The COVID-19 pandemic across the globe resulted in decline in economic activities and movement in financial markets. In this situation, SBI geared up to meet the challenges and has been evaluating the situation on an ongoing basis and had proactively provided against the challenges of likely stress on the SBI's assets. SBI's management is not expecting any significant impact on SBI's liquidity or profitability. On the basis of aforementioned assessment, during the quarter ended March 31, 2022, the existing covid provision of ₹ 6,183 crore has been utilised towards additional provisions against restructured assets.
8. During the year ended March 31, 2021, SBI had accounted for ₹ 5,353.50 crore arising out of 11<sup>th</sup> Bi-Partite Wage Settlement effective from November 1, 2017 as 'Payment to and provision for employees' under schedule 16 "Operating Expenses".
9. During the year ended March 31, 2021, to ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated March 23, 2021, directed that there shall not be any charge of interest on interest/compound interest/penal interest for the period during the moratorium from March 1,2020 to August 31,2020 and such interest shall be refunded to the concerned borrowers to be given credit/adjusted in the next instalment of the loan amount. Accordingly, SBI had reversed interest income by ₹ 830 crore during the year ended March 31, 2021.
10. In SBI Life Insurance Company Ltd. and SBI General Insurance Company Ltd., the actuarial valuation of liabilities in respect of life insurance policies in force, life insurance policies in respect of which premium has been discontinued but liability exists as at March 31, 2022, Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) are determined by the Appointed Actuary based on 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.
11. 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 15.33% (Previous Year 14.13%) of the total investments as on March 31, 2022.

12. The Central Board of SBI has declared a dividend of ₹ 7.10 per share @ 710% for the year ended March 31, 2022 (Previous Year ₹ 4 per share @ 400%) .
13. 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.
14. 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.
15. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

**Shri Ashwini Kumar Tewari**  
Managing Director  
(IB, T & S)

**Shri Swaminathan J.**  
Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**  
Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(R & DB)

In terms of our Report of even date  
**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
Firm Regn. No. 105049W

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Shailesh Shah**  
Partner  
Membership No. 033632

**Place: Mumbai**  
**Date : 13<sup>th</sup> May, 2022**

# State Bank of India

 Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2022

(000s omitted)

PARTICULARS	Year ended 31.03.2022 ₹	Year ended 31.03.2021 ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	48756,34,30	30921,70,78
<b>Adjustments for :</b>		
Depreciation on Fixed Assets	3691,27,00	3711,06,36
(Profit)/Loss on sale of Fixed Assets (Net)	16,40,47	28,33,64
(Profit)/Loss on revaluation of Investments (Net)	445,73,69	5,15,48
(Profit) on sale of Investments in Subsidiaries/Joint Ventures/ Associates	(9,74,32)	(1577,84,31)
Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates	-	254,41,31
Provision for diminution in fair value & Non Performing Assets	15845,89,97	29732,65,29
Provision on Standard Assets	4581,81,42	3601,32,26
Provision on non-performing Investments	3471,78,80	2820,98,83
Other Provisions including provision for contingencies	2777,18,33	9947,19,49
Share in Profit of Associates	(827,01,33)	391,90,45
Dividend from Associates	(3,19,50)	(3,19,50)
Interest charged on Capital Instruments	5587,88,74	5900,31,21
	<b>84334,37,57</b>	<b>85734,01,29</b>
<b>Adjustments for :</b>		
Increase/(Decrease) in Deposits	372079,35,89	441170,61,63
Increase/(Decrease) in Borrowings other than Capital Instruments	11807,87,55	90438,85,18
(Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates	(183899,64,02)	(368800,15,43)
(Increase)/Decrease in Advances	(309322,91,48)	(156020,45,83)
Increase/(Decrease) in Other Liabilities	86464,26,64	67465,50,14
(Increase)/Decrease in Other Assets	5255,82,79	(66249,94,63)
	<b>66719,14,94</b>	<b>93738,42,35</b>
Tax refund / (Taxes paid)	(9024,30,30)	(3819,49,34)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>57694,84,64</b>	<b>89918,93,01</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Shares in Subsidiaries/Joint Ventures/Associates	(582,76,40)	(3176,94,16)
Sale of Shares in Subsidiaries/Joint Ventures/Associates	2,22,96	1942,10,97
Profit on sale of Investments in Subsidiaries/Joint Ventures/ Associates	9,74,32	1577,84,31
(Loss) on sale of Investments in Subsidiaries/Joint Ventures/ Associates	-	(254,41,31)
Dividend from Associates	3,19,50	3,19,50
(Increase) in Fixed Assets	(3305,26,01)	(3909,82,50)
Decrease in Fixed Assets	254,34,31	81,80,47
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(3618,51,32)</b>	<b>(3736,22,72)</b>

(000s omitted)

PARTICULARS	Year ended 31.03.2022 ₹	Year ended 31.03.2021 ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity shares including share premium (Net of share issue expenses)	-	-
Issue of Capital Instruments	14074,00,00	27431,00,00
Redemption of Capital Instruments	(10518,30,00)	(16897,66,40)
Interest paid on Capital Instruments	(5411,00,89)	(5069,10,88)
Dividend paid	(3569,84,46)	-
Dividend tax paid by Subsidiaries/Joint Ventures	(,86,64)	(3,65,16)
Increase/(Decrease) in Minority Interest	1581,50,62	1682,09,46
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(3844,51,37)</b>	<b>7142,67,02</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>	<b>966,26,65</b>	<b>66,39,90</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>	<b>51198,08,60</b>	<b>93391,77,21</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1<sup>ST</sup> APRIL</b>	<b>347707,03,57</b>	<b>254315,26,36</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE PERIOD END</b>	<b>398905,12,17</b>	<b>347707,03,57</b>
<b>Note:</b>		
<b>1 Components of Cash &amp; Cash Equivalents as at:</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Cash & Balances with Reserve Bank of India	258086,43,01	213498,61,59
Balances with Banks and money at call & short notice	140818,69,16	134208,41,98
<b>Total</b>	<b>398905,12,17</b>	<b>347707,03,57</b>

2 Cash Flow from operating activities is reported by using indirect method.

**Shri Ashwini Kumar Tewari**  
Managing Director  
(IB, T & S)

**Shri Swaminathan J.**  
Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**  
Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(R & DB)

In terms of our Report of even date  
**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
Firm Regn. No. 105049W

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Shailesh Shah**  
Partner  
Membership No. 033632

Place: Mumbai  
Date : 13<sup>th</sup> May, 2022

# INDEPENDENT AUDITORS' REPORT

To,  
**The Board of Directors,**  
**State Bank of India,**  
State Bank Bhavan,  
Madam Cama Road,  
Mumbai.

## Report on Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:
  - a) Audited Standalone Financial Statements of the Bank which have been Audited by all the fourteen Statutory Central Auditors including us;
  - b) Audited Financial Statements of 26 Subsidiaries, 8 Jointly Controlled Entities and 17 Associates (including 14 Regional Rural Banks) audited by other Auditors; and (listed in Annexure A)
  - c) Un-audited Financial Statements of 1 Subsidiary and 1 Associate (listed in Annexure A).

The above entities together with the Bank are referred to as the 'Group'.

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of subsidiaries, jointly controlled entities and associates, the unaudited financial statements and

the other financial information of subsidiaries as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2022;
- b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and
- c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

3. 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, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
Key Audit matters reported in standalone financial statements of the Bank:		
i	<p><b>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances :</b></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>Advances constitute 54.82 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 identifies whether the advances are performing or non- performing. Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes.</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 and calculation of provisions, 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>	<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"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches allotted to us;</li> <li>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;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</li> <li>We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>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 RBI Master Circulars / Guidelines.</li> <li>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.</li> <li>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.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> </ol>



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
ii	<p><b>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments:</b></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 29.70 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>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>	<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> <ol style="list-style-type: none"> <li>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;</li> <li>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>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;</li> <li>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.</li> </ol>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iii	<p><b>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:</b></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> <ol style="list-style-type: none"> <li>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>Understanding the current status of the litigations/tax assessments;</li> <li>Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>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;</li> <li>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</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol>
Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:		
iv	<p><b>Information Technology systems and controls (IT Controls):</b></p> <p>All insurance companies are highly dependent on technology due to significant number of transactions that are processed daily. A significant part of the company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT Control Environment could result in the financial accounting and reporting records being materially misstated.</p> <p>The company uses several systems for its overall financial reporting. We have identified "IT systems and controls" as key audit matters because of significant use of IT system and the scale and complexity of the IT architecture.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> <li>Sample testing of key control over IT systems having impact on financial accounting and reporting.</li> <li>Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and</li> <li>Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.</li> <li>Reviewed the report of independent information system auditors which has confirmed the various system control measures adopted by the company.</li> </ul>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
v	<p><b>Valuation of Investments: -</b></p> <p>The company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investment.</p> <p>Total investment portfolio of the company (i.e Asset under management (AUM)) represents 99.7 per cent of the Company's total assets.</p> <p>Investments are made and valued in accordance with Insurance Act, 1938, IRDAI (Investment) Regulations, 2016 ("Investment Regulation"), IRDAI (Preparation of Financial Statement Regulation), 2002 ("Financial Statement Regulations"), Investment Policy of the Company and relevant Indian GAAPs.</p> <p>These valuation methods used multiple observable market inputs, including observable interest rate, index levels, credit spreads, equity prices, counter party credit quality, and corresponding market volatility levels etc.</p> <p>The portfolio of quoted investments is 35.4 per cent of the Company's AUM and the portfolio of investments that are valued primarily using observable inputs is 62.8 per cent of the Company's AUM. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the standalone financial statements as a whole, they are considered to be one of the areas which had the significant impact on our overall strategy.</p> <p>The portfolio of unquoted investments is 1.3 per cent of the Company's AUM. The valuation of unquoted investment involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable.</p> <p>The valuation of these investment was considered to be one of the areas which required significant auditor attention and was one of the matter of significance in the financial statements due to the materiality of total value of investments to the financial statements.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> <li>• We assessed appropriateness of the pricing methodologies with reference to IRDAI Investment Regulations, Financial Statement Regulation, Company's internal investment and valuation policy.</li> <li>• Assessed the process and tested the operating effectiveness of the key controls, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls.</li> <li>• Fair value is best evidenced by quoted market prices in an active market. Where quoted market prices are not available, the quoted prices of similar products or valuation models with observable market based inputs are used to estimate fair value. The calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future values.</li> <li>• For quoted investments, the valuation was done in accordance with the independent prices sources / market prices in an active market.</li> <li>• For unquoted investments, we critically evaluated the valuation assessment and resulting conclusions in order to determine the appropriateness of the valuation recorded with reference to the assessment made by the management for such valuation.</li> </ul>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
vi	<p><b>Contingent Liabilities and Litigations:-</b></p> <p>The company has pending litigation matters with various appellate authorities and at different forums. The same involves judgements in accordance with applicable Accounting Standards to determine the final outcome of such litigation matters.</p> <p>The management with the help of its experts as needed have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognise a provisional disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p>	<p>Principal Audit Procedures:-</p> <ul style="list-style-type: none"> <li>We read the various regulatory correspondences and related documents pertaining to litigation cases and corroborated them with our understanding of legal position as various statutes.</li> <li>We obtained legal opinion sought by management from the independent legal counsel including opinion of our own team to review the sustainability of the dispute. We discussed the status and potential exposure in respect of significant litigation with the company's internal legal team and obtaining details regarding the progress of various litigation including management views on the likely outcome of each litigation and the magnitude of potential exposure</li> <li>The various litigation matters were reviewed in order to assess the facts and circumstances and to identify the potential exposures and to satisfy ourselves that it is not probable that an outflow of economic benefits will be required, or in certain cases where the amount can not be estimated reliably, such obligation is disclosed by the company as a contingent liability.</li> </ul>
Key Audit Matters as reported by auditors of SBI Capital Markets Limited:		
vii	<p><b>Evaluation of uncertain tax positions:</b></p> <p>The company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Principal Audit Procedures:</p> <p>We evaluated the Company's processes and controls for monitoring the tax disputes.</p> <p>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgment and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

### Information Other than the Consolidated Financial Statements and Auditors' Report thereon

4. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon), which will be obtained at the time of issue of this auditors' report, and the Directors' Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other

information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance

with the Accounting Standard 21-“Consolidated Financial Statements”, Accounting Standards 23- “Accounting for Investment in Associates in Consolidated Financial Statements” and Accounting Standards 27 – “Financial Reporting of Interest in Joint Venture” issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 and applicable laws for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group Entities or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity’s financial reporting process.

### **Auditors’ Responsibility for the Audit of Consolidated Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group Entity to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates and Jointly Controlled Entities of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

7. Incorporated in these consolidated financial statements are the:

- a) We did not audit the financial statements/ information of 8,591 branches included in the Standalone Financial Statements of the Bank whose financial statements / financial information reflect total assets of ₹ 21,18,949 crore at March 31, 2022 and total revenue of ₹ 1,17,395 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors;
- b) We did not audit the financial statements of 26 Subsidiaries, 8 Jointly Controlled Entities whose financial statements reflect total assets of ₹ 3,92,357.32 crore as at March 31, 2022, total revenues of ₹ 95,147.53 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 ₹ 822.88 crore for the year ended March 31, 2022, as considered in the Consolidated Financial Statements, in respect of 17 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements,

in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors

- c) We did not audit the financial statements of 1 subsidiary and 1 associate whose financial statements reflect total assets of ₹ 8,305.05 crore as at March 31, 2022, total revenues of ₹ 238.47 crore as considered in the Consolidated Financial Statement. The Consolidated financial statement also include the Group's share of net profit ₹ 13.18 crore for the year ended March 31, 2022 as considered in the Consolidated Financial Statements, in respect of 1 associate, whose financial statement have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report relates to the aforesaid subsidiary, and associate, 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.

8. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, subsidiaries of the Group, have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2022 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. The auditors 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

9. 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:
- 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;
  - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - 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:
- In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - 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
  - in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
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:
- There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
  - On the basis of the written representations received from the directors of the Bank as on March 31, 2022 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
  - As per para 1.14 of the Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks issued by ICAI, the reporting requirement as introduced by RBI regarding Internal Financial Control over Financial Reporting will apply only to standalone financial statements of Public Sector Banks (PSBs) and not to consolidated financial statements of PSBs. Accordingly, reporting is not done on the Group's Internal Financial Control over Financial Reporting with reference to the Consolidated Financial Statements as at March 31, 2022.

**KHANDELWAL JAIN & CO.**  
**CHARTERED ACCOUNTANTS**

ICAI Firm Registration No. 105049W

**SHAILESH SHAH**  
**PARTNER**

Place – Mumbai  
Date – May 13, 2022

Membership No. 033632  
UDIN: 22033632AIXHXY1851

**Annexure A: List of entities consolidated as at March 31, 2022**

Sr. No.	Name of Subsidiary	Sr. No.	Name of Subsidiary
1	SBI Capital Markets Ltd.	15	SBI-SG Global Securities Services Pvt. Ltd.
2	SBICAP Securities Ltd.	16	SBI Funds Management Ltd.
3	SBICAP Trustee Company Ltd.	17	SBI Funds Management (International) Private Ltd.
4	SBICAP Ventures Ltd.	18	Commercial Indo Bank Llc, Moscow
5	SBICAP (Singapore) Ltd.	19	Bank SBI Botswana Limited
6	SBI DFHI Ltd.	20	SBI Canada Bank
7	SBI Global Factors Ltd.	21	State Bank of India (California)
8	SBI Infra Management Solutions Pvt. Ltd.	22	State Bank of India (UK) Limited
9	SBI Mutual Fund Trustee Company Pvt Ltd.	23	State Bank of India Servicios Limitada
10	SBI Payment Services Pvt. Ltd.	24	SBI (Mauritius) Ltd.
11	SBI Pension Funds Pvt Ltd.	25	PT Bank SBI Indonesia
12	SBI Life Insurance Company Ltd.	26	Nepal SBI Bank Ltd.
13	SBI General Insurance Company Ltd.	27	Nepal SBI Merchant Banking Limited
14	SBI Cards and Payment Services Limited		

Sr. No.	Name of Joint venture	Sr. No.	Name of Joint venture
1	C - Edge Technologies Ltd.	5	Macquarie SBI Infrastructure Trustee Ltd.
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	7	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
4	Macquarie SBI Infrastructure Management Pte. Ltd.	8	Jio Payments Bank Ltd.

Sr. No.	Name of Associates	Sr. No.	Name of Associates
1	Andhra Pradesh Grameena Vikas Bank	10	Uttarakhand Gramin Bank
2	Arunachal Pradesh Rural Bank	11	Jharkhand Rajya Gramin Bank
3	Chhattisgarh Rajya Gramin Bank	12	Saurashtra Gramin Bank
4	EllaquaiDehati Bank	13	Rajasthan Marudhara Gramin Bank
5	Meghalaya Rural Bank	14	Telangana Grameena Bank
6	Madhyanchal Gramin Bank	15	The Clearing Corporation of India Ltd.
7	Mizoram Rural Bank	16	Yes Bank Limited
8	Nagaland Rural Bank	17	Bank of Bhutan Ltd.
9	Utkal Grameen Bank	18	Investec Capital Services (India) Private Limited (w.e.f June 29, 2021)

# PILLAR 3 DISCLOSURES (CONSOLIDATED) AS ON 31.03.2022

## 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, comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India.”

### (i) Qualitative Disclosures:

#### a) List of group entities considered for consolidation for the period ended 31.03.2022

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
1	SBI Capital Markets Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
2	SBICAP Securities Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
3	SBICAP Ventures Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
4	SBICAP Trustee Company Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
5	SBICAP (Singapore) Ltd.	Singapore	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
6	SBI DFHI Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
7	SBI Payment Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
8	SBI Global Factors Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
9	SBI Pension Funds Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
10	SBI –SG Global Securities Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
11	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
12	SBI Funds Management Ltd.	India	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
13	SBI Funds Management (International) Private Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
14	SBI Cards and Payment Services Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
15	State Bank of India (California)	USA	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
16	SBI Canada Bank	Canada	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
17	Commercial Indo Bank Llc, Moscow	Russia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
18	SBI (Mauritius) Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
19	PT Bank SBI Indonesia	Indonesia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
20	Nepal SBI Bank Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
21	Nepal SBI Merchant Banking Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
22	Bank SBI Botswana Ltd.	Botswana	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
23	State Bank of India Servicos Limitada	Brazil	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
24	State Bank of India (UK) Limited	UK	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
25	SBI Infra Management Solutions Private Limited	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Non-financial Subsidiary: Not under scope of Regulatory Consolidation
26	SBI Life Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Insurance Joint Venture: Not under scope of Regulatory Consolidation
27	SBI General Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Insurance Joint Venture: Not under scope of Regulatory Consolidation

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
28	C - Edge Technologies Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Non-financial Joint Venture: Not under scope of Regulatory Consolidation
29	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
30	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Non-financial Joint Venture: Not under scope of Regulatory Consolidation
31	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
32	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
33	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
34	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
35	Jio Payments Bank Limited	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
36	Andhra Pradesh Grameena Vikas Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
37	Arunachal Pradesh Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
38	Chhattisgarh Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation

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
39	Ellaquai Dehati Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
40	Meghalaya Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
41	Madhyanchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
42	Mizoram Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
43	Nagaland Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
44	Utkal Grameen Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
45	Uttarakhand Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
46	Jharkhand Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
47	Saurashtra Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
48	Rajasthan Marudhara Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
49	Telangana Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation



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
50	The Clearing Corporation of India Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
51	Yes Bank Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
52	Bank of Bhutan Ltd.	Bhutan	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
53	Investec Capital Services (India) Private Limited	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation

**b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2022**

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principal 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	107.07	99.72%	Deducted from regulatory capital	107.18
2	SBI Home Finance Ltd.	India	Under winding up	N.A.	26.00%	Risk weighted	N.A.

## (ii) Quantitative Disclosures:

## c. List of group entities considered for regulatory consolidation as on 31.03.2022

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principal 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)	Remarks
1	SBI Capital Markets Ltd	India	Merchant Banking and Advisory Services	2,380.73	2,458.09	
2	SBICAP Securities Ltd	India	Securities Broking & its allied services and third party distribution of financial products	800.69	1,856.94	
3	SBICAP Trustee Company Ltd	India	Corporate Trusteeship Activities	150.80	153.16	
4	SBICAPS Ventures Ltd	India	Asset Management Company for Venture Capital Fund	137.71	149.21	
5	SBICAP (Singapore) Ltd	Singapore	Business & management Consultancy Services	59.46	59.88	Merchant Banking License cancelled on 04.05.2021. (under winding up process)
6	SBI DFHI Ltd	India	Primary Dealer in Govt. Securities	1,297.05	12,677.90	
7	SBI Mutual Fund Trustee Co. Pvt Ltd	India	Trusteeship Services to schemes floated by SBI Mutual Fund	39.53	39.65	
8	SBI Global Factors Ltd	India	Factoring Activities	374.48	1,199.68	
9	SBI Pension Funds Pvt Ltd	India	Management of assets of NPS Trust allocated to them and acting as PoP for onboarding of NPS subscribers	96.09	101.12	
10	SBI Payments Services Pvt Ltd	India	Payment Solutions related to Merchant Acquiring Business duly enabling cashless / digital transactions	1,456.50	1,977.72	

Sr. No.	Name of the entity	Country of incorporation	Principal 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)	Remarks
11	SBI Funds Management Ltd	India	Asset Management Services to schemes floated by SBI Mutual Fund	3,395.43	3,524.72	
12	SBI Funds Mgt. (International) Ltd	Mauritius	Investment Management Services	2.42	4.20	
13	SBI Cards & Payment Services Ltd	India	Credit Cards Business	7,299.38	34,239.38	
14	SBI-SG Global Securities Services P. Ltd.	India	Custody and Fund accounting services	363.03	930.15	
15	State Bank of India (California)	USA	Banking Services	1,154.10	7,465.21	
16	SBI Canada Bank	Canada	Banking Services	1,005.80	8,305.05	
17	Commercial Indo Bank LLC, Moscow	Russia	Banking Services	215.91	506.21	
18	SBI (Mauritius) Ltd	Mauritius	Banking Services	1,159.82	8,164.75	
19	PT Bank SBI Indonesia	Indonesia	Banking Services	1,134.73	2,964.29	
20	Nepal SBI Bank Ltd	Nepal	Banking Services	1,043.71	9,774.59	
21	State Bank of India (UK) Limited	UK	Banking Services	2,482.62	17,729.18	
22	Bank SBI Botswana Ltd.	Botswana	Banking Services	-	-	Banking License surrendered on 30.06.2021 and the company deregistered on 07.09.2021.
23	State Bank of Servicos Limitada, Brazil	Brazil	Representative Office Services	2.23	2.29	
24	Nepal SBI Merchant Banking Ltd.	Nepal	Merchant Banking and Advisory Services	17.29	18.38	

\$ Comprises of Equity Capital and Reserve & Surplus

# In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

- (d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the Subsidiaries/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Capital Deficiency
		NIL		

- (e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted:

(₹ in crores)

Name of the Insurance entities/Country of incorporation	FACE VALUE	BOOK VALUE	MARKET VALUE	Excess Provision (LICRA+IRAC+I-OS+RCH)	Capital Charge	RWA	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method
HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	1.46	99.93	78.52	-	15.90	198.76	Insurance	2,112.62	0.07%	Insignificant impact with either method
ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	0.45	68.07	60.39	0.02	12.22	152.80	Insurance	490.89	0.09%	Insignificant impact with either method
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1.62	100.34	80.74	-	16.35	204.37	Insurance	1,437.31	0.11%	Insignificant impact with either method
THE NEW INDIA ASSURANCE CO LIMITED	4.32	345.28	96.33	96.33	-	-	Insurance	824.00	0.52%	No impact since fully Provided for

- (f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:

#### Overseas Banking Subsidiaries

Subsidiaries	Restrictions
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 regulator (OSFI) before transferring any type of capital (equity or debt) to parent bank.

Subsidiaries	Restrictions
SBI Mauritius Ltd.	<p>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 liquidity ratios as per the regulatory requirements.</p> <p>(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 of not less than 400 million rupees or the equivalent.</p> <p>(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.</p>
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.
Commercial Indo Bank Llc, Moscow (CIBL)	There are no restrictions or impediments on transfer of funds or regulatory capital within 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.

Note: Bank SBI Botswana Ltd is deregistered w.e.f. 07 Sep 2021.

#### Non-Banking Subsidiaries

Subsidiaries	Restrictions
SBI Life Insurance Ltd.	As per regulations, the only way to transfer capital to parent bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.
SBI General Insurance Co. Ltd.	<ul style="list-style-type: none"> <li>As per regulations, the only way to transfer capital to parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.</li> <li>Solvency ratio of the company stands at 1.85, as on 31<sup>st</sup> March 2022.</li> <li>The regulatory requirement of solvency stands to 1.5 and the minimum Solvency ratio of 1.7 to be always maintained by the company, as mandated by the Board.</li> </ul>
SBI Cards & Payment Services Ltd.	SBI Card can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act, SEBI and RBI regulations.
SBI Funds Mgmt. Ltd.	<ul style="list-style-type: none"> <li>SBIFML can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations and other applicable regulations. The company also ensures that approval of atleast one Associate Director Amundi is obtained for all resolution of board/committee, as the case may be.</li> <li>Further, in terms of Companies Act, wherever approval of Board/ Shareholders is required, the company will comply the same.</li> </ul>

Subsidiaries	Restrictions
SBI Capital Markets Ltd.	<p>Transfer of capital from SBICAP to the parent SBI, would be subject to the below:</p> <ol style="list-style-type: none"> <li>(a) As per SEBI Merchant Bankers Regulations 1992, a category I Merchant Banker requires a minimum Net worth of ₹ 5 crores. Further if any Transfer of funds leads to change in control approval from SEBI shall be required.</li> <li>(b) As per SEBI (Research Analyst) Regulations, 2014, a research analyst who is a body corporate requires a Networth of ₹ 25 lakhs. Further if any Transfer of funds leads to change in control approval from SEBI shall be required.</li> <li>Article 60 of AOA of SBICAP provides that Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.</li> <li>SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00</li> <li>All of the above would be subject to the Approval of the Board of SBICAP.</li> </ol>
SBI Global Factors Ltd.	<p>As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares. There are regulatory restrictions for the reduction of the Company's capital to be paid back to the shareholders including the parent. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the RBI Guidelines and the Companies Act. The amount to be paid is subject to maintaining adequate capital and the liquidity ratio as per the regulatory requirements.</p> <ol style="list-style-type: none"> <li>A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds.</li> <li>Every NBFC shall maintain, capital of not less than 15% of its aggregated risk weighted assets (Tier I plus Tier II Capital, Tier I capital should not be less than 10%) on Balance Sheet and of risk adjusted value of off Balance Sheet items, or such higher ratio as may be determined by the central bank.</li> <li>Every company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹ 5 crores as required by Factoring Regulations Act, 2011.</li> <li>Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends.</li> </ol> <p>There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company.</p> <p>In case of excess capital beyond the regulatory minimum requirement, can be paid back to the parent (via dividends or reduced capital) with the approval of Board and the Regulator. This will be based on the projected growth plans and its capital requirements.</p>
SBI-SG Global Securities Services Ltd.	<p>The transfer of capital would be subject to maintenance of Minimum Regulatory Net worth of INR 500 million prescribed by SEBI. Apart from this company as per the Board is required to maintain Charge on Capital of ₹ 200million (as on 31.03.2022) for Operational Risk which is calculated as per Standardized Approach of Basel II.</p> <p>Transfer can be achieved through issue of new shares (other than shares issued on a rights basis or in a subsequent placement), creation of option or warrants, creating new classes of shares, buy backs/ redemption/repurchase, splits, issuance of convertible debt, bonuses, lien or encumbrances or debt restructure involving conversion into equity which would be anti-dilutive for the parties and/ or their rights as equity shareholders and declaration of dividend by the company.</p>



Subsidiaries	Restrictions
SBI DFHI Ltd.	<p>The company can transfer surplus/capital to parent by way of dividend/ buyback of shares. RBI's instructions to Standalone Primary Dealers (SPDs) with regard to payment of dividend are as under:</p> <ol style="list-style-type: none"> <li>1. Any change in the Shareholding pattern / Capital structure of an SPD shall needs prior approval of RBI.</li> <li>2. SPDs are required to maintain a minimum CRAR of 15 per cent on an ongoing basis.</li> <li>3. SPDs shall follow the following guidelines while declaring dividend distribution: <ol style="list-style-type: none"> <li>a. The SPD shall have complied with the regulations on transfer of profits to statutory reserves and the regulatory guidelines relating to provisioning and valuation of securities, etc.</li> <li>b. SPDs having CRAR below the Regulatory minimum of 15 per cent in any of the previous four quarters shall not declare any dividend.</li> <li>c. For SPDs having CRAR at or above the regulatory minimum of 15 per cent during all the four quarters of the previous year, but lower than 20 per cent in any of the four quarters, the dividend pay-out ratio (DPR) shall not exceed 33.3 per cent.</li> <li>d. For SPDs having CRAR at 20 per cent or above during all the four quarters of the previous year, the DPR shall not exceed 60 per cent.</li> <li>e. DPR shall be calculated as a percentage of dividend payable in a year (excluding dividend tax) to net profit during the year.</li> <li>f. The proposed dividend shall be payable out of the current year's profits. In case the profit for the relevant period includes any extraordinary income, the pay-out ratio shall be computed after excluding such extraordinary items for reckoning compliance with the prudential pay-out ratio ceiling.</li> <li>g. The financial statements pertaining to the financial year for which the SPD is declaring dividend shall be free of any qualifications by the statutory auditors, which have an adverse bearing on the profit during that year. In case of any qualification to that effect, the net profit shall be suitably adjusted downward while computing the DPR.</li> </ol> </li> </ol>
SBI Pension Funds Pvt. Ltd.	<p>There are no regulatory restrictions from PFRDA/ Companies Act, 2013 for transfer of capital to parent bank through dividends or buy back shares or capital repatriation to parent bank. The Only criteria is that the Company should maintain minimum net worth of ₹ 50 crores and shall fulfil the minimum eligibility criteria of the Pension Fund i.e. Reg 8 (d) the sponsor shall have Profits After Tax in at least three of the preceding five financial years. Further there shall be no cash loss in the last preceding five years.</p> <p>Further, as per Regulation J, any change in management, ownership, shareholding pattern or controlling interest of sponsor of the pension fund exceeding one per cent but less than five per cent of the paid-up capital of the sponsor or pension fund in a financial year, shall be informed to the Authority within fifteen days of the occurrence of such change.</p> <p>Provided that no change in excess of five per cent or more of the paid-up capital of the sponsor or the pension fund, in any financial year, shall be made without prior approval of the Authority.</p> <p>The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations &amp; the provisions of the Companies Act, 2013.</p>
Jio Payments Bank Ltd.	<p>As on 31.03.2022, there is no lock-in in the shares of Jio Payments Bank Limited held by SBI.</p>
SBI Payment Services Pvt. Ltd.	<p>There are no restrictions or impediments on transfer of funds or Regulatory capital as per JV agreement.</p> <p>Transfer of funds is subject to approval from SBI Payments Board and JV partners.</p>

**DF-2 – CAPITAL ADEQUACY**

As on 31.03.2022

**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:
 

<ul style="list-style-type: none"> <li>➤ Credit Risk</li> <li>➤ Operational Risk</li> <li>➤ Liquidity Risk</li> <li>➤ Compliance Risk</li> <li>➤ Pension Fund Obligation Risk</li> <li>➤ Reputation Risk</li> <li>➤ Residual Risk from Credit Risk Mitigants</li> <li>➤ Talent Risk</li> <li>➤ Other than above Risks</li> </ul>	<ul style="list-style-type: none"> <li>➤ Market Risk</li> <li>➤ Credit Concentration Risk</li> <li>➤ Interest Rate Risk in the Banking Book</li> <li>➤ Country Risk</li> <li>➤ Strategic Risk</li> <li>➤ Model Risk</li> <li>➤ Contagion Risk</li> <li>➤ Cyber Risk</li> <li>➤ Underwriting Risk</li> </ul>
--	---
  - 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 | → | ₹ 2,45,004.33 crores              |
| • Securitization exposures                    | → | Nil                               |
|   |   | <b>Total ₹ 2,45,004.33 crores</b> |

(c) Capital requirements for market risk:

- |  |   |                                 |
|--|---|---------------------------------|
| • Standardized duration approach;        |   |                                 |
| - Interest Rate Risk                     | → | ₹ 14,552.67 crores              |
| - Foreign Exchange Risk (including gold) | → | ₹ 902.64 crores                 |
| - Equity Risk                            | → | ₹ 10,194.22 crores              |
|  |   | <b>Total ₹ 25,649.53 crores</b> |

- (d) Capital requirements for operational risk:
- Basic Indicator Approach → ₹ 21,077.98 crores
  - The Standardized Approach (if applicable) NA
- Total ₹ 21,077.98 crores**

(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios: **CAPITAL ADEQUACY RATIOS AS ON 31.03.2022**

	CET 1 (%)	Tier 1 (%)	Total (%)
SBI Group	10.26	11.68	14.03
• For the top consolidated group; and			
State Bank of India	9.94	11.42	13.83
SBI (Mauritius) Ltd.	18.64	18.64	19.64
• For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)			
State Bank of India (Canada)	13.44	13.44	15.06
State Bank of India (California)	14.51	14.51	15.70
Commercial Indo Bank LLC, Moscow	35.21	35.21	35.21
Bank SBI Indonesia	67.74	67.74	68.68
Nepal SBI Bank Ltd.	13.30	13.30	16.39
SBI (UK) Ltd.	16.86	16.86	17.15

## DF-3: CREDIT RISK: GENERAL DISCLOSURES

As on 31.03.2022

### General Disclosures

#### a. Qualitative Disclosures

- **Definitions of past due and impaired assets (for accounting purposes)**

#### Non-performing assets

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31<sup>st</sup> 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.

(viii) In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

#### 'Out of Order' status

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

#### 'Overdue'

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

#### Resolution of Stressed Assets

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default\*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

\* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

#### • Discussion of the Bank's Credit Risk Management Policy

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

- 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 31.03.2022

(Insurance entities, JVs & Non-financial entities excluded)

General Disclosures:		₹ in crores		
Quantitative Disclosures		Fund Based	Non-Fund Based	Total
b	Total Gross Credit Risk Exposures	2879141.43	534011.40	3413152.83
c	Geographic Distribution of Exposures: FB / NFB			
	Overseas	448646.97	84801.33	533448.30
	Domestic	2430494.46	449210.07	2879704.53
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)			112785.09
	i. Substandard			15520.48
	ii. Doubtful 1			16203.22
	iii. Doubtful 2			25512.60
	iv. Doubtful 3			27485.35
	v. Loss			28063.44
g	Net NPAs			28002.85
h	NPA Ratios			
	i) Gross NPAs to gross advances			3.92%
	ii) Net NPAs to net advances			1.00%
i	Movement of NPAs (Gross)			
	i) Opening balance			128168.54
	ii) Additions			26812.87
	iii) Reductions			42196.32
	iv) Closing balance			112785.09
j	Movement of provisions for NPAs			
	i) Opening balance			91049.44
	ii) Provisions made during the period			15937.70
	iii) Write-off/Write-back of excess provisions			22204.90
	iv) Closing balance			84782.24
k	Amount of Non-Performing Investments			2465.22
l	Amount of Provisions held for Non-Performing Investments			1708.13
m	Movement of Provisions for Depreciation on Investments			
	Opening balance			9198.25
	Provisions made during the period			3330.11
	Write-off			1510.04
	Write-back of excess provisions			193.09
	Closing balance			10825.23
n	By major industry or counter party type			
	Amt. of NPA and if available, past due loans, provided separately			54118.03
	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 31.03.2022

(₹ in crores)

Code	Industry	Fund Based [Outstanding-O/s]			Non-Fund Based(O/s)
		Standard	NPA	Total	
1	Coal	11521.40	210.14	11731.54	7817.45
2	Mining	8418.71	107.37	8526.07	3195.88
3	Iron & Steel	54777.25	2326.85	57104.10	49105.33
4	Metal Products	30723.31	771.10	31494.41	13797.42
5	All Engineering	40564.09	4397.25	44961.34	63931.65
5.1	Of which Electronics	4682.94	97.17	4780.11	7158.75
6	Electricity	6646.95	0.04	6646.99	0.00
7	Cotton Textiles	24692.24	1362.86	26055.11	1896.49
8	Jute Textiles	1142.84	45.40	1188.23	37.07
9	Other Textiles	13384.93	989.60	14374.53	3304.46
10	Sugar	6824.09	367.02	7191.11	957.49
11	Tea	1196.09	58.84	1254.93	27.92
12	Food Processing	52881.45	4723.70	57605.14	3044.05
13	Vegetable Oils & Vanaspati	5213.18	537.80	5750.97	3412.37
14	Tobacco / Tobacco Products	160.62	15.04	175.66	117.46
15	Paper / Paper Products	5486.49	383.25	5869.74	1220.58
16	Rubber / Rubber Products	9970.24	848.72	10818.96	2182.12
17	Chemicals / Dyes / Paints etc.	94543.70	2510.15	97053.85	80921.50
17.1	Of which Fertilizers	17982.66	680.30	18662.96	14142.84
17.2	Of which Petrochemicals	49477.18	139.44	49616.62	53166.26
17.3	Of which Drugs & Pharma	13597.57	411.63	14009.20	2174.93
18	Cement	8789.66	683.18	9472.84	4495.74
19	Leather & Leather Products	3196.74	295.87	3492.62	422.43
20	Gems & Jewellery	11684.33	1613.02	13297.35	290.91
21	Construction	43212.50	1353.17	44565.68	17742.86
22	Petroleum	49193.63	308.52	49502.15	33461.29
23	Automobiles & Trucks	17687.44	979.77	18667.20	7147.44
24	Computer Software	7450.64	9.18	7459.82	1692.82
25	Infrastructure	373165.53	28407.24	401572.78	85085.73
25.1	Of which Power	190495.03	8549.60	199344.63	32594.85
25.2	Of which Telecommunication	34464.21	5912.44	40376.65	6232.15
25.3	Of which Roads & Ports	82345.63	7650.59	89996.22	20481.15
26	Other Industries	275979.41	30197.88	306177.29	71749.19
27	NBFCs & Trading	422772.07	14124.56	436896.63	41789.83
28	Residual Advances	1185076.81	15157.56	1200234.37	31163.95
	<b>Total</b>	<b>2766356.34</b>	<b>112785.09</b>	<b>2879141.43</b>	<b>534011.40</b>



**Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2022\***

(₹ In crores)

INFLOWS	1 day	2-7 days	8-14 days	15-30 days	31 days & upto 2 months	More than 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	TOTAL
1 Cash	21894.41	3.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21897.59
2 Balances with RBI	66224.07	3496.34	2240.07	3098.86	3537.13	3026.15	7627.70	39876.22	38882.96	19088.19	49019.69	236117.38
3 Balances with other Banks	68400.65	64189.91	436.74	600.99	2267.66	1248.41	2424.84	516.39	3271.24	432.80	1769.08	145558.71
4 Investments	11482.17	1278.44	4737.51	4264.39	11101.44	22297.91	60584.05	99191.45	395338.02	257357.78	643264.40	1510897.56
5 Advances	37546.30	21809.59	25772.59	51529.69	64134.94	64373.76	160767.00	226595.31	976129.00	367143.81	808095.08	2803897.07
6 Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.38	0.00	72.04	348.69	23.18	38511.46	38955.75
7 Other Assets	13411.43	36196.26	38966.68	23873.87	20889.75	16983.11	27062.06	39739.43	20011.86	32545.14	74874.83	344554.42
<b>TOTAL</b>	<b>218959.03</b>	<b>126973.72</b>	<b>72153.59</b>	<b>83367.80</b>	<b>101930.92</b>	<b>107929.72</b>	<b>258465.65</b>	<b>405990.84</b>	<b>1433981.77</b>	<b>676590.90</b>	<b>1615534.54</b>	<b>5101878.48</b>

\*Notes:

- i) Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- ii) Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- iii) The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

## DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31.03.2022

### Disclosures for Portfolios subject to Standardised Approach

#### Qualitative Disclosures

- Names of Credit Rating Agencies used, plus reasons for any changes
  - (a) 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
  - (i) For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
  - (ii) For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.
- **Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book**

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

Long-term Issue Specific Ratings (For the Bank's own exposures or other issuance of debt by the same borrower-constituent/counter-party) or Issuer (borrower-constituents/counter-party) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases:

- If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari passu or junior to the rated exposure in all respects.
- In cases where the borrower-constituent/counter-party has issued a debt (which is not a borrowing from the Bank), the rating given to that debt is applied to the Bank's unrated exposures, if the Bank's exposure ranks pari passu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than the maturity of the rated debt.

### Quantitative Disclosures as on 31.03.2022

(₹ in crores)

(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.	Amount
Below 100% Risk Weight	22,76,943.77
100% Risk Weight	8,48,873.23
More than 100% Risk Weight	2,87,335.83
Deducted	0.00
<b>Total</b>	<b>34,13,152.83</b>

## DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31.03.2022

### 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 31.03.2022**

	(Amt. ₹ in Crs.)
(b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	1,90,182.34
(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)	1,14,851.76

## DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

### As on 31.03.2022

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; @ 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.	Not Applicable
A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012).	Not Applicable
A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;	Not Applicable

**Qualitative Disclosures**

<b>(b)</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
<b>(c)</b>	In the banking book, the names of ECAs used for securitisations and the types of securitisation exposure for which each agency is used.	Not Applicable

**Quantitative Disclosures: Banking Book**

<b>(d)</b>	The total amount of exposures securitised by the bank.	Nil
<b>(e)</b>	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
<b>(f)</b>	Amount of assets intended to be securitised within a year	Nil
<b>(g)</b>	Of (f), amount of assets originated within a year before securitisation.	Not Applicable
<b>(h)</b>	The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
<b>(i)</b>	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
<b>(j)</b>	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**

<b>(k)</b>	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
<b>(l)</b>	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
<b>(m)</b>	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
<b>(n)</b>	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 31.03.2022****(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.

**(b) QUANTITATIVE DISCLOSURES:****CAPITAL CHARGE ON MARKET RISK**

Bank maintains Capital Charge for Market Risk under the Standardised measurement method as under.

(₹ in Crores)

Category	31.03.2022
Interest rate Risk (including Derivatives)	14,552.67
Equity Position Risk	10,194.22
Foreign Exchange Risk	902.64
<b>Total</b>	<b>25,649.53</b>



## DF-8: OPERATIONAL RISK

As on 31.03.2022

### 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;
- Information Security Policy and Standards;
- IT Policy;
- Cyber Security Policy
- Group Cyber Security Policy
- Business Continuity and Operational Resilience (BC& OR) Policy;
- Business Continuity Management System (BCMS) Policy;
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures;
- Policy on Fraud Risk Management;
- Bank's Outsourcing Policy;
- Policy on Insurance;

##### Manuals

- Operational Risk Management Manual
- Loss Data Management Manual
- Business Continuity and Operational Resilience (BC& OR) Manual
- Business Continuity Management System (BCMS) Plan
- 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)**

- To successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at Circles like RMCAOs, RMCCs, and RMCs at the Business and Support Groups (RMC-R & DB, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events and external losses are also captured to improve risk management practices.
- Risk and Control Self-Assessment (RCSA) is a proactive exercise conducted in workshop-based manner to identify gaps, if any, in the existing controls and suggestions are invited for improvement of System & Controls to mitigate the Risks. RCSA also helps in generating risk awareness among staff members. RCSA exercise is carried out across Bank Branches, CPCs and Offices on a yearly basis. Bank also conducts theme based RCSA for Products /Processes. During FY 22, the Bank has conducted 16 Theme-based RCSA exercises and RCSA exercise (sign off) was conducted at the time of launch/ review of 44 products/processes. Based on the RCSA exercise, Mitigation plans are prepared and implemented for activities rated as High & Critical Risks. Feasibility study is carried out by Business owners for suggestions emanated during RCSA exercise for further improvement of System & Controls in the Bank.
- Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism. KIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB. Top 10 KIs have been identified during current financial year for close follow up.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II guidelines is in place.

**Others**

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- “Book of Instructions” (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank’s Apex Training Institutes and State Bank Institute of Learning and Development.
- Insurance cover is obtained for most of the potential operational risks excluding frauds as per Bank’s policy on insurance.
- Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity and Operational Resilience Policy and Manuals in place.
- Stringent Implementation of vacation policy.
- Conduct of RCSA-Abridged at remaining Branches where RCSA is not proposed.

**Domestic Non-Banking and Overseas Banking entities**

Adequate measures by way of systems and procedures and reporting have been put in place in the Domestic Non-Banking and Overseas Banking entities.

#### D. The scope and nature of Risk Reporting and Measurement Systems

- A system of prompt submission of reports on Frauds is in place in all the Group entities.
- A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- Significant risks thrown up in RCSA/RCSA-Abridged exercise at all Branches, Scenario Analysis and loss data/NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31<sup>st</sup> March 2022.

### DF-9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31.03.2022

#### 1. Qualitative disclosures

##### INTEREST RATE RISK IN BANKING BOOK (IRRBB)

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive. The Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from both a short-term and long-term perspective.

##### 1.1 Structure and organization

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through ALM Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by ALCO for managing interest rate risk.

##### 1.2 Scope and nature of risk reporting and measurement systems

RBI has stipulated monitoring of Interest Rate Risk at monthly intervals through a Statement of Interest Rate Sensitivity under Traditional Gap Analysis (IRS-TGA). Accordingly, ALCO reviews IRS-TGA on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRS-DGA), which Bank carries out on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through IRS-DGA by recognizing the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

**EaR:** The immediate impact of changes in interest rates is on Bank's earnings through changes in its Net Interest Income (NII). EaR is useful in calculating the impact of the change in interest rate on the NII for a shorter period of time (impact over a one-year period). The EaR computations include the banking book as well as the trading book.

**MVE:** A long-term impact of changes in interest rates is on Bank's Market Value of Equity (MVE) or Net Worth through changes in the economic value of its liabilities and off-balance sheet positions. Although these changes in value do not pass through earnings, they have a bearing on Bank's capital position.

The Bank uses MVE approach as part of a framework to manage IRRBB for its domestic and foreign operations. Impact on MVE is assessed for the overall Bank and Banking Book separately. In order to effectively monitor and manage IRRBB, the ALM Policy stipulates separate MVE limits for overall Bank and Banking Book.

##### 1.3 Policies for hedging and mitigating risk

The Bank has a policy for undertaking hedge transactions. Depending on the underlying and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. Derivative instruments like Interest Rate Swaps, OIS, Forward Rate Agreements and Cross Currency Swaps are used as a hedging technique by the Bank.

## 2. Quantitative Disclosures

2.1 The following table sets forth, estimated impact on NII due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2022, assuming a parallel shift in the yield curve.

### Earnings at Risk (EaR)

	(₹ in Crs)
	Impact on NII
Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	7,424.02
Impact of 200 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	14,848.04

2.2 The following table sets forth, estimated impact on MVE due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2022, assuming a parallel shift in the yield curve.

### Market Value of Equity (MVE)

	(₹ in crores)
	Impact on MVE
Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book	20,773.16
Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book	41,546.32

## DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

As on 31.03.2022

### Qualitative Disclosure:

Credit Risk Management Department of the Bank uses scoring models for setting limits for amounts of counterparty exposure for Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Small Finance Banks & Payment Banks.

Credit Risk Management Department allocates the exposure limits to all business units, viz., CAG, CCG, R&DB, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.

Classification and recognition of collaterals

The Bank will accept, recognize and attribute value to collateral, both for internal sanctioning and/or regulatory capital relief purposes, only when the following conditions are fulfilled:

- There is a legal certainty of enforceability and effectiveness of collateral in all relevant jurisdictions
- All contractual and statutory requirements with respect to the loan and collateral documentation are fulfilled.
- The Bank has obtained a legal charge to the said collateral (including second/subordinate or paripassu charges, in addition to first legal charge).
- The legal mechanism by which the collateral is pledged or transferred ensures that the Bank has the right to liquidate or take possession of it in a timely manner, in the event of a default, insolvency or bankruptcy on the part of the counterparty or any third party.
- The Bank has clear and robust procedures for the timely liquidation of collateral to ensure that any legal conditions required for declaring the default of the counterparty and liquidating the collateral are fulfilled and collateral can be liquidated promptly.

For the purposes of eligibility for IRB capital computation, collaterals are required to satisfy all operational criteria outlined in RBI IRB guidelines.

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limits for banks are assessed using internal models considering a number of financial

parameters like networth, capital adequacy ratio, rating etc. For corporates, the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

**Quantitative Disclosure:**

(₹ In Crores)

Distribution of Notional and Current Credit Exposure	Notional	Current credit exposure	Exposure under Current Exposure Method (CEM)
a) Interest rate Swaps	449379.42	2389.06	6514.86
b) Cross Currency Swaps	67169.89	498.09	1683.45
c) Currency Options	85719.09	966.57	8484.05
d) Foreign Exchange Contracts	1063804.12	6779.84	32442.73
e) Currency Futures	-	-	-
f) Forward Rate Agreements	-	-	-
g) Others (please specify product name) - NDF	160758.96	1120.13	4335.30
<b>Total</b>	<b>1826890.26</b>	<b>11753.69</b>	<b>53460.40</b>
Credit Derivative transactions	NIL		

**DF-11: COMPOSITION OF CAPITAL**

As on 31.03.2022

(₹ 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	170887.83	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18960.96	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1783.10	
6	Common Equity Tier 1 capital before regulatory adjustments	271639.82	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	747.37	
8	Goodwill (net of related tax liability)	1550.02	D
9	Intangibles (net of related tax liability)	21.31	
10	Deferred Tax Assets	37.38	
11	Cash-flow hedge reserve	0.00	
12	Shortfall of provisions to expected losses	0.00	
13	Securitisation gain on sale	0.00	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0.00	
15	Defined-benefit pension fund net assets	0.00	

(₹ in Crore)

## Basel III common disclosure template to be used from March 31, 2017

		Ref No. (with respect to DF - 12: Step 2)
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	176.77
17	Reciprocal cross-holdings in common equity	150.50
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)	0.00
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)	0.00
20	Mortgage servicing rights (amount above 10% threshold)	0.00
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0.00
22	Amount exceeding the 15% threshold	0.00
23	of which: significant investments in the common stock of financial entities	0.00
24	of which: mortgage servicing rights	0.00
25	of which: deferred tax assets arising from temporary differences	0.00
26	National specific regulatory adjustments (26a+26b+26c+26d)	1331.49
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	1319.68
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	11.81
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	0.00
26d	of which: Unamortised pension funds expenditures	0.00
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00
28	Total regulatory adjustments to Common equity Tier 1	4014.84
29	Common Equity Tier 1 capital (CET1)	267624.98
<b>Additional Tier 1 capital: instruments</b>		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	36709.70
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0.00
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	36709.70
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0.00
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)	334.33
35	of which: instruments issued by subsidiaries subject to phase out	0.00
36	Additional Tier 1 capital before regulatory adjustments	37044.03



(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

		Ref No. (with respect to DF - 12: Step 2)
<b>Additional Tier 1 capital: regulatory adjustments</b>		
37	Investments in own Additional Tier 1 instruments	0.00
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0.00
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)	0.00
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)	0.00
41	National specific regulatory adjustments (41a+41b)	0.00
41a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	0.00
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0.00
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00
43	Total regulatory adjustments to Additional Tier 1 capital	0.00
44	Additional Tier 1 capital (AT1)	37044.03
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	304669.01
<b>Tier 2 capital: instruments and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	32062.70
47	Directly issued capital instruments subject to phase out from Tier 2	381.60
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)	777.57
49	of which: instruments issued by subsidiaries subject to phase out	0.00
50	Provisions	28260.11
51	Tier 2 capital before regulatory adjustments	61481.98
<b>Tier 2 capital: regulatory adjustments</b>		
52	Investments in own Tier 2 instruments	61.80
53	Reciprocal cross-holdings in Tier 2 instruments	98.89
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)	0.00
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	14.16
56	National specific regulatory adjustments (56a+56b)	0.00
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	0.00
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	0.00

(₹ in Crore)

## Basel III common disclosure template to be used from March 31, 2017

		Ref No. (with respect to DF - 12: Step 2)
57	Total regulatory adjustments to Tier 2 capital	174.85
58	Tier 2 capital (T2)	61307.13
59	Total capital (TC = T1 + T2) (45 + 58)	365976.14
60	Total risk weighted assets (60a + 60b + 60c)	2608922.99
60a	of which: total credit risk weighted assets	2024829.15
60b	of which: total market risk weighted assets	320619.09
60c	of which: total operational risk weighted assets	263474.75
<b>Capital ratios and buffers</b>		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.26
62	Tier 1 (as a percentage of risk weighted assets)	11.68
63	Total capital (as a percentage of risk weighted assets)	14.03
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	2.50
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)	4.76
<b>National minima (if different from Basel III)</b>		
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
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	Non-significant investments in the capital of other financial entities	0.00
73	Significant investments in the common stock of financial entities	562.67
74	Mortgage servicing rights (net of related tax liability)	0.00
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0.00
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	28260.11
77	Cap on inclusion of provisions in Tier 2 under standardised approach	25310.36
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
<b>Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)</b>		
80	Current cap on CET1 instruments subject to phase out arrangements	0.00

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

		<b>Ref No. (with respect to DF - 12: Step 2)</b>
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0.00
82	Current cap on AT1 instruments subject to phase out arrangements	10%
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0.00
84	Current cap on T2 instruments subject to phase out arrangements	10%
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

**Notes to the Template**

<b>Row No. of the template</b>	<b>Particular</b>	<b>(₹ in Crore)</b>
10	Deferred tax assets associated with accumulated losses	37.38
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	0.00
	Total as indicated in row 10	37.38
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	28260.11
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of row 50	28260.11

# B7: Revenue &amp; Other Reserves is taken net of Integration &amp; Development Fund (₹ 5 Crore)

**DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT**

As on 31.03.2022

(₹ in crores)

COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT Step 1		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
<b>A</b>	<b>Capital &amp; Liabilities</b>		
i	Paid-up Capital	892.46	892.46
	Reserves & Surplus	304695.59	292336.68
	Minority Interest	11207.42	5124.63
	Total Capital	316795.47	298353.77
ii	<b>Deposits</b>	4087410.60	4088218.56
	of which: Deposits from banks	15299.38	15299.38
	of which: Customer deposits	4072111.22	4072919.18
	of which: Other deposits (pl. specify)	-	-
iii	<b>Borrowings</b>	449159.78	449377.30
	of which: From RBI	24956.00	24956.00
	of which: From banks	157462.64	157462.64
	of which: From other institutions & agencies	193336.92	193554.44
	of which: Others (pl. specify)	-	-
	of which: Capital instruments	73404.22	73404.22
iv	<b>Other liabilities &amp; provisions</b>	507517.68	236510.19
	Total	5360883.53	5072459.82
<b>B</b>	<b>Assets</b>		
i	Cash and balances with Reserve Bank of India	258086.43	258014.98
	Balance with banks and money at call and short notice	140818.69	137475.84
ii	<b>Investments</b>	1776489.90	1499357.42
	of which: Government securities	1285236.81	1197913.42
	of which: Other approved securities	35636.87	270.94
	of which: Shares	90831.58	12616.55
	of which: Debentures & Bonds	302009.09	248577.02
	of which: Subsidiaries / Joint Ventures / Associates	14762.15	10730.36
	of which: Others (Commercial Papers, Mutual Funds etc.)	48013.40	29249.13
iii	<b>Loans and advances</b>	2794076.00	2793712.53
	of which: Loans and advances to banks	121050.79	121050.79
	of which: Loans and advances to customers	2673025.21	2672661.74
iv	<b>Fixed assets</b>	39510.03	38689.97
v	Other assets	350352.46	343659.06
	of which: Goodwill	-	-
	of which: Other intangibles (excluding MSRs)	-	-
	of which: Deferred tax assets	6745.23	6727.74
vi	Goodwill on consolidation	1550.02	1550.02
vii	Debit balance in Profit & Loss account	-	-
	<b>Total Assets</b>	<b>5360883.53</b>	<b>5072459.82</b>

(₹ in crores)

COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT Step 2		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
<b>A</b>	<b>Capital &amp; Liabilities</b>			
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	304695.59	292336.68	B
	of which: Statutory Reserve	86939.14	86939.10	B1
	of which: Capital Reserves	16042.86	16029.31	B2
	of which: Share Premium	79115.47	79115.47	B3
	of which: Investment Reserve	-	-	B4
	of which: Investment Revaluation Reserve	7695.95	7695.95	
	of which: Foreign Currency Translation Reserve	11256.69	11254.56	B5
	of which: Revaluation Reserve on Fixed Assets	23377.87	23377.87	B6
	of which: Revenue and Other Reserves	44176.30	38648.66	B7
	of which: Reserves under Sec. 36(1)(viii) of Income Tax Act, 1961	15696.96	15696.96	B8
	of which: Balance in Profit & Loss Account	20394.35	13578.80	B9
	Minority Interest	11207.42	5124.63	
	<b>Total Capital</b>	<b>316795.47</b>	<b>298353.77</b>	
ii	<b>Deposits</b>	4087410.60	4088218.56	
	of which: Deposits from banks	15299.38	15299.38	
	of which: Customer deposits	4072111.22	4072919.18	
	of which: Other deposits (pl. specify)	-	-	
iii	<b>Borrowings</b>	449159.78	449377.30	
	of which: From RBI	24956.00	24956.00	
	of which: From banks	157462.64	157462.64	
	of which: From other institutions & agencies	193336.92	193554.44	
	of which: Others (pl. specify)	-	-	
	of which: Capital instruments	73404.22	73404.22	
iv	<b>Other liabilities &amp; provisions</b>	507517.68	236510.19	
	of which: DTLs related to goodwill	-	-	
	of which: DTLs related to intangible assets	-	-	
	<b>Total</b>	<b>5360883.53</b>	<b>5072459.82</b>	
<b>B</b>	<b>Assets</b>			
i	<b>Cash and balances with Reserve Bank of India</b>	<b>258086.43</b>	<b>258014.98</b>	
	<b>Balance with banks and money at call and short notice</b>	<b>140818.69</b>	<b>137475.84</b>	

(₹ in crores)

	COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT Step 2	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
ii	<b>Investments</b>	1776489.90	1499357.42	
	of which: Government securities	1285236.81	1197913.42	
	of which: Other approved securities	35636.87	270.94	
	of which: Shares	90831.58	12616.55	
	of which: Debentures & Bonds	302009.09	248577.02	
	of which: Subsidiaries / Joint Ventures / Associates	14762.15	10730.36	
	of which: Others (Commercial Papers, Mutual Funds etc.)	48013.40	29249.13	
iii	<b>Loans and advances</b>	<b>2794076.00</b>	<b>2793712.53</b>	
	of which: Loans and advances to banks	121050.79	121050.79	
	of which: Loans and advances to customers	2673025.21	2672661.74	
iv	<b>Fixed assets</b>	<b>39510.03</b>	<b>38689.97</b>	
v	<b>Other assets</b>	<b>350352.46</b>	<b>343659.06</b>	
	of which: Goodwill	-	-	
	of which: Other intangibles (excluding MSRs)	-	-	
	of which: Deferred tax assets	6745.23	6727.74	C
vi	<b>Goodwill on consolidation</b>	<b>1550.02</b>	<b>1550.02</b>	<b>D</b>
vii	<b>Debit balance in Profit &amp; Loss account</b>	-	-	
	<b>Total Assets</b>	<b>5360883.53</b>	<b>5072459.82</b>	

**Step 3**

(₹ in crores)

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	170887.83	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18960.96	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1783.10	
6	Common Equity Tier 1 capital before regulatory adjustments	271639.82	
7	Prudential valuation adjustments	747.37	
8	Goodwill (net of related tax liability)	1550.02	D

# B7: Revenue &amp; Other Reserves is taken net of Integration &amp; Development Fund (₹ 5 Crores)

**DF 13: Main features of Regulatory Capital Instruments****DF 14: Full Terms and Conditions of Regulatory Capital Instruments**

These disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e.

[www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures](http://www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures)



## DF 15 – Disclosure Requirements for Remuneration

Not applicable, as Private sector and foreign banks operating in India are required to make this disclosure.

## DF-16: Equities - Disclosure for Banking Book Positions as on 31.03.2022

### Qualitative Disclosures

1 The general qualitative disclosure with respect to equity risk, including:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;</li> </ul>  | 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"> <li>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</li> </ul> | Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 in Bank's Annual Report.    |

### Quantitative Disclosures

1 Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value. ₹ 797.14 Crores

2 The types and nature of investments, including the amount that can be classified as:

Particulars	Type	Book Value (In Crores)	
Publicly traded	Subsidiaries	HTM	2638.63
	Associate	AFS	7810.00
	Others	HTM	127.00
Privately held	Associates, Subsidiaries, JVs & Others	HTM	8599.14

3 The cumulative realized gains (losses) arising from sales and liquidations in the reporting period 0.62 crore

4 Total unrealized gains (losses)<sup>13</sup> 58.49 crores (Unrealized loss)

5 Total latent revaluation gains (losses)<sup>14</sup> ₹ 1427.98 crores (MTM Gain)

6 Any amounts of the above included in Tier 1 and/or Tier 2 capital ₹ 38.93 crores

7 Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements Nil

<sup>13</sup> Unrealised gains (losses) recognized in the balance sheet but not through the profit and loss account.

<sup>14</sup> Unrealised gains (losses) not recognized either in the balance sheet or through the profit and loss account.

**DF-17: COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE**

AS ON 31.03.2022

ITEM	₹ (In millions)
1 Total consolidated assets as per published financial statements	53608835.30
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-2884237.10
3 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4 Adjustments for derivative financial instruments	544728.80
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	24780.70
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	5366291.80
7 Other adjustments	-45775.11
<b>8 Leverage ratio exposure (State Bank Group)</b>	<b>56614624.40</b>

**DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE**

As on 31.03.2022

ITEM	(₹ in Millions)
<b>On balance sheet exposures</b>	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	50724598.20
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	-45775.11
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	50678823.10
<b>Derivatives exposures</b>	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	117402.50
5 Add-on amounts for PFE associated with all derivatives transactions	427326.30
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
<b>11 Total derivative exposures (sum of lines 4 to 10)</b>	<b>544728.80</b>
<b>Securities financing transaction exposure</b>	
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	24780.70
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
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>24780.70</b>
<b>Other off balance sheet exposures</b>	
17 Off-balance sheet exposure at gross notional amount	12277457.60
18 (Adjustments for conversion to credit equivalent amounts)	-6911165.80
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>5366291.80</b>
<b>Capital and total exposures</b>	
20 Tier 1 capital	3046690.12
<b>21 Total exposures (sum of lines 3,11,16 and 19)</b>	<b>56614624.40</b>
<b>Leverage ratio</b>	
<b>22 Basel III leverage ratio (%) (State Bank Group)</b>	<b>5.38%</b>

## DF- GR: Additional Disclosures on Group Risk

As on 31.03.2022

### 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
SBI Canada Bank	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards & Payment Services Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI Global Factors Ltd.
State Bank of India (UK) Ltd.	SBI Life Insurance Co. Ltd.
	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 31<sup>st</sup> March, 2022 have been disclosed separately on the Bank's website [www.sbi.co.in](http://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 shareholding 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](mailto:sbi.igr@alankit.com)

Further, while most of you hold shares of your Bank in demat form, some of you are still retaining the shares in physical form. SEBI has banned transfer of securities in physical form w.e.f. 01.04.2019. The Shares held by you in physical form can be easily dematerialized i.e converted into electronic form. The various benefits derived out of dematerialization of shares are:-

- Immediate transfer of securities.
- Reduction in risks associated with holding securities in paper form such as theft, damage due to fire, wear & tear, fake / forged securities etc.
- Change in address recorded with DP gets registered electronically with all companies in which investor holds securities
- Eliminating the need of correspondence with each Company separately;
- Transmission of securities is done by DP eliminating correspondence with each Company
- 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](mailto:helpdesk@sbicapsec.com)) of your choice for opening the Demat account. Fill in a Demat Request Form (DRF) and handover the 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 by way of dividend warrant, you are requested to furnish/ update bank account details with DP/RTA, as the case may be, to receive dividend directly in your bank account.

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, shareholders are requested to ensure that unclaimed / unpaid dividend if any, is claimed without any delay.



**APPEAL TO ALL SBI SHAREHOLDERS**

All the shareholders holding equity Shares of SBI in physical form are requested to update the following details and submit it by registered/speed post to our RTA at the following address:  
 M/s Alankit Assignments Limited (AAL), 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110055.  
 Phone No.: 7290071335, e-mail: sbi.igr@alankit.com.

**FORM ISR – 1**

(Circulated vide. SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor’s service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

**REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF**

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: \_\_\_ / \_\_\_ / \_\_\_\_\_

**A. I / We request you to Register / Change / Update the following (Tick ✓ relevant box)**

<input type="checkbox"/> PAN	<input type="checkbox"/> Postal Address
<input type="checkbox"/> Bank Details	<input type="checkbox"/> E-mail Address
<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile Number
<input type="checkbox"/> Demat Account Details	

**B. Security Details:**

Name of the Issuer Company	State Bank of India	Folio No:
Name(s) of the Security holder(s) as per the Certificate(s)	1.	
	2.	
	3.	
Number & Face value of securities	No :	Face Value:
Distinctive number of securities	From	To

**C. I / We are submitting documents as per Table below (tick ✓ as relevant, refer to the instructions):**

✓	Document / Information / Details	Instruction / Remark
1	PAN of (all) the (joint) holder(s)	
	PAN Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PAN shall be valid only if it is linked to Aadhaar by March 31, 2022*

✓	Document / Information / Details	Instruction / Remark
2	Demat Account Number	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div> </div> <p>Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.</p>
3	Proof of Address of the first holder	<p>Provide any one of the documents, only if there is change in the address.</p> <ul style="list-style-type: none"> <li>Client Master List (CML) of your Demat Account, provided by the Depository Participant</li> <li>Valid Passport/ Ration Card/ Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill.</li> <li>Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.</li> <li>Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.</li> <li>For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken.</li> <li>The proof of address in the name of the spouse</li> </ul>
4	Bank details	<p>Provide the copy of the bank statement with details of bank name, branch, account number and IFS Code or copy of cheque leaf.</p> <p>Alternatively, Bank details available in the CML will be updated in the folio.</p>
5	E-mail address	<p>_____</p> <p>Alternatively the e-mail address available in the CML will be updated in the folio</p>
6	Mobile Number	<p>_____</p> <p>Alternatively the mobile number available in the CML will be updated in the folio</p>
7	Specimen Signature	<ul style="list-style-type: none"> <li>Provide banker's attestation of the signature of the holder(s) as per Form ISR – 2 in SEBI circular SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/655 dated November 03, 2021) and</li> <li>Original cancelled cheque</li> </ul>
8	Nomination**	<ul style="list-style-type: none"> <li>Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI circular SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/655 dated November 03, 2021</li> <li>Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/655</li> <li>Cancellation of Existing Nomination: Please use Form SH-14 and Form ISR – 3</li> </ul>

\* or any date as may be specified by the CBDT

\*\* Nomination (Form SH-13 or SH-14) / 'Declaration to Opt-Out of nomination' (Form ISR – 3), has to furnished by the holder(s) separately for each listed company.

#### Mode of submission of documents to the RTA

Please use any one of the following mode;

- In Person Verification (IPV): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
- In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
- Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
- Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility



**Note**

- It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios).
- Upon receipt or up-dation of bank details, the RTA automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful.
- RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA.
- RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.
- All the forms namely ISR-1, ISR-2, ISR-3, SH-13, SH-14 can be downloaded from Bank’s website through the link <https://bank.sbi/web/investor-relations/share-holder-bond-holder-information>

**Authorization:** I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s) \_\_\_\_\_, \_\_\_\_\_, in which I / We are the holder(s) (strike off what is not applicable).

**Declaration:** All the above facts stated are true and correct.

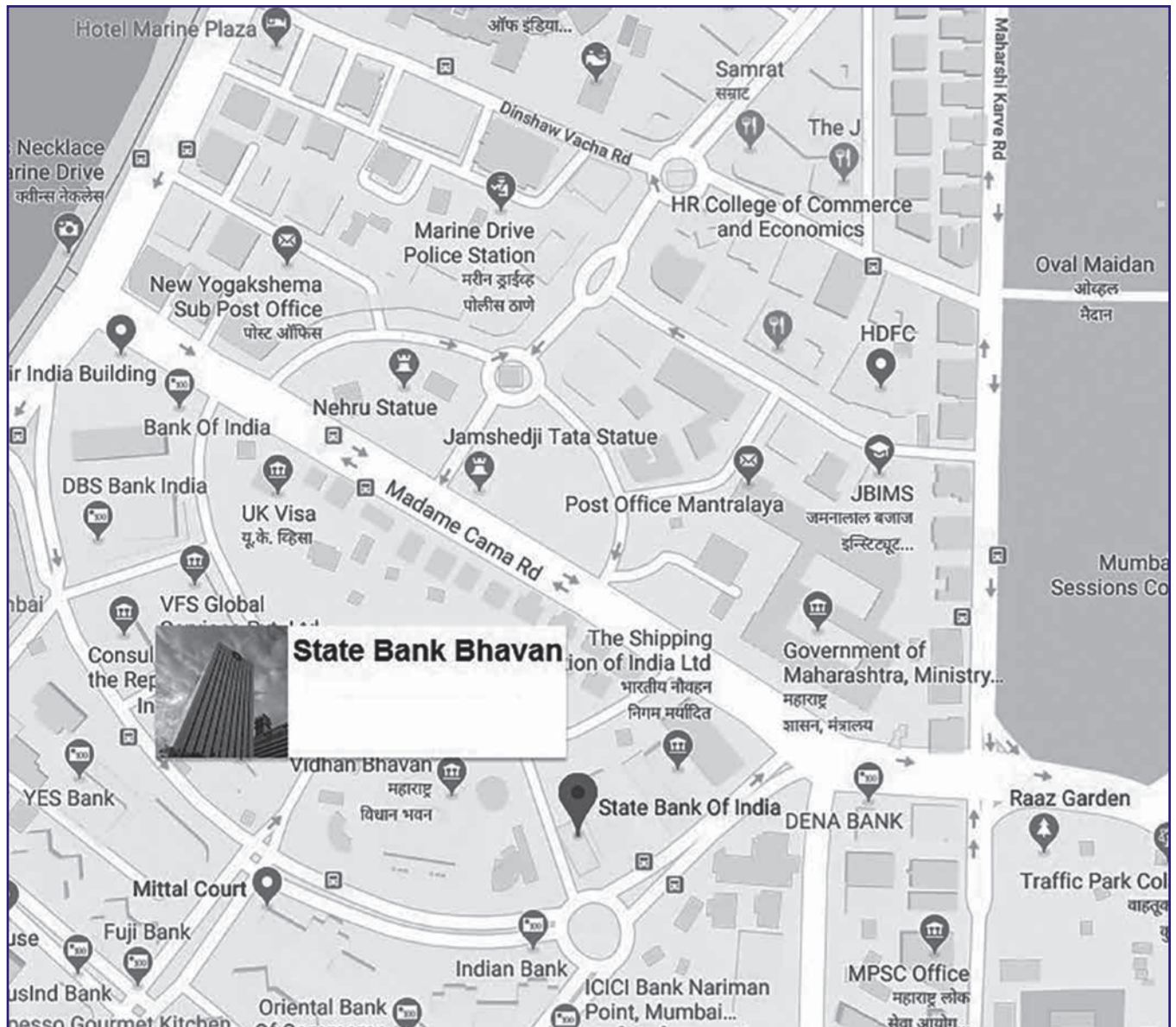
	Holder 1	Holder 2	Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full Postal address	✓		
PIN	✓ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

**For urgent attention of our Shareholders –**

- SEBI has mandated that transfer/sale of securities held in physical form shall not be processed unless the same are held in the dematerialised form with a depository. This implies that shareholders will not be able to transfer/sell the shares held in physical form. Such shareholders are requested to dematerialise their shares at the earliest to avoid risk as well as reap the multiple benefits of dematerialisation.
- Please also note that the Re.1 face value share certificate was sent to concerned physical shareholders pursuant to stock split by the Bank on 22.11.2014 and to erstwhile Associate Banks physical shareholders in April 2017, upon merger of these Banks with SBI. The same is required/valid for dematerialisation. In case, Re.1 face value share certificate is not available, please contact Bank’s RTA.
- Please also update your PAN, KYC (including email, mobile number & bank account) and Nomination details with Bank’s RTA as stipulated by SEBI, to avoid freezing of your shareholding as well as for seamless communication and remittance of dividend. Demat shareholders are requested to update the same with their DP.
- As you might be aware that dividend which remains unclaimed for seven years, is required to be transferred to IEPF, therefore, please claim your dividend by sending claim to Bank’s RTA, if unpaid, for the period from FY 2015-16 onwards (Note: SBI has not declared any dividend during the FYs 2017-18,2018-19 and 2019-20). For earlier periods, same may be claimed from IEPF, as the unclaimed dividends of earlier periods has been transferred to IEPF.

## Route Map to Venue of 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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Mumbai, Maharashtra - 400021, India

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