

**Private & Confidential – For Private Circulation Only**

(This Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus). This Placement Memorandum is being issued in relation to the private placement of Bonds which are being issued in a single series and is prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, issued vide circular No. SEBI/LAD-NRO/GN/2021/39 dated August 9, 2021 read with SEBI circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended/modified/supplemented from time to time.

Dated: 18<sup>th</sup> January 2023



**STATE BANK OF INDIA**

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

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

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**PRIVATE PLACEMENT BY STATE BANK OF INDIA (“SBI” OR “ISSUER” OR “BANK”) OF UPTO 10,00,000 NON-CONVERTIBLE, TAXABLE, REDEEMABLE, UNSECURED, FULLY PAID-UP LONG-TERM BONDS (IN THE NATURE OF DEBENTURES) OF FACE VALUE OF Rs. 1 LAKH EACH AND COUPON OF 7.70% PAYABLE ANNUALLY (“BONDS”) AT PAR AGGREGATING TO TOTAL ISSUE SIZE NOT EXCEEDING Rs. 10,000 CRORES (“OFFER” OR “ISSUE”). THE OFFER COMPRISES A BASE ISSUE OF 5,00,000 BONDS AGGREGATING TO RS. 5,000 CRORES WITH A GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION UPTO 5,00,000 BONDS AGGREGATING TO RS. 5,000 CRORES**

#### GENERAL RISK

For taking an investment decision, investors must rely on their own examination of the Issue and the Placement Memorandum including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum.

The Bonds are not deposits of the Bank and there are restrictions on lending by the Bank against these Bonds. RBI guidelines prohibit any other banks to lend against these Bonds. The Bonds are different from fixed deposits and are not covered by deposit insurance. Unlike the fixed deposits where deposits are repaid at the option of the deposit holder, the Bonds are not redeemable at the option of the Bondholders. Please refer section on Risk Factors for more details.

#### CREDIT RATING

The Bonds proposed to be issued by the Bank have been assigned a rating of “[ICRA] AAA Stable” by ICRA vide its letter dated 10<sup>th</sup> January 2023 and “IND AAA/Stable” by IRRPL vide its letter dated 10<sup>th</sup> January 2023.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Please refer to Annexure I and II for the press releases by ICRA and IRRPL respectively.

#### LISTING

The Bonds are proposed to be listed on the debt segment of NSE and BSE

#### COMPLIANCE CLAUSE OF EBP

This Offer is made on the Electronic Book Building Mechanism of BSE in compliance with SEBI Debt Regulations and circulars issued by BSE. A draft of this Placement Memorandum has been uploaded on the EBP of BSE on 16<sup>th</sup> January, 2023.

#### ELIGIBLE INVESTORS

The offer is made to only those eligible investors as per Summary Term Sheet. The current issue is not being underwritten. Neither the Issuer nor any of the Issuer's directors is a wilful defaulter. For further details, please refer to page no. 120 of this Placement Memorandum.

ARRANGER TO THE ISSUE	DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE	CREDIT RATING AGENCY	CREDIT RATING AGENCY
<p>SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Tel: +91-22-2217 8300 Fax: +91-22-2218 8332 Email: dcm@sbicaps.com Website: www.sbicaps.com</p>	<p>IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate Mumbai 400 001 Tel: +91-22-4080 7000 Fax: +91-22-6631 1776 Contact Person: Ms. Sneha Jadhav Email: itsl@idbitrustee.com Website: www.idbitrustee.com</p>	<p>Alankit Assignments Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110055 Tel.: +91-11-4254 1234 Fax.: +91-11-2355 2001 Email: sbi.igr@alankit.com Website: www.alankit.com</p>	<p>ICRA Limited B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001 Contact: Mr. Karthik Srinivasan Tel: +91-11-2335 7940 Email: karthiks@icraindia.com Website: www.icra.in</p>	<p>India Ratings &amp; Research Private Limited Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Mumbai-400051 Contact: Arunima Basu Tel: +91-22-4035 6190 Email: arunima.basu@indiaratings.co.in</p>
ISSUE SCHEDULE				
Bid Open/ Bid Close on	Issue Open/ Issue Close on	Earliest Issue close on	Deemed Date of Allotment	Pay in Date
18 <sup>th</sup> January 2023	18 <sup>th</sup> January, 2023	Not Applicable	19 <sup>th</sup> January 2023	19 <sup>th</sup> January, 2023
The issue of Bonds shall be subject to the applicable provisions of SEBI Debt Regulations, SEBI LODR Regulations and other applicable SEBI Guidelines, RBI Guidelines the terms and conditions of this Placement Memorandum filed with the Designated Stock Exchange, the Application Form, the Debenture Trust Deed and other Transaction Documents in relation to such Issue. Capitalized terms used here have the meaning ascribed to them in this Placement Memorandum.				

The Bank reserves its sole and absolute right to modify (pre -pone/ postpone) the above issue schedule without giving any reasons or prior notice. The Bank also reserves its sole and absolute right to change the Deemed Date of Allotment/Pay in date of the above issue without giving any reasons or prior notice.

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ANNEXURE III Copy of consent letter from Trustee

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ANNEXURE V In-Principle Approval for listing on BSE

ANNEXURE VI Audited Financial Statements on standalone and consolidated basis for a period of three completed years with the Auditor's Report along with the requisite schedules, foot notes, summary etc.

### **Issuer's Absolute Responsibility**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

### **Disclaimers:**

#### **1. General Disclaimer:**

This Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time read with SEBI circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time ("**SEBI Operational Circular**") and all other relevant circulars issued by SEBI and RBI circular DBOD.BP.BC.No. 25 / 08.12.014 / 2014-15 dated July 15, 2014, as amended from time to time. This Placement Memorandum does not constitute an offer to public in general to subscribe for or otherwise acquire the Bonds to be issued by State Bank of India ("SBI"/ "Issuer"/ "Bank"). This Placement Memorandum is for the exclusive use of the addressee and it should not be circulated or distributed to third party(ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. This bond issue is made strictly on private placement basis. Apart from this Placement Memorandum, no offer document or prospectus has been prepared in connection with the offering of this bond issue.

The Bond issue will be under the electronic book mechanism as required in terms of Chapter VI of the SEBI Operational Circular read with operational guidelines for electronic bidding platform issued by NSE and/or BSE and any amendments thereto (collectively referred to as the "EBP Guidelines").

This Placement Memorandum and the contents hereof are restricted for only the identified investors who have been specifically addressed through a communication by the Issuer, and only such identified investors are eligible to apply for the Bonds. All identified investors are required to comply with the relevant regulations/ guidelines applicable to them, including but not limited to the EBP Guidelines for investing in this issue. The contents of this Placement Memorandum and any other information supplied in connection with this Placement Memorandum or the Bonds are intended to be used only by those identified investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient.

This Placement Memorandum is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Bonds issued by SBI. This Placement Memorandum has been prepared to give general information regarding the Bonds, to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. SBI believes that the information contained in this Placement Memorandum is true and correct as on the date hereof.

SBI does not undertake to update this Placement Memorandum to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with SBI. However, SBI reserves its right for providing the information at its absolute discretion. SBI accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on

any other source of information would be doing so at his own risk and responsibility. Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscribers to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for and purchase the Bonds. It is the responsibility of the prospective subscribers to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Placement Memorandum should be construed as advice or recommendation by the Issuer or by the Arrangers, if any to the Issue, to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers, if any to the Issue, do not owe the subscribers any duty of care in respect of this private placement offer to subscribe to the Bonds. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

This Placement Memorandum is not intended for distribution. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The Bonds mentioned herein are being issued on private placement basis and this offer does not constitute a public offer/ invitation.

The Issuer reserves the right to withdraw the private placement of the Bond issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment occurs or any other force majeure condition including any change in applicable law occurs.

## **2. Disclaimer of the Securities & Exchange Board of India (SEBI):**

This Placement Memorandum has not been filed with SEBI. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum. It is to be distinctly understood that this Placement Memorandum should not, in any way, be deemed or construed to mean that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made (as may be applicable), or for the correctness of the statements made or opinions expressed in this Placement Memorandum. The Issue of Bonds being made on private placement basis, this Placement Memorandum is not required to be filed with SEBI.

## **3. Disclaimer of the Arranger to the Issue:**

The role of the Arranger in the assignment is confined to marketing and placement of the Bonds on the basis of this Placement Memorandum as prepared by the Bank. The Arranger has neither scrutinized nor vetted nor reviewed nor has it done any due diligence for verification of the contents of this Placement Memorandum. The Arranger shall use this Placement Memorandum for the purpose of soliciting subscription(s) from eligible investors in the Bonds to be issued by the Bank on a private placement basis. It is to be distinctly understood that the aforesaid use of this Placement Memorandum by the Arranger should not in any way be deemed or construed to mean that the Placement Memorandum has been prepared, cleared, approved, reviewed or vetted by the Arranger; nor should the contents to this Placement Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Arranger so as to the correctness or completeness thereof.

Nothing in this Placement Memorandum constitutes an offer of securities for sale in the United States of America or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation. No action is being taken to permit an offering of the Bonds in the nature of debentures or the distribution of this Placement Memorandum in any jurisdiction where such action is required. The distribution/taking/sending/dispatching/transmitting of this Placement Memorandum and the offering and sale of the Bonds may be restricted by law in certain jurisdictions, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

The Issuer has prepared this Placement Memorandum and the Issuer is solely responsible and liable for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental, corporate and other necessary approvals for the issuance of the Bonds. The Bank confirms that all the information contained in this Placement Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or their affiliates for the accuracy, completeness, reliability, correctness or fairness of this Placement Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaims any responsibility or liability to the fullest extent for the contents of this Placement Memorandum, whether arising in tort or contract or otherwise, relating to or resulting from this Placement Memorandum or any information or errors contained therein or any omissions there from. Neither Arranger and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this document. By accepting this Placement Memorandum, the Eligible Investor accepts terms of this Disclaimer Clause of Arranger, which forms an integral part of this Placement Memorandum and agrees that the Arranger will not have any such liability.

The eligible investors should carefully read this Placement Memorandum. This Placement Memorandum is for general information purposes only, without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation and the eligible investors are not to construe the contents of this Placement Memorandum as investment, legal, accounting, regulatory or Tax advice, and the eligible investors should consult with their own advisors as to all legal, accounting, regulatory, Tax, financial and related matters concerning an investment in the Bonds. This Placement Memorandum should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

This Placement Memorandum is confidential and is made available to potential investors in the Bonds on the understanding that it is confidential. Recipients are not entitled to use any of the information contained in this Placement Memorandum for any purpose other than in assisting to decide whether or not to participate in the Bonds. This document and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from the Arranger and the Bank. This Placement Memorandum has not been approved and will or may not be reviewed or approved by any statutory or regulatory authority in India or by any stock exchange in India. This document may not be all inclusive and may not contain all of the information that the recipient may consider material.

Each person receiving this Placement Memorandum acknowledges that:

1. Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and
2. Has not relied on the Arranger and/or its affiliates that may be associated with the Bonds in connection with its investigation of the accuracy of such information or its investment decision.

Issuer hereby declares that the Issuer has exercised due diligence to ensure complete compliance of applicable disclosure norms in this Placement Memorandum. The Arranger: (a) is not acting as trustee or fiduciary for the investors or any other person; and (b) is under no obligation to conduct any "know your customer" or other procedures in relation to any person. The Arranger is not responsible for (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Issuer or any other person in or in connection with this Placement Memorandum; or (b) the legality, validity, effectiveness, adequacy or

enforceability of this Placement Memorandum or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Placement Memorandum; or (c) any determination as to whether any information provided or to be provided to any investor is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

The Arranger or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document. By accepting this Placement Memorandum, investor(s) agree(s) that the Arranger will not have any such liability.

Please note that:

(a) The Arranger and/or their affiliates may, now and/or in the future, have other investment and commercial banking, trust and other relationships with the Issuer and with other persons ("Other Persons");

(b) As a result of those other relationships, the Arranger and/or their affiliates may get information about Other Persons, the Issuer and/or the Issue or that may be relevant to any of them. Despite this, the Arranger and/or their affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this Placement Memorandum;

(c) The Arranger and/or their affiliates may, now and in the future, have fiduciary or other relationships under which it, or they, may exercise voting power over securities of various persons. Those securities may, from time to time, include securities of the Issuer; and

(d) The Arranger and/or their affiliates may exercise such voting powers, and otherwise perform its functions in connection with such fiduciary or other relationships, without regard to its relationship to the Issuer and/or the securities."

#### **4. Disclaimer of the Stock Exchange:**

As required, a copy of this Placement Memorandum has been submitted to BSE Limited (hereinafter referred to as "BSE") and National Stock Exchange of India Limited (hereinafter referred to as "NSE"). It is to be distinctly understood that the aforesaid submission or in-principle approval given by BSE vide its letter no. DCS/COMP/PG/IP-PPDI/567/22-23 dated 13<sup>th</sup> January 2023 (annexed as Annexure V of this Placement Memorandum) and NSE vide its letter Ref. No.: NSE/LIST/5826 dated January 13, 2023 (annexed as Annexure IV of this Placement Memorandum) or hosting the same on website of NSE and BSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, should not in any way be deemed or construed that the Placement Memorandum has been cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum; nor does it warrant that Bonds will be listed or will continue to be listed on the exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## **5. Disclaimer of the Rating Agencies:**

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Users of IRRPL ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

## **6. Disclaimer of the Trustee**

Investors should carefully read and note the contents of the Placement Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in Bonds and the Bank. Prospective investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgement before making the investment and are believed to be experienced in Investing in debt markets and are able to bear the economic risk of investing in such instruments. The Debenture Trustee does not guarantee the terms of payment regarding the issue as stated in this Placement Memorandum and shall not be held liable for any default in the same. The Debenture Trustee ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the subscribers to the Debentures.

### **Forward Looking Statements**

The Bank has included statements in this Placement Memorandum which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, “our judgment” and similar expressions or variations of such expressions, that are “forward-looking statements”. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the Bank’s expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, its ability to successfully implement its strategy, including its use of the internet and other technology and its rural expansion, its ability to integrate recent or future mergers or acquisitions into its operations, its ability to manage the increased complexity of the risks the Bank faces following its rapid international growth, future levels of impaired loans, its growth and expansion in domestic and overseas markets, the adequacy of its allowance for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions the Bank is or will become a party to, the future impact of new accounting standards, its ability to implement its dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on the Bank, including on the assets and liabilities of SBI, its ability to roll over its short-term funding sources and its exposure to credit, market and liquidity risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Placement Memorandum include, but are not limited to, the monetary and interest rate policies of India and the other markets in which the Bank operates, natural calamities, general economic, financial or political conditions, instability or uncertainty in India, southeast Asia, or any other country, caused by any factor including terrorist attacks in India or elsewhere, military action or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes or volatility in the value of the rupee, instability in the subprime credit market and liquidity levels in the foreign exchange rates, equity prices or other market rates or prices, the performance of the financial markets in general, changes in domestic and foreign laws, regulations and taxes, changes in the competitive and pricing environment in India, and general or regional changes in asset valuations.



### **Definitions and Abbreviations**

Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to the successful Applicants in the Issue
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Placement Memorandum and the Application Form
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue
Arranger	Arrangers as mentioned in the Placement Memorandum
AY	Assessment Year
Basel III Guidelines / Framework / Regulations	RBI Master Circular No. DOR.CAP.REC.3/21.06.201/2022-23 dated April 1, 2022 issued by the Reserve Bank of India on Basel III capital as updated/modified from time to time.
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996)
Board/ Board of Directors	The Central Board of State Bank of India or Committee thereof, unless otherwise specified
Bond(s)	Non-Convertible, Taxable, Redeemable, Unsecured, fully paid-up Long-Term Bonds in the nature of debentures of face value of Rs. 1 lakh each at par to be issued by State Bank of India through private placement route under the terms of this Placement Memorandum.
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories
BSE	BSE Limited
CAR	Capital Adequacy Ratio
CARE	CARE Ratings Limited
CDSL	Central Depository Services (India) Limited
Coupon / Interest Payment Date	As mentioned in the Summary Term Sheet
CRISIL / CRISIL Ratings	CRISIL Ratings Limited
Debenture Trustee Agreement	The agreement executed between the Bank and the Trustee for the purpose of appointing the Trustee as the debenture trustee to the Issue
Deemed Date of Allotment	The cut-off date declared by the Bank with effect from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e., approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Placement Memorandum	Placement Memorandum dated 18 <sup>th</sup> January 2023 for private placement of upto 10,00,000 Non-Convertible, Taxable, Redeemable, Unsecured, fully paid-up Long-Term Bonds (in the nature of debentures) of face value of Rs. 1 lakh each and coupon of 7.70% payable annually, at par aggregating to total issue size not exceeding Rs. 10,000 crores with a base issue of Rs. 5,000 crores with a green shoe option to retain oversubscription upto Rs. 5,000 crores by State Bank of India.
DIN	Director Identification Number
DP	Depository Participant
DRR	Bond/ Debenture Redemption Reserve
EBP Guidelines	Guidelines for Electronic Bidding Platform issued by BSE and/or NSE, as amended and modified from time to time.

Financial Year/ FY	Period of twelve months beginning from April 1 of a calendar year and ending on March 31 of the subsequent calendar year
FPIs	Foreign Portfolio Investors
FRN	Firm Registration Number
GIR	General Index Registration Number
Gol	Government of India/ Central Government
ICCL	Indian Clearing Corporation Limited
ICRA	ICRA Limited
I.T. Act	The Income Tax Act, 1961, as amended from time to time
IFSC	Indian Financial System Code
IRRPL/ India Ratings	India Ratings & Research Private Limited
ISIN	International Securities Identification Number
Issuer / SBI / Bank	State Bank of India, constituted under the State Bank of India Act, 1955 and having its Corporate Centre at State Bank Bhavan, Madame Cama Road, Mumbai – 400 021
Listing Agreement	Listing Agreement entered into/to be entered into by the Issuer with the BSE and/or the NSE, in relation to the listing of the Bonds, as per the format issued by Securities and Exchange Board of India in its circular dated October 13, 2015 (bearing reference CIR/CFD/CMD/6/2015) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations dated September 2, 2015, as amended from time to time.
Market Lot	Means one Bond
MF	Mutual Fund
MoF	Ministry of Finance
NEFT	National Electronic Funds Transfer
NPAs	Non-performing Assets
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Operational Guidelines	Refers to, collectively the SEBI EBP Guidelines and the EBP Guidelines
PAN	Permanent Account Number
PAT	Profit after Tax
PBT	Profit before Tax
R&TA	Registrar and Transfer Agent
RBI	Reserve Bank of India
RBI Norms / RBI Guidelines	RBI Circular No. DBOD.BP.BC.No.25 / 08.12.014 / 2014-15 dated July 15, 2014 issued by the Reserve Bank of India on Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing as updated/modified from time to time.
Record Date	As mentioned in the Summary Term Sheet
Registrar	Registrar to the Issue, in this case being Alankit Assignments Limited
Rs. / INR	Indian Rupee
RTGS	Real Time Gross Settlement
SBI Act	State Bank of India Act, 1955
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI EBP Circular	Refers to Chapter VI of SEBI Operational Circular as amended from time to time
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time read with SEBI Operational Circular as amended from time to time
SEBI DLT Circular	Refers to the SEBI circular bearing reference number SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2021/618 dated 13 August 2021 read with SEBI circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/2022/ 38 dated 29 March 2022, as maybe amended, modified and supplanted from time to time

SEBI Operational Circular	SEBI operational circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 as amended from time to time.
TDS	Tax Deducted at Source
Transaction Documents	Transaction Documents as defined in the Summary Term Sheet
The Companies Act	Companies Act, 2013, as amended and to the extent notified by the Government of India and Companies Act, 1956 (to the extent applicable)
The Issue/ The Offer/ Private Placement	Private Placement of upto 10,00,000 Non-Convertible, Taxable, Redeemable, Unsecured, fully paid-up Long-Term Bonds (in the nature of debentures) of face value of Rs. 1 lakh each and coupon of 7.70% payable annually, at par aggregating to total issue size not exceeding Rs. 10,000 crores with a base issue of Rs. 5,000 crores with a green shoe option to retain oversubscription upto Rs. 5,000 crores by State Bank of India.
Trustee	Trustee for the Bondholders

## **A. Issuer Information**

### **State Bank of India**

Constituted under the State Bank of India Act, 1955

#### **Name and Address of following:**

##### **1. Corporate Centre of the Issuer:**

State Bank of India  
Corporate Centre, State Bank Bhavan,  
Madame Cama Road,  
Mumbai – 400 021  
Contact Person: Ms. Archana Rastogi, General Manager (Shares & Bonds)  
Tel no.: +91-22-2274 0841 - 48  
Fax no.: +91-22-2285 5348  
E-mail: gm.snb@sbi.co.in  
Website: www.sbi.co.in

##### **2. Promoter of the Issuer:**

President of India

##### **3. Chief Financial Officer of the Issuer:**

Shri Charanjit Surinder Singh Attra  
Chief Financial Officer  
State Bank of India  
Corporate Centre, State Bank Bhavan,  
Madame Cama Road,  
Mumbai – 400 021  
Tel no.: +91-22-2274 0170  
Fax no.: +91-22-2202 3487  
E-mail: cfo.sbi@sbi.co.in

##### **4. Compliance Officer and Company Secretary of the Issuer:**

Shri Sham K  
Assistant General Manager  
State Bank of India  
Corporate Centre, State Bank Bhavan,  
Madame Cama Road,  
Mumbai – 400 021  
Tel no.: +91-22-2274 0845  
Fax no.: +91-22-2285 5348  
E-mail: vp.compliance@sbi.co.in

## 5. Arranger of the Issue:



SBI Capital Markets Limited  
202, Maker Tower 'E',  
Cuffe Parade, Mumbai - 400 005  
Contact Person: Sanjay Sethia, Senior Vice President (DCM)  
Tel: +91-22-22178300  
Fax: +91-22-2218 8332  
Email: dcm@sbicaps.com  
Website: www.sbicaps.com

SBI Capital Markets Limited is a wholly-owned subsidiary of the Issuer

## 6. Trustee of the Issue:



IDBI Trusteeship Services Limited  
Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai 400 001  
Contact Person: Ms. Sneha Jadhav, Compliance Officer  
Tel: +91-22-4080 7000  
Fax: +91-22-6631 1776  
Email: itsl@idbitrustee.com  
Website: [www.idbitrustee.com](http://www.idbitrustee.com)

## 7. Registrar of the Issue:



Alankit Assignments Limited  
SEBI Reg No.: INR000002532  
205-208, Anarkali Complex,  
Jhandewalan Extension,  
New Delhi- 110055  
Contact Person: Mr. Abhinav Agarwal, Head of Operations – Regtech (RTA)  
Tel.: +91-11-4254 1234  
Fax: +91-11-2355 2001  
Email: sbi.igr@alankit.com  
Website: [www.alankit.com](http://www.alankit.com)

## 8. Credit Rating Agencies of the issue:



### ICRA Limited

B-710, Statesman House,  
148, Barakhamba Road,  
New Delhi – 110 001  
Contact Person: Mr. Karthik Srinivasan  
Tel: +91-11-2335 7940  
Email: karthiks@icraindia.com  
Website: www.icra.in



### India Ratings & Research Private Limited

Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Mumbai-400051  
Contact Person: Arunima Basu, Compliance Officer  
Tel: +91-22-4035 6190  
Fax: +91-22-4000 1701  
Email: arunima.basu@indiaratings.co.in  
Website: www.indiaratings.co.in

## 9. Guarantor: Not Applicable

## 10. Statutory auditors of the Issuer:

Sr. No.	Name of the Firm	Details
1.	M/s. A S A & Associates LLP FRN: 009571N/N500006	81/1, Third Floor Adchini Aurobindo Marg, New Delhi - 110 017 Tel: +91-11- 4613 6688 Email: parveen.kumar@asa.in Contact Person: Mr. Parveen Kumar Website: <a href="http://www.asa.in">www.asa.in</a>
2.	M/s Guha Nandi & Co. FRN: 302039E	2A Ganesh Chandra Avenue Commerce House, 5th Floor, Room No 8D &E Kolkata - 700 013 Tel: +91-33-2213 2929 /2930 Email: drbskundu@gmail.com Contact Person: Dr. B S Kundu
3.	M/s Prem Gupta & Co., FRN: 000425N	T 2342 Ashok Nagar Faiz Road, Karol Bagh New Delhi – 110 005 Tel: +91-11-4507 0187 Email: office@pguptaco.com; pguptaco@yahoo.co.in Contact Person: Mr. Shakun Gupta

		Website: <a href="http://www.pguptaco.com">www.pguptaco.com</a>
4.	M/s. M.C. Bhandari & Co. FRN: 000734 C	4, Synagogue Street, Suite #205, 2nd floor, Kolkata – 700 001 Tel: +91-33-2242 6077 Email: mcbncokol@gmail.com; mail@mcb.net.in Contact Person: Mr. Nikhil Jain Website: mcb.net.in
5.	M/s. Talati & Talati LLP. FRN: 110758W/W100377	Ambica Chambers, Near Old High Court, Navrangpura, Ahmedabad – 380 009 Tel: +91-79-2754 4571 / 72 / 74 Email: umesh@talatiandtalati.com Contact Person: Mr. Umesh Talati Website: www.talatiandtalati.com
6.	M/s. V Singhi & Associates FRN: 311017E	Four Mango Lane, Surendra Mohan Ghosh Sarani, Ground Floor, Kolkata – 700 001 Tel: +91-33- 2210 1125 / 26 Email: vsinghiandco@gmail.com Contact Person: Mr. V K Singhi Website: <a href="http://www.vsinghi.in">www.vsinghi.in</a>
7.	M/s. Suri & Co. FRN: 004283S	Park Circle, 2nd floor, NO.20, Moores Road, Thousand Lights, Chennai – 600 006. Tel: +91-44-2825 1140 / 50 Email: chennai@suriandco.com Contact Person: Mr. Sanjeev Aditya Website: suriandco.com
8.	M/s. K C Mehta & Co. LLP FRN: 106237W/W100829	Meghdanush, Race Course, Vadodara – 390 007, Gujarat Tel: +91-265-234 1626 / 244 0400 Email: office@kcmehta.com Contact Person: Mr. Chirag Bakshi Website: <a href="http://www.kcmehta.com">www.kcmehta.com</a>
9.	M/s. Gokhale & Sathe FRN: 103264W	304/308/309, Udyog Mandir No.1, Bhagoji Keer Marg, Mahim, Mumbai – 400016 Tel: +91-22-4348 4242 Email: <a href="mailto:rahul@gokhalesathe.in">rahul@gokhalesathe.in</a> Contact Person: Rahul Joglekar, Partner Website: www.gokhalesathe.in
10.	M/s. M.K. Aggarwal & Co. FRN: 001411N	30, Nishant Kunj, Pitampura, New Delhi – 110 034 Tel: +91-11- 4751 7171 Email: <a href="mailto:atul@mkac.in">atul@mkac.in</a> Contact Person: Atul Aggarwal, Partner Website: www.mkacpro.com
11.	M/s. Ravi Ranjan & Co. LLP FRN: 009073N	505-A, Fifth Floor, Rectangle-1, D-4, District Centre, Saket, New Delhi-110017 Tel: +91-11- 4054 8860 / 62 Email: <a href="mailto:ravirajan@sravigroup.com">ravirajan@sravigroup.com</a> Contact Person: Gaurav Sharma , Partner

		Website: <a href="http://www.ravirajan.co.in">www.ravirajan.co.in</a>
12.	M/s JLN US & Co. FRN: 101543W	330/348, Third Floor, Tower A, Atlantis K-10 Opp. Vadodara Central, Sarabhai Main Road, Vadodara – 390 023 Tel: +91 - 265 - 231 1146 Email: <a href="mailto:abhishek.nagori@jlnus.com">abhishek.nagori@jlnus.com</a> Contact Person: Abhishek Nagori, Partner Website: <a href="http://www.jlnus.com">www.jlnus.com</a>

**B. A Brief Summary of the business / activities of the Issuer and its subsidiaries with the details of branches / units and its line of business:**

**1. Overview:**

The Bank has 22,381 branches in India, 233 international offices in 30 countries as on 31<sup>st</sup> December 2022. As on 30th September 2022, the Bank had on a standalone basis, total deposits, net advances and a total assets base of ₹ 41,90,255 crores, ₹29,51,288 crores and ₹51,99,801 crores, respectively. Based on RBI data, as on the last reporting Friday of September 2022, and the last reporting Friday of September 2021, the Bank's market share of aggregate domestic deposits was 23.25% and 23.46%, respectively, and its market share of domestic advances was 19.78% and 19.75%, respectively, among all scheduled commercial banks in India. The Government of India is the majority shareholder of the Bank, owning 56.92% of the Bank's issued shares as at 31<sup>st</sup> December 2022.

The Bank organizes its client relationships, marketing and product development, as well as non-customer facing activities, through its principal business groups. The Bank's business groups are as follows:

- **Retail & Digital Banking Group:** The Retail and Digital Banking Group services the Bank's personal banking customers in urban, metropolitan, rural and semi-urban areas, small-scale industries, including state-owned enterprises, and corporate customers which are not serviced by either the Corporate Accounts Group or the Commercial Clients Group. The Retail and Digital Banking Group also provides financial services to the Government and state governments.
- **Corporate Accounts Group (CAG):** The Corporate Accounts Group provides corporate banking services to corporations and institutions based on quality (external or internal rating) of the account, the potential to do business, and the client's reputation or strategic importance, to focus on the highest priority and quality individual and group relationships with differentiated coverage
- **Commercial Clients Group (CCG):** The Commercial Clients Group provides corporate banking services to corporations and institutions other than having relationship with Corporate Accounts Group and enjoying credit facilities of more than Rs. 50 crores.
- **Global Markets Unit:** The Global Markets Unit is responsible for the Bank's treasury functions, managing domestic liquidity, its investment portfolio and foreign currency exposure. The Global Markets Unit also provides foreign exchange and risk hedging derivative products.
- **International Banking Group:** The International Banking Group through its international branches, subsidiaries, representative offices and joint ventures, provides a range of international banking services to Indian and foreign companies with operations within and



outside India, non-resident Indians in international markets, as well as the local population in such jurisdictions

- **Stressed Assets Resolution Group:** The Stressed Assets Resolution Group, which is responsible for managing the Bank's NPAs in accordance with the Bank's credit policy and procedures committee's policies, including managing the feasibility of restructuring of debt.

The range of products and services offered by the Bank includes loans, advances and deposits (both retail and wholesale), foreign exchange and derivatives products, retail lending and deposits, fee-and commission-based products and services, as well as alternative payment products. The Bank is also present, through its subsidiaries and joint ventures, in diverse segments of the Indian financial sector, including asset management, investment banking, factoring and commercial services, treasury operations, credit cards, payment services, life insurance and general insurance.

The Bank is the largest constituent part of the SBI group, and represented 92.83%, 93.04%, 93.58% and 94.14% of the Group's total assets as on 30<sup>th</sup> September 2022, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021, and 31<sup>st</sup> March 2020 respectively. The Bank also conducts operations outside India, through branches, representative offices as well as subsidiaries, associates, joint ventures and investments outside India.

The Bank's standalone deposits, net advances and total assets were ₹41,90,255 crores, ₹29,51,288 crores and ₹51,99,801 crores, respectively, as on 30<sup>th</sup> September 2022; ₹40,51,534 crores, ₹27,33,967 crores and ₹49,87,597 crores, respectively, as on 31<sup>st</sup> March 2022; ₹36,81,277 crores, ₹24,49,498 crores and ₹45,34,430 crores, respectively, as on 31<sup>st</sup> March 2021; and ₹32,41,621 crores, ₹23,25,290 crores and ₹39,51,394 crores, respectively, as on 31<sup>st</sup> March 2020. The Bank's net profit for half-year ended 30<sup>th</sup> September 2022, Fiscal 2022, 2021 and 2020 was ₹19,333 crores, ₹31,676 crores, ₹20,410 crores and ₹14,488 crores, respectively.

The Group's consolidated deposits, net advances and total assets were ₹42,30,342 crores, ₹30,15,270 crores and ₹56,01,691 crores, respectively, as on 30<sup>th</sup> September 2022; ₹40,87,411 crores, ₹27,94,076 crores, ₹53,60,884 crores, respectively, as on 31<sup>st</sup> March 2022; ₹37,15,331 crores, ₹25,00,599 crores, ₹48,45,619 crores, respectively, as on 31<sup>st</sup> March 2021; and ₹32,74,161 crores, ₹23,74,311 crores and ₹41,97,492 crores, respectively, as on March 31, 2020. The Group's consolidated net profit for half year ended 30<sup>th</sup> September 2022, Fiscal 2022, 2021, 2020 was ₹22,077 crores, ₹35,374 crores, ₹22,405 crores and ₹19,768 crores respectively.

#### Details of Subsidiaries / Joint Ventures/ Associate of the Issuer as on 30<sup>th</sup> September 2022:

Sr. No.	Name of Company	Group Stake	Nature of Relationship with SBI	Brief Summary of business / activities
1.	SBI Capital Markets Limited	100.00%	Subsidiary	Merchant Banking & Advisory Services
2.	SBICAP Securities Limited	100.00%	Step-down Subsidiary	Securities Broking & its allied services and third-party distribution of financial products.
3.	SBICAP Trustee Company Ltd.	100.00%	Step-down Subsidiary	Corporate Trusteeship Activities
4.	SBICAP Ventures Ltd.	100.00%	Step-down Subsidiary	Asset Management Company for Venture Capital Fund
5.	SBICAP (Singapore)	100.00%	Step-down	Business & Management

	Ltd.#		Subsidiary	Consultancy Services
6.	SBI DFHI Ltd.	72.17%	Subsidiary	Primary Dealer in Govt. Securities
7.	SBI Global Factors Ltd	100.00%	Subsidiary	Factoring Activities
8.	SBI Infra Management Solutions Pvt. Ltd#	100.00%	Subsidiary	Real Estate Management and Consultancy Services to SBI
9.	SBI Mutual Fund Trustee Company Pvt Ltd.	100.00%	Subsidiary	Trusteeship Services to schemes floated by SBI Mutual Fund
10.	SBI Payment Services Pvt. Ltd.@	74.00%	Subsidiary	Payment Solution Services
11.	SBI Pension Funds Pvt Ltd	92.52%	Subsidiary	Management of assets of NPS Trust allocated to them and acting as PoP for onboarding of NPS subscribers
12.	SBI Life Insurance Company Ltd	55.46%	Subsidiary	Life Insurance
13.	SBI General Insurance Company Ltd.	69.96%	Subsidiary	General Insurance
14.	SBI Cards and Payment Services Ltd.	69.18%	Subsidiary	Credit Card Business
15.	SBI-SG Global Securities Services Pvt. Ltd.@	65.00%	Subsidiary	Custody and Fund Accounting Services
16.	SBI Funds Management Ltd.@	62.59%	Subsidiary	Asset Management Services to schemes floated by SBI Mutual Fund
17.	SBI Funds Management (International) Private Ltd.@	62.59%	Step-down Subsidiary	Investment Management Services
18.	Commercial Indo Bank Llc , Moscow@	60.00%	Subsidiary	Banking
19.	SBI Canada Bank	100.00%	Subsidiary	Banking
20.	State Bank of India (California)	100.00%	Subsidiary	Banking
21.	State Bank of India (UK) Limited	100.00%	Subsidiary	Banking
22.	State Bank of India Servicos Limitada	100.00%	Subsidiary	Marketing/Representative outfit that solicits business for other foreign offices of SBI
23.	SBI (Mauritius) Ltd.	96.60%	Subsidiary	Banking
24.	PT Bank SBI Indonesia	99.34%	Subsidiary	Banking
25.	Nepal SBI Bank Ltd	55.00%	Subsidiary	Banking
26.	Nepal SBI Merchant Banking Limited	55.00%	Subsidiary	Merchant Banking and Advisory Services
27.	State Bank Operations Support Services Pvt. Ltd.	100.00%	Subsidiary	To focus on support services for the operations and maintenance of Agri/MSME/ micro loan segments at RUSU Branches and RACCs while also undertaking activities permissible for a Business Correspondent (BC).
28.	C - Edge Technologies Ltd.	49.00%	Joint Venture	Information Technology related services & solutions to financial institutions
29.	SBI Macquarie Infrastructure	45.00%	Joint Venture	Asset Management Company

	Management Pvt. Ltd.			
30.	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	45.00%	Joint Venture	Trustee Company
31.	Macquarie SBI Infrastructure Management Pte. Ltd.	45.00%	Joint Venture	Asset Management Company
32.	Macquarie SBI Infrastructure Trustee Ltd.	45.00%	Joint Venture	Trustee Company
33.	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	50.00%	Joint Venture	Asset Management Company
34.	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	50.00%	Joint Venture	Trustee Company
35.	Jio Payments Bank Ltd.	30.00%	Joint Venture	Payments Bank
36.	Andhra Pradesh Grameena Vikas Bank	35.00%	Associate	Banking Services
37.	Arunachal Pradesh Rural Bank	35.00%	Associate	Banking Services
38.	Chhattisgarh Rajya Gramin Bank	35.00%	Associate	Banking Services
39.	Ellaquai Dehati Bank	35.00%	Associate	Banking Services
40.	Madhyanchal Gramin Bank	35.00%	Associate	Banking Services
41.	Meghalaya Rural Bank	35.00%	Associate	Banking Services
42.	Mizoram Rural Bank	35.00%	Associate	Banking Services
43.	Nagaland Rural Bank	35.00%	Associate	Banking Services
44.	Saurashtra Gramin Bank	35.00%	Associate	Banking Services
45.	Utkal Grameen Bank	35.00%	Associate	Banking Services
46.	Uttarakhand Gramin Bank	35.00%	Associate	Banking Services
47.	Jharkhand Rajya Gramin Bank	35.00%	Associate	Banking Services
48.	Rajasthan Marudhara Gramin Bank	35.00%	Associate	Banking Services
49.	Telangana Grameena Bank	35.00%	Associate	Banking Services
50.	The Clearing Corporation of India Ltd.	20.05%	Associate	Central Counter Party / Clearing Corporation
51.	Yes Bank Ltd.	30.00%	Associate	Banking
52.	Bank of Bhutan Ltd	20.00%	Associate	Banking
53.	Investec Capital Services (India) Private Limited	19.70%	Associate	Merchant Banking, Investment Advisory, financial consultancy, Management Consultancy, Broking & Other related services
54.	SBI Home Finance Ltd.#	26.00%	Associate	
55.	SBI Foundation*	99.72%	Subsidiary	A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities

Note: For calculation of Group Stake, in case of the equity shares jointly held with Group entities, only

proportionate shareholding to the extent of SBI's shareholding in that Group entity is taken into consideration.  
 @ Represents companies which are jointly controlled entities in terms of the shareholders' agreement.  
 # Represents companies which are in process of / passed resolution for winding up  
 \* Represents A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities

### **Brief Details of some subsidiaries (updated as on 31<sup>st</sup> March 2022)**

#### ***SBI Capital Markets Limited (SBICAP)***

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI Capital Markets Limited	58.03	100%	620.10
SBICAP Securities Limited (SSL)	Step Down Subsidiary		232.89
SBICAP Ventures Limited (SVL)	Step Down Subsidiary		32.28
SBICAP (Singapore) Limited (SSGL)	Step Down Subsidiary		*
SBICAP Trustee Co. Limited (STCL)	Step Down Subsidiary		15.71

\* in process of winding up

SBI Capital Markets Limited (SBICAPS), a 100% owned subsidiary of the Bank, is a 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.

On a standalone basis, SBICAPS posted a PBT of Rs. 601.66 crores during FY2022 against Rs. 573.11 crores during FY21 and a PAT of Rs. 339.70 crores for FY2022 as against Rs. 273.25 crores for FY2021. On a consolidated basis, the Company has posted a profit after tax of Rs. 620.10 crores against Rs. 527.10 crores in the previous year.

#### ***SBICAP Securities Limited (SSL)***

SBICAP Securities Ltd (SSL), one of the 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. The Company posted a net profit of Rs. 232.89 crore during the year ended FY2022 as against Rs. 207.70 crore in FY2021.

#### ***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). SVL has earned a gross revenue of Rs. 91.75 crores for FY2022 as against Rs. 79.77 crores for FY2021. SVL has posted a net profit of Rs. 32.28 crores for FY2022 as against Rs. 37.04 crores for FY2021.

#### ***SBICAP Trustee Co. Ltd (STCL)***

STCL, commenced the Security Trustee business on 1st August 2008, is active in providing security trustee services for high-value lending to infra projects and large and medium corporates. 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 Rs. 15.71 crores during FY2022 against Rs. 12.98 crores in FY2021.

**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 and Payment Services Limited (SBICPSL)**

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI Cards and Payment Services Limited	652.63	69.19%	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.

**SBI DFHI Limited (SBIDFHI)**

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
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 Rs. 142.06 crore as of 31<sup>st</sup> March 2022, as against Rs. 251.67 crore as of March 31, 2021. The total balance sheet size was Rs. 13,079.28 crore as of March 31, 2022, as against Rs. 10,013.90 crore as of March 31, 2021.

**SBI General Insurance Company Limited (SBIGIC)**

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI General Insurance Company Ltd	151	69.96%	131

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 generated a net profit of Rs. 131 crores in FY2022.

**SBI Global Factors Limited (SBIGFL)**

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI Global Factors Limited\$	137.79	86.18%	25.26

\$SBI has acquired remaining equity stake of 13.82% from existing shareholders. Post-acquisition, SBI will hold

100% shareholding in SBI Global Factors Limited.

SBIGFL is an 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 Rs. 25.26 crore for the year ended March 2022 against Rs. 18.47 crore for the year ended March 2021. The turnover for the year ended March 2022 is Rs. 4,773 crores compared to a turnover of Rs. 4,352 crore in March 2021.

***SBI Life Insurance Company Limited (SBI Life)***

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI Life Insurance Company Limited	555	55.48%	1,506

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.

SBI Life witnessed a PAT of Rs. 1,506 crores in FY22 against Rs. 1,456 crores in FY21. The AUM of the Company crosses Rs. 2.6 trillion mark and recorded a growth of 21% at Rs. 2,67,409 crores as of 31<sup>st</sup> March 2022 as compared to Rs. 2,20,871 crores as of 31<sup>st</sup> March 2021.

***SBI Funds Management Limited (SBIFML)***

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI Funds Management Limited	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. The Company's Average Assets Under Management (AAUM) during the quarter ended March 2022 was Rs. 6,47,067 crore as against Rs. 5,04,455 crore achieved during the corresponding period in the previous year. On a standalone basis, SBIFML has posted a net profit (PAT) of Rs. 1070.65 crore during the year against Rs. 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 Pension Funds Private Limited (SBIPFPL)***

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI Pension Funds Private Limited	18	92.52%	51.98

SBI Capital Markets Ltd. and SBI Funds Management Ltd. hold 20% each in the equity of SBI Pension Funds Pvt. Ltd.

SBIPFPL is one of the 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 PFMs appointed for the management of Pension Funds under the Private Sector.

The Company's total Assets Under Management (AUM) as of 31st March 2022 is Rs. 2,82,476 crores (YoY growth of 26.89%). The Company has earned PAT of Rs. 51.98 cr. in FY 2021-22.

**SBI SG Global Securities Services Private Limited (SBI-SG)**

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI SG Global Securities Services Private Limited	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 Rs. 12,70,299 crores as of 31.03.2022, while the Assets Under Management (AUM) is Rs. 8,99,880 Cr as of 31.03.2022. The Company's net profit stands at Rs. 100.19 crores for the FY22 as against Rs. 87.02 crores for FY21.

**SBI Payment Services Private Limited (SBI Payments)**

Name	Ownership (SBI Interest) (Rs. Crores)	Ownership (%)	Net Profit / (Loss) for FY 2022 (Rs. Crores)
SBI Payment Services Private Limited	4.50	74%	142.36

SBI has formed 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 Foundation**

SBI Foundation was established by State Bank of India in 2015 as a Section 8 company under Companies Act (2013) to undertake the CSR activities of SBI and its Subsidiaries in a planned and focused manner.

## 2. Risk Factors

*Investors should carefully consider the risks described below, together with the risks described in the other sections of this Placement Memorandum before making any investment decision relating to the Bonds. In making an investment decision, each investor must rely on its own examination of information of the Bank and the terms of the Bonds. The risks described below are not the only ones that may affect the Bonds. Additional risks not currently known to the Bank or that the Bank currently deems immaterial may also impair the Bank's business operations. The occurrence of any of the following events could have a material adverse effect on the Bank's business including the quality of its assets, its liquidity, its financial performance, its ability to implement its strategy and its ability to repay the interest or principal on the Bond in a timely manner or at all.*

*Before making an investment decision, prospective investors should carefully consider all of the*

information contained in this Placement Memorandum, including the financial statements included in this Placement Memorandum.

## **RISKS RELATING TO THE BANK'S BUSINESS**

***The outbreak, or threatened outbreak, of any severe communicable disease or any other serious public health concerns in Asia, such as the COVID-19 pandemic, could have a material adverse effect on the Bank's business, financial condition and results of operations.***

The outbreak, or continued or threatened outbreak, of any other severe communicable disease, such as Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome-Corona virus, avian influenza (commonly known as bird flu), H1N1 or any another similar disease could materially and adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. More recently, the outbreak or continued outbreak of the novel strain of coronavirus ("COVID-19") first detected in the PRC, which was declared a global pandemic by organizations such as the World Health Organization in the first quarter of 2020, and severely affected and continues to seriously affect the global economy and the Bank's business, financial condition and results of operations. The COVID-19 pandemic is ongoing and rapidly evolving.

The COVID19 pandemic and policies implemented by governments to deter the spread of the disease have had, and may continue to have, an adverse effect on consumer confidence and the general economic conditions the Bank's business is subject to.

COVID-19 has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time. Such uncertainties and volatilities may adversely affect the Indian economy and the economy globally, the Bank, its business and financial condition, results of operations, prospects, liquidity and capital position. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same.

Further, during the COVID-19 pandemic period, the Supreme Court, in public interest litigations filed before it, passed orders directing banks not to declare any domestic loan account as NPA which was standard as on a cut-off date. Though, now such orders have been vacated by the Supreme Court, there can be no assurance that such stay/prohibitive order will not be repeated in similar circumstances or otherwise adversely affecting recoveries in future.

If the Bank is not able to control or reduce the level of NPAs, the overall quality of the Bank's loan portfolio may deteriorate, and the Bank's results of operations and/or cash flows may be adversely affected. Moreover, there also can be no assurance that there will be no further deterioration in the Bank's provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that the Bank will be able to recover will be similar to its past experience of recoveries of NPAs. In the event of any deterioration in the Bank's NPA, there could be an even greater adverse impact on the results of its operations and/or cash flows. Furthermore, other uncertainties in the global economy and the Indian economy may also adversely affect the Bank's business, financial condition and results of operations in many ways, including, among others:

- during a period of economic slowdown, there is a greater likelihood that more of the Bank's customers or counterparties could become delinquent in respect of their loan repayments or other obligations to the Bank, which, in turn, could result in a higher level of NPAs, allowances for impairment losses and write-offs;



- the increased regulation and supervision by the financial services industry in response to the financial crisis in certain jurisdictions where the Bank operates may restrict its business flexibility and increase the compliance costs;
- the value of the Bank's investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline;
- the Bank's ability to raise additional capital on favourable terms, or at all, could be adversely affected; and trade and capital flows may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect Bank's business prospects.

Any potential market and economic downturns, economic slowdown or geopolitical uncertainties in India, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the capital markets. In addition, global economic uncertainty and the slowdown in India's economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. The Bank cannot predict whether or when such actions may occur, nor can the Bank predict what ultimate impact, if any, such actions or any other governmental actions could have on Bank's business, results of operations and financial condition. There can be no assurance that India's economy or the global economy will continue to improve or maintain sustainable growth. The extent to which the COVID-19 pandemic impacts the Bank will depend on future developments, such as the timeliness and effectiveness of actions to contain the spread or to mitigate the impact of COVID-19 in India and globally and the development and dissemination of an effective and economical vaccine, each of which are highly uncertain and cannot be predicted. There can be no assurance that the Bank's financial performance will not be materially and adversely affected by any such effects, whether direct or indirect, of COVID-19. Investors must exercise caution before making any investment decisions.

***The Bank's business is particularly vulnerable to interest rate risk, and volatility in interest rates could adversely affect its Net Interest Margin, the value of its fixed income portfolio, its income from treasury operations and its financial performance.***

The Bank could be adversely impacted by a rise in generally prevailing interest rates on deposits, especially if the rise were to be sudden or sharp. If such a rise in interest rates were to occur, the Bank's net interest margin could be adversely affected because the interest paid by the Bank on its deposits could increase at a higher rate than the interest received by the Bank on its advances and other investments.

The requirement that the Bank maintain a portion of its assets in fixed income government securities could also have a negative impact on its treasury income because the Bank typically earns interest on this portion of its assets at rates that are generally less favourable than those typically received on its other interest-earning assets. In addition, other members of the Group carrying on banking and / or lending operations are subject to similar risks.

The Bank is also exposed to interest rate risk through its treasury operations, banking subsidiaries and its subsidiary, SBI DFHI Limited, which is a Primary Dealer in government securities. A rise in interest rates or greater interest rate volatility could adversely affect the Bank's income from treasury operations or the value of its fixed income securities trading portfolio. Sharp and sustained increases in the rates of interest charged on floating rate home loans, which are a material proportion of its loan portfolio, would result in extension of loan maturities and higher monthly instalments due from borrowers, which could result in higher rates of default in this portfolio.

As of March 31, 2022, the policy repo rate was 4.00%. It was increased by 40 basis points (bps) in an off-cycle meeting in May 2022. Further, it was increased from 4.40% to 4.90% in June 2022, from 4.90% to 5.40% in August 2022 and from 5.40% to 5.90% in September 2022. Changes in official interest rates tend to flow through into changes in commercial interest rates, including rates for deposits and lending. However, the rates applying to the Bank's funding (including deposits) and its lending may not move at the same time and the same rate.

In the future, if the yield on the Bank's interest-earning assets does not increase at the same time or to the same extent as its cost of funds, or if its cost of funds does not decline at the same time or to the same extent as the yield on its interest-earning assets, its net interest income and net interest margin would be adversely impacted.

***If the Bank fails to maintain desired levels of customer deposits or loans, its business operations may be materially and adversely affected.***

Customer deposits are the Bank's primary source of funding. However, many factors affect the growth of deposits, some of which are beyond the Bank's control, such as economic and political conditions, availability of investment alternatives and retail customers who may change their perceptions toward savings. For example, retail customers may reduce their deposits and increase their investment in securities for higher returns, while small- and medium-sized enterprises ("SMEs") and mid-corporate customers may reduce their deposits in order to fund projects in a favorable economic environment. If the Bank fails to maintain its desired level of deposits, the Bank's liquidity position, financial condition and results of operations may be materially and adversely affected. In such a situation, the Bank may need to seek more expensive sources of funding. The Bank's ability to raise additional funds may be impaired by factors over which it has little or no control, such as poor market conditions or severe disruptions in the financial markets.

Conversely, the Bank may slowly reduce the interest rates it offers on deposits (if required) to protect the spread it enjoys if the Indian banking system is showing a lower rate of credit growth. Further, the Bank must devise certain strategies to lend surplus funds to existing or new borrowers in order to earn interest income and protect its net interest margin. If the Bank cannot secure sufficient loan volumes or earn sufficient interest on its lending due to economic conditions or other factors, its ability to earn income and maintain and increase its net interest margin may be materially adversely affected.

***The Bank has a large portfolio of Government securities that may limit its ability to deploy funds into higher yielding investments***

As a result of reserve requirements mandated by RBI, the Bank is more structurally exposed to interest rate risk. Under RBI regulation, the Bank's liabilities are subject to the statutory liquidity ratio ("SLR") requirement, which requires that a minimum specified percentage of a bank's demand and term liabilities be invested in approved securities. The RBI may increase the SLR requirements to curb inflation or absorb excess liquidity. The SLR is presently 18%.

As of March 31, 2022, Government securities represented 80.73% of the Bank's domestic investment portfolio and comprised 29.66% of the Bank's domestic deposits. The Bank earns interest on such Government securities at rates which are less favorable than those which it typically receives in respect of its retail and corporate loan portfolio, which impacts the Bank's net interest income and net interest margin. In addition, the market and accounting value of such securities could be adversely affected by overall rising interest rates.

As of March 31, 2022, 71.71% of the Bank's Government securities portfolio, amounting to Rs. 8,33,383 crores were held under the "Held to Maturity" portfolio. Although many of these Government securities are short-term in nature, the market value of the Bank's holdings could decrease if interest rates increase. Under such a scenario, the Bank would face a choice to either liquidate its investments and realize a loss or hold the securities and possibly be required to recognize an accounting loss upon marking to market the value of such investments, either of which outcomes could adversely impact its results of operations.

***A substantial portion of the Bank's income is derived from its government operations, a slowdown in which could adversely affect the Bank's business.***

The Government generates significant business activity in the economy. For fiscal year 2022, the Bank's total Government business turnover was Rs. 55,18,281 crores and the Bank earned commission from Government transactions of Rs. 3,713 crores, or 9.16% of the Bank's other (non-interest) income. While the Bank has enjoyed a strong working relationship with the Government in the past, there is no assurance that this relationship will continue in the future.

For example, on July 1, 2012, the RBI declared that all private sector banks would be eligible to handle Central and State Government business and would be considered on an equal basis with public sector banks. Prior to this declaration by the RBI, only public sector banks and three designated private banks could conduct Government business. The Government is not obligated to choose the Bank to conduct any of its transactions. If the Bank cannot successfully compete with private banks for Government business or the Government chooses other public sector banks to conduct transactions currently performed by the Bank or if the rates paid by the Government to the dealing banks decline, the Bank's business and/or the income derived from its Government operations will be adversely affected.

***If the Bank is not able to control or reduce the level of "NPAs" in its portfolio, its business will be adversely affected.***

The Bank's gross NPAs decreased from Rs. 1,49,091 crores as of March 31, 2020 to Rs. 1,26,389 crores as of March 31, 2021 and decreased to Rs. 1,12,023 crores as of March 31, 2022, representing 6.15%, 4.98% and 3.97% respectively, of gross advances; net NPAs decreased from Rs. 51,871 crores as of March 31, 2020 to Rs. 36,810 crores as of March 31, 2021 and decreased to Rs. 27,966 crores as of March 31, 2022 representing 2.23%, 1.50% and 1.02% respectively, of net advances. The Bank's NPAs may increase in the future and any significant increase in NPAs may have a material adverse effect on the Bank's financial condition and results of operations. The Bank's NPAs can be attributed to several factors, including increased competition arising from economic liberalization in India, inconsistent industrial growth, the high level of debt in the financing of projects and capital structures of companies in India and the high interest rates in the Indian economy during the period in which a large number of projects contracted their borrowings, which reduced profitability of some of the Bank's borrowers. Although the Bank's loan portfolio contains loans to a wide variety of businesses, financial difficulties experienced by the Bank's customers or by sectors of the Indian economy to which the Bank has exposure could increase the Bank's level of NPAs and adversely affect its business, future financial performance, shareholders' funds and the trading price of the Bonds. For example, the Bank is required by RBI regulations to extend 40.0% of its net bank credit to certain "priority sectors," such as agriculture, and economic difficulties may affect borrowers in priority sectors more severely. Economic downturns experienced in priority sectors would likely have a direct adverse effect on the Bank's NPA levels.

***Financial difficulties and other problems in certain financial institutions in India could adversely affect the Bank's business and the trading price of the Bonds.***

The Bank is exposed to the risks inherent in the financial system. These risks are driven by the financial difficulties faced by certain financial institutions, whose commercial soundness may be closely interrelated as a result of credit, trading, clearing or other relationships among them. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom the Bank interacts on a daily basis. Any such difficulties or instability of the financial system in general could create an adverse market perception about financial institutions and banks and adversely affect the Bank's business and the trading price of the Bonds.

Failures and defaults by a few large NBFCs in the last few years, have led to volatility in the Indian debt and equity markets and heightened investors' concern about the systematic risks that Indian financial institutions face. There is no assurance that these defaults by NBFCs will not have more significant repercussions on India's financial market as a whole, which may adversely affect the Bank's business, operations, financial performance and the trading price of the Bonds.

***The Bank has high concentrations of loans to certain customers and if a substantial portion of these loans were to become non-performing, the quality of its loan portfolio could be adversely affected.***

As of March 31, 2022, the Bank's total exposure to borrowers (fund-based, including derivatives, investments and non-fund-based, including guarantees) was Rs. 45,24,884 crores. The 20 largest borrowers/customers in aggregate accounted for 11.05% of the Bank's total exposure on borrowers/customers as of March 31, 2022. Credit losses on these large borrowers/customers and/or group exposures could adversely affect the Bank's financial performance and the trading price of the Bonds.

***An increase in the Bank's portfolio of NPAs and provisioning requirements mandated by the RBI may adversely affect its business.***

As of March 31, 2022, 2021 and 2020, the Bank's gross NPAs represented 3.97%, 4.98% and 6.15% of gross advances, respectively, while net NPAs represented 1.02%, 1.50% and 2.23% respectively, of net advances as of such dates. As of March 31, 2022, 2021 and 2020, the Bank had provided for 90.20%, 87.75% and 83.62% respectively, of its total NPAs (including prudential write-offs) pursuant to applicable regulatory guidelines and the quality of security available to the Bank. If the level of NPAs in the Bank's portfolio increases, or if there is any deterioration in the quality of the Bank's security or further aging of the assets after being classified as non-performing, an increase in provisions will be required. This increase in provisions may adversely impact the Bank's financial performance and the trading price of the Bonds.

There can be no assurance that the percentage of the face value of the NPAs that the Bank will be able to recover will be similar to the Bank's past experience of recoveries of NPAs. The Bank's retail loan portfolio has grown in recent years, but there is limited data on historical loss ratios in retail loans, especially in the event of an economic slowdown. The tension in U.S. and China trade relations, continuing European sovereign credit crisis and the impact of global and Indian economic conditions on equity and debt markets may also lead to an increase in the level of NPAs in the Bank's corporate loan portfolio.

There can be no assurance that the RBI will not increase provisioning requirements. In 2009, the RBI adopted rules requiring banks to increase their provisioning coverage ratio ("PCR") to 70.0% of their

gross NPA position. In order to achieve this ratio, the Bank made provisions of Rs. 2,330 crores in fiscal year 2011 and Rs. 1,100 crores during the first two quarters of fiscal year 2012 as countercyclical provision. While the RBI has since relaxed this requirement, there can be no assurance that provisioning requirements will not increase in future. The Bank's PCR as of March 31, 2022, 2021 and 2020, was 90.20%, 87.75% and 83.62% respectively. The surplus from the provisioning under the PCR as against the provisioning required under the prudential provisioning norms is to be segregated into an account named countercyclical provisioning buffer. Any future RBI-mandated increases in provisions or other regulatory changes (including as a result of the Covid-19 pandemic) could lead to an adverse impact on the Bank's business, future financial performance and the trading price of the Bonds.

***The level of restructured loans in the Bank's portfolio may increase and the failure of its restructured loans to perform as expected could affect the Bank's business.***

The Bank's standard assets include restructured standard loans. As a result of rising interest rates and the limited ability of corporations to access capital due to the volatility in global markets, there has been an increase in restructured loans in the banking system as well as in the Bank's portfolio since fiscal year 2012. Economic and project implementation challenges in India and overseas, could result in additions to restructured loans and the Bank may not be able to control or reduce the level of restructured loans in its project and corporate finance portfolio.

The RBI places various requirements on banks, including disclosing the accounts restructured on a cumulative basis (excluding the standard restructured accounts which cease to attract higher provision and/or higher risk weight), the provisions made on restructured accounts under various categories and details of movement of restructured accounts. While continued initiatives and efforts by the RBI aim to provide banks with more powers to acquire control over their borrowers and for resolution of large stressed accounts, there can be no assurances that such efforts will lead to the turnaround in profitability or viability of such assets. The combination of changes in regulations regarding restructured loans, provisioning, and any substantial increase in the level of restructured assets and the failure of these restructured loans to perform as expected could adversely affect the Bank's business, future financial performance and the trading price of the Bonds.

***The Bank may experience delays in enforcing its collateral when borrowers default on their obligations to the Bank, which may result in a failure to recover the expected value of collateral security, exposing the Bank to a potential loss.***

A substantial portion of the Bank's loans to corporate customers is secured by real assets, including property, plant and equipment. The Bank's loans to corporate customers also include working capital credit facilities that are typically secured by a first charge on inventory, receivables and other current assets. In some cases, the Bank may have taken further security of a first or second charge on fixed assets, including investments in immovable properties and a pledge of financial assets like marketable securities, corporate guarantees and personal guarantees. A substantial portion of the Bank's loans to retail customers is also secured by the financed assets, predominantly property and vehicles. However, an economic downturn could result in a fall in the value of the collateral securing the Bank's loans. In addition, long drawn legal resolution processes may result in, or be accompanied by, a decrease in the value of the immovable property. Security created on shares of a borrower can be enforced without court proceedings. However, there can be delays in realization in the event that the borrower challenges the enforcement in a court of law. In the event that a corporate borrower makes a reference to the specialized judicial authority called the National Company Law Tribunal (the "NCLT") under the Insolvency and Bankruptcy Code ("IBC"), foreclosure and enforceability of collateral may be stayed.

The Insolvency and Bankruptcy Code enacted in 2016 provides for a time-bound mechanism to resolve stressed assets. The process of resolution of accounts referred to under the Insolvency and Bankruptcy Code is still evolving, with periodic amendments being incorporated through both legislation and judicial decisions. This could delay the resolution of accounts which have been referred for resolution under the Insolvency and Bankruptcy Code. Should the resolution of accounts not be achieved within the stipulated time of 180 days (extendable to maximum 270 days), the borrowers will go into compulsory liquidation, and the market value of the collateral may decrease, thus impacting the recovery of dues by lenders. While the time provided for recovery under liquidation is one year, the actual time of recovery may be longer as India is gradually developing an efficient secondary market for such distressed and secondhand assets.

The 'Prudential Framework for Resolution of Stressed Assets by Banks' (the "New Framework") has been issued by RBI on June 07, 2019 with a view to providing a framework for early recognition, reporting and time-bound resolution of stressed assets. These directions have been issued without prejudice to the issuance of specific directions, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act, 1949, for initiation of insolvency proceedings against specific borrowers under the Insolvency and Bankruptcy Code. The RBI has further mandated that the extant instructions on resolution of stressed assets, including the Resolution of Stressed Assets Framework for Revitalising Distressed Assets and Corporate Debt Restructuring Scheme stand withdrawn with immediate effect.

As of March 31, 2022, the Bank had referred 994 cases to the NCLT out of which 773 cases have been admitted. Furthermore, 152 cases have been resolved, including some high-value accounts from RBI's 1st & 2nd reference lists. The Bank may not be able to realize the full value of its collateral as a result of, among other factors, delays in bankruptcy and foreclosure proceedings (including as a result of stay orders prohibiting the lender from selling the assets of a defaulted borrower), defects in the registration of collateral and fraudulent transfers by borrowers. In addition, there is also no assurance that the Insolvency and Bankruptcy Code will continue to have a favorable impact on the Bank's efforts to resolve NPAs. A failure to recover the expected value of collateral security could expose the Bank to a potential loss and any, unexpected losses could adversely affect the Bank's business, its future financial performance and the trading price of the Bonds.

***The Bank's unsecured loan portfolio is not supported by any collateral to ensure repayment of the loan, and any such non-payment may adversely affect its financial condition.***

The Bank and certain other members of the Group offer unsecured personal loans and credit cards to the retail customer segment, including to salaried individuals and self-employed professionals. In addition, they offer unsecured loans to small businesses and individual businessmen. In fiscal year 2022, the Bank offered Rs. 7,44,594 crores of unsecured advances, which represented 27.23% of its net advances in those periods. The Bank's unsecured loans and advances to unrated borrowers are subject to greater credit risk than its secured loan portfolio because they may not be supported by realizable collateral. Although the Bank typically obtains direct debit instructions or post-dated cheques from its customers for its unsecured loan products, it may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any expansion in its unsecured loan portfolio could require it to increase its provision for credit losses, which would decrease its earnings and adversely affect its financial condition.

***The Indian banking industry is very competitive and the Bank's growth strategy depends on its ability to compete effectively.***

The Bank faces competition from Indian and foreign commercial banks in all of its products and services. The Bank competes with non-banking financial companies in its retail products and

services. In addition, since the Bank raises funds from market sources and individual depositors, it faces increasing competition for such funds. Applicable regulations currently permit foreign banks to establish wholly owned subsidiaries ("WOS") in India and to own up to 74.0% of equity in Indian private sector banks.

In November 2013, the RBI introduced the regulatory framework applicable to foreign banks in India. Pursuant to such framework, foreign banks may operate in India by establishing WOS. WOS of foreign banks are allowed to raise Rupee-denominated resources through the issue of non-equity capital instruments. Further, WOS of foreign banks may be allowed to open branches in Tier 1 to Tier 6 centers, except at specified locations considered sensitive for national security reasons.

In addition, the Bank Licensing Guidelines were issued by the RBI in February 2013, which specified that selected entities or groups in the private sector, entities in the public sector and non-banking financial companies with a successful track record of at least ten years would be eligible to provide banking services. In April 2014, the RBI granted in-principle approval to two applicants to set up banks under the New Bank Licensing Guidelines. To promote further financial inclusion in India, the RBI has issued licenses to 11 "Payment Banks" and 10 "Small Finance Banks" in 2015, with the objective to provide banking facilities to the sections of the Indian population that have yet to utilize banking services. These new banks will operate mostly in rural areas. In August 2016, the RBI issued new Guidelines for 'on tap' Licensing of Universal Banks in the private sector which stated that the initial minimum paid-up equity capital for a bank should be Rs. 500 crores and thereafter, the bank should have a minimum net worth of Rs. 500 crores at all times. Further, these new Guidelines provided for the setting up of a Standing External Advisory Committee by the RBI to deal with applications for new banking licenses. A review of the performance of the "Small Finance Banks" reveals that they achieved their priority sector targets and thus attained their mandate for furthering financial inclusion. Accordingly, there is a case for more players to be included to enhance access to banking facilities to small borrowers and to encourage competition. The RBI has in its press release dated June 6, 2019, proposed to issue draft guidelines for 'on tap' licensing of Small Finance Banks by the end of August 2019. The RBI has also decided that more time is needed to review the performance of payments banks before considering the licensing of this category of banks to be put 'on tap.' In order to give further impetus to digital retail payments, the RBI has decided that member banks shall not levy any charges from their savings bank account holders for funds transfers done through NEFT system which are initiated online.

Due to competition, the Bank may be unable to successfully execute its growth strategy and offer products and services at reasonable returns and this may adversely impact its business, future financial performance and the trading price of the Bonds.

***The Bank is subject to credit, market and liquidity risks which may have an adverse effect on its credit ratings and its cost of funds.***

To the extent that any of the instruments and strategies the Bank uses to hedge or otherwise manage its exposure to market or credit risk are not effective, the Bank may not be able to mitigate effectively its risk exposures, in particular to market environments or against particular types of risk. The Bank's balance sheet growth depends on economic conditions, as well as on its decisions to sell, purchase, securitize or syndicate particular loans or loan portfolios. The Bank's trading revenues and interest rate risk exposure depend on its ability to properly identify, and mark to market, changes in the value of financial instruments caused by changes in market prices or rates. The Bank's earnings also depend on the effectiveness of its management of migrations in credit quality and risk concentrations, the accuracy of its valuation models and its significant accounting estimates and the adequacy of its allowances for loan losses. To the extent that its assessments, assumptions or estimates prove inaccurate or not predictive of actual results, the Bank could suffer higher than anticipated losses.

The successful management of credit, market and operational risk is an important consideration in managing its liquidity risk because it affects the evaluation of its credit ratings by rating agencies. As of the date of this Placement Memorandum, this issue of the Bank is rated “[ICRA] AAA (Stable)” by ICRA, “IND AAA/Stable” by IRRPL for its Long-Term Bonds. Rating agencies may reduce or indicate their intention to reduce the ratings at any time. A downgrade in ratings may affect the trading price of the Bonds. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in its ratings. Any reduction in the Bank’s ratings (or withdrawal of ratings) may increase its borrowing costs, limit its access to capital markets and adversely affect its ability to sell or market its products, engage in business transactions, particularly longer-term and derivatives transactions, or retain its customers. This, in turn, could reduce its liquidity and negatively impact its operating results and financial condition.

***There are limitations in the scope of the procedures adopted by the Auditors in the audit and review of the Bank’s financial statements.***

The Bank has a large branch network, with 22,266 branches in India as of March 31, 2022. As noted in the audit reports for the audited financial statements of the Bank for fiscal years 2022, 2021 and 2020, included elsewhere in this Placement Memorandum, there are certain limitations in the scope of the audit of such financial statements and results. For example, as per report on audit of the standalone financial statements for fiscal year 2022 incorporate in the Balance Sheet, Profit and Loss Account and Cash Flow Statement, 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. If the Bank fails to maintain an effective internal audit system and if proper procedures are not followed by the Bank’s officials acting as concurrent auditors in the audit or review of the Bank’s financial statements and results, the audit or review of such financial statements and results may not be reliable which could adversely and materially affect the Bank’s results of operations and financial condition.

***The Bank could be subject to volatility in income from its treasury operations that could adversely impact its financial condition.***

The Bank’s treasury operations are vulnerable to changes in interest rates and exchange rates as well as other factors, all of which are trading risks that are faced by the Bank. Any decrease in income from the Bank’s treasury operations could adversely affect the Bank’s business if it were unable to offset the same by increasing returns on its loan assets.

The Bank is exposed to various industry sectors. Deterioration in the performance of any of these industry sectors where the Bank has significant exposure may adversely impact the Bank’s business.

The Group’s credit exposure to corporate borrowers is divided among various industry sectors, the most significant of which are infrastructure, iron and steel, NBFCs and trading, food processing, petroleum and petrochemicals and engineering. As of March 31, 2022, the top five industry sectors accounted for 31.93% of the Group’s fund-based outstanding exposures. The global and domestic trends in these industrial sectors may have a bearing on the Bank’s gross financial position.

The Bank is exposed to risks of significant deterioration in the performance of a particular sector, which may be driven by events not within the Bank’s control. Regulatory action or policy announcements by the Central or State Government authorities may also adversely impact the profitability of an industry and, therefore, the ability of borrowers in that industry to service their debt obligations, which could adversely affect the Bank’s business and operating results. For instance, weakened financial performance by key players in an industry, such as in the infrastructure sector,



could materially impact the industry as a whole as well as the financial market. Financial difficulties and other problems in financial institutions could adversely affect the Bank's business and the trading price of the Bonds. Increasing competition from other economies such as Bangladesh, Cambodia and Sri Lanka has softened the demand for India's textile export, which contributes to the significant portion of the Bank's exposure to the textile sector coming under stress. Although the Bank's portfolio contains loans to a wide variety of businesses, financial difficulties in these industry sectors may increase the level of NPAs and restructured assets, and adversely affect the Bank's business, its future financial performance, shareholders' funds and the trading price of the Bonds.

***The Bank's loan portfolio contains significant advances to the agricultural sector.***

The Bank's loan portfolio contains significant advances to the agricultural & allied activities (under priority sector) amounting to Rs. 2,26,324 crores as of March 31, 2022. Agricultural production is heavily dependent on weather cycles and is affected by general economic cycles, creating inherent risks in agricultural lending. Deterioration in the performance of the agricultural sector may lead to an increase in delinquency and adversely affect the Bank's business and financial condition. For example, any major floods or droughts which occur in the country will have a negative impact on customers in the affected regions, and in turn affect their ability to make timely payment on their loans. Meanwhile, the Government's proposed agricultural lending plans may contemplate state-owned banks, including the Bank, lending at below-market rates in the agricultural sector. The RBI guidelines stipulate that the Bank's agricultural advances be 18.0% of adjusted net bank credit and the Bank's objective is to increase agricultural lending to achieve this benchmark. The financial market may perceive the Bank's exposure to the agricultural sector to involve higher risks, whether or not the Government mandates lending, which may negatively affect the Bank's access and cost of funding, and adversely affect the Bank's business, future financial performance and the trading price of the Bonds.

Recently, several Indian states have announced farm loan waiver programs, with an estimated cost in billions of Rupees. If such farm loan waivers become more widespread in the future, this may have an adverse impact on the banking sector as a whole as well as the Bank's business, future financial performance and the trading price of the Bonds.

***The Bank's loan portfolio contains significant exposure to home loans.***

The Bank's loan portfolio contains significant exposure to retail loans for residential construction, purchase or renovations, amounting to Rs. 5,61,651 crores, or 23.87% of the Bank's total domestic advances, as of March 31, 2022. This was an increase of 11.49% compared to March 31, 2021. As of March 31, 2022, 68.57% of the Bank's loans were secured by tangible assets, 4.20% of the loans were covered by the Bank's or Government guarantees, with remaining 27.23% of the Bank's loans unsecured. Repayment of these loans depends on various factors, including the health of the overall economy, whether its borrowers are able to repay the Bank, whether builders and developers are able to complete their projects on time and prevailing residential real estate prices. These and other factors could lead to an increase in impairment losses, and the Bank's financial condition and results of operations may be adversely affected.

***A substantial portion of the Bank's loans have a tenor exceeding one year, exposing the Bank to risks associated with economic cycles and project success rates.***

As of March 31, 2022, advances with a remaining tenor exceeding one year represented 77.66% of the Bank's total advances portfolio. The long tenor of these loans may expose the Bank to risks arising out of economic cycles. In addition, some of these loans are project finance loans. There can

be no assurance that these projects will perform as anticipated or that such projects will be able to generate cash flows to service commitments under the loans. The Bank is also exposed to infrastructure projects that are still under development and are open to risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities, and breach of contractual obligations by counterparties, all of which may adversely impact the projected cash flows. Although the Bank has in place certain procedures to monitor its project finance borrowers, these procedures may not be effective, especially given the size and scope of the Bank's loan portfolio and the number of its borrowers. Risks arising out of a recession in the economy or a delay in project implementation or commissioning could lead to a rise in delinquency rates and, in turn, adversely impact the Bank's future financial performance and the trading price of the Bonds.

***The Bank's funding is primarily short-term and if depositors do not roll over deposited funds upon maturity, the Bank's business could be adversely affected.***

A significant proportion of the Bank's funding is considered short term, including demand deposits and time deposits that mature within one year. As at March 31, 2022, demand deposits and term deposits with maturities of less than one year constituted 37.48% of the Bank's total deposits. At certain points in the Bank's profile of asset and liabilities maturities, there is a mismatch between the amount of short-term funding that matures or could be demanded and the portion of the Bank's assets that matures or could be immediately liquidated. Historically, this theoretical liquidity gap has not materialized because a substantial portion of the Bank's term deposits have been rolled over, meaning that the Bank retains the funds for a further term, and because a substantial portion of the Bank's demand deposits have consisted of "core" deposits, which the Bank assesses, based on a number of factors including past customer behavior, type and size of account, are less likely to be withdrawn in the foreseeable future.

Nevertheless, changes in customer behavior with respect to rolling over term deposits and withdrawing on-demand deposits could significantly affect the Bank's liquidity position. If the Bank experienced a liquidity gap, it would look initially to short-term funding options such as the repo facilities provided by the RBI or private money market or repo transactions. However, such facilities may not be available when the Bank needs them and may result in significant costs. Any long-term decrease in the rate at which customers roll over term deposits or a significant reduction in the Bank's level of core deposits is likely to require it to seek more expensive sources of funding, which would have an adverse impact on the Bank's profitability and financial condition.

***The Bank is exposed to fluctuations in foreign exchange rates.***

As a financial organization with operations in various countries and loans and borrowings denominated in a range of currencies, the Bank is exposed to exchange rate risk. The Bank complies with regulatory limits upon its unhedged foreign currency exposure by making foreign currency loans on terms that are generally similar to its foreign currency borrowings and thereby transferring the foreign exchange risk to the borrower or through use of cross-currency swaps and forwards to generally match the currencies of its assets and liabilities.

However, the Bank is exposed to fluctuations in foreign currency rates for its unhedged exposure. Adverse movements in foreign exchange rates may also impact the Bank's borrowers adversely, which may in turn impact the quality of its exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's business, future financial performance and the trading price of the Bonds.

***While the Group's insurance businesses are becoming an increasingly important part of its business, there can be no assurance of their future rates of growth or levels of profitability.***

The Group's life insurance and general insurance joint ventures are becoming an increasingly important part of the Group's business. While these businesses have seen moderate growth since fiscal year 2009, there can be no assurance of their future rates of growth. The Group's life insurance business offers life, pension and health products. Reductions in capital market valuations and volatility in capital markets have had an adverse impact on the demand for unit-linked products. The Bank's life insurance subsidiary has also been impacted by the substantial changes in unit-linked product regulations specified by the Insurance Regulatory and Development Authority (the "IRDA") effective September 1, 2010. The regulatory changes include caps on charges including surrender charges, an increase in the minimum premium paying term and the introduction of minimum guaranteed returns on pension products. In March 2013, the IRDA issued further guidelines on non-linked and linked life insurance products which include limits on the commission rates payable by insurance companies, the introduction of a minimum guaranteed surrender value and minimum death benefits for non-linked products. The new guidelines require life insurance companies to modify existing products to comply with the revised guidelines. These revisions could impact the growth, margins and profitability of the Group's life insurance products.

The growth of the Group's general insurance business has been adversely impacted by the deregulation of pricing on certain products since 2007, which has resulted in a reduction in premiums for those products. There can be no assurance of the future rates of growth in the insurance business. A slowdown in the Indian economy, further regulatory changes or customer dissatisfaction with the Group's insurance products could adversely impact the future growth of these businesses. Any slowdown in these businesses and in particular in the life insurance business could have an adverse impact on the Bank's business and the trading price of the Bonds.

***Actuarial experience and other factors could differ from assumptions made in the calculation of life actuarial reserves.***

The assumptions made by the Group's life insurance subsidiary, SBI Life Insurance, in assessing its life insurance reserves may differ from what it experiences in the future. The assumptions include an assessment of the long-term development of interest rates, investment returns, the allocation of investments between equity, fixed income and other categories, mortality and morbidity rates, policyholder lapses, policy discontinuation and future expense levels. SBI Life Insurance monitors its actual experience of these assumptions and where it considers there to be any deviation from these assumptions in the long term, it refines its long-term assumptions. Changes in any such assumptions may lead to changes in the estimates of life and health insurance reserves, and if any of its material assumptions prove to be incorrect, the business may experience losses on its insurance products.

***Loss reserves for the Group's general insurance business are based on estimates of future claims, liabilities and any adverse developments relating to such claims could lead to further reserve additions and could have a materially adverse effect on the operation of the Group's general insurance subsidiary.***

In accordance with general insurance industry practice and accounting and regulatory requirements, the Group's general insurance subsidiary establishes reserves for loss and loss adjustment expenses related to its general insurance business. Reserves are based on estimates of future payments that will be made in respect of claims, including expenses relating to such claims. Such estimates are made on both a case-by-case basis, based on the facts and circumstances available at the time the reserves are established, as well as in respect of losses that have been incurred but not reported.

These reserves represent the estimated ultimate cost necessary to bring all pending claims to final settlement.

Reserves are created based on actuarial valuations and are subject to change due to a number of variables which affect the ultimate cost of claims, such as changes in the legal environment, results of litigation, costs of repairs and other factors such as inflation and exchange rates. The Group's general insurance subsidiary's reserves for environmental and other latent claims are particularly subject to such variables. The results of operations of the Group's general insurance subsidiary depend significantly upon the extent to which its actual claims experience is consistent with the assumptions it uses in setting the prices for products and establishing the liabilities for obligations for technical provisions and claims. To the extent that its actual claims experience is less favorable than the underlying assumptions used in establishing such liabilities, it may be required to increase its reserves, and this may have a materially adverse effect on the results of Group's operations.

Established loss reserves estimates are periodically adjusted using the most current information available to management, and any adjustments resulting from changes in reserve estimates are reflected in the current results of operations. The Group's general insurance subsidiary also conducts reviews of various lines of business to consider the adequacy of reserve levels. Based on current information available and on the basis of internal procedures, the management of the Group's general insurance subsidiary considers that these reserves are adequate.

However, because the establishment of reserves for loss and loss adjustment expenses is an inherently uncertain process, there can be no assurance that ultimate losses will not materially exceed the established reserves for loss and loss adjustment expenses and have a material adverse effect on the results of operations of the Group's general insurance subsidiary.

***The financial results of the Group's general insurance business could be materially adversely affected by the occurrence of a catastrophe.***

Portions of the Group's general insurance business may cover losses from unpredictable events such as hurricanes, windstorms, monsoons, earthquakes, fires, industrial explosions, floods, riots and other man-made or natural disasters, including epidemics and acts of terrorism. The incidence and severity of these catastrophes in any given period are inherently unpredictable.

The Group's general insurance business monitors its overall exposure to catastrophes and other unpredictable events in each geographic region, and imposes underwriting limits related to insurance coverage for losses from catastrophic events. In addition, it seeks to reduce its exposure through the purchase of reinsurance, selective underwriting practices and by monitoring risk accumulation. However, notwithstanding these measures, any claims relating to catastrophes may result in unusually high levels of losses that may require additional capital to maintain solvency margins, which could in turn have a material adverse effect on the Group's financial position or results of operations.

***The Bank's risk management policies and procedures may leave the Bank exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses.***

The Bank's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an

evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. Although the Bank has established these policies and procedures, they may not be fully effective.

***Operational risks such as fraud and errors may have an adverse impact on the Bank's business.***

The Bank, like all financial institutions, is exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing its business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. The Bank outsources some functions to other agencies, such as certain data entry, automated teller machines ("ATM") management and rural outreach business correspondent functions. Given its high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, its dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. The Bank may also be subject to disruptions of its operating systems arising from events that are wholly or partially beyond its control (including, for example, computer viruses or electrical or telecommunication outages), which may give rise to a deterioration in customer service and to loss or liability to the Bank. The Bank is further exposed to the risk that external vendors may be unable to fulfill their contractual obligations to the Bank (or will be subject to the same risk of fraud or operational errors by their respective employees as the Bank is), and to the risk that its (or its vendors') business continuity and data security systems prove not to be sufficiently adequate. The Bank also faces the risk that the design of its controls and procedures may prove inadequate, or are circumvented, thereby causing delays in detection or errors in information. Although the Bank maintains a system of controls designed to keep operational risk at appropriate levels, like all banks, the Bank has suffered losses from operational risk and there can be no assurance that the Bank will not suffer losses from operational risks in the future that may be material in amount, and its reputation could be adversely affected by the occurrence of any such events involving its employees, customers or third parties.

***The Bank may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.***

The Bank is required to comply with applicable anti-money-laundering ("AML") and anti-terrorism laws and other regulations in India and in other jurisdictions where it has operations. These laws and regulations require the Bank, among other things, to adopt and enforce "know-your-customer" ("KYC") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. While the Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking networks for money-laundering activities and by terrorists and terrorist-related organizations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money-laundering and other illegal or improper activities. The Bank's business and reputation could suffer if any such parties use the Bank for money-laundering or illegal or improper purposes.

During the year ending, March 31, 2022, the Reserve Bank of India has imposed a penalty of (i) Rs. 0.50 crores 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 (ii) Rs. 1 crore 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 and (iii) Rs. 1 crore 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. Although the penalties imposed by the RBI did not materially impact the Bank's profitability, there can be no assurance that this or similar punitive actions by the RBI and/or other regulators in the future will not have a material adverse effect on the Bank's financial position, results of operations or its reputation or that the measures taken by the Bank to remedy such detected deficiencies in its control processes would be sufficient.

***The Bank or its customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.***

U.S. laws generally prohibit U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of sanctions (such as Cuba, North Korea, Ukraine, Russia, Iran, Sudan and Syria, among others) and with certain persons or businesses that have been specially designated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions.

The Bank provides transfer, settlement and other services to customers doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although the Bank believes it has compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that the Bank will be able to fully monitor all of its transactions for any potential violation. Although it does not believe that it is in violation of any applicable sanctions, if it were determined that transactions in which the Bank participates violate U.S. or other sanctions, the Bank could be subject to U.S. or other penalties, and the Bank's reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. Further, investors in the Bonds could incur reputational or other risks as a result of the Bank's and the Bank's customers' dealings in or with countries or with persons that are the subject of U.S. or other sanctions.

***Significant security breaches could adversely impact the Bank's business.***

The Bank seeks to protect its computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. There may be areas in the systems that have not been properly protected from security breaches and other attacks. The Bank employs security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although the Bank intends to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failed security measures could have a material adverse effect on the Bank's business, its future financial performance and the trading price of the Bonds. The Bank's business operations are based on a high volume of transactions. Although the Bank takes measures to safeguard against system-related and other fraud, there can be no assurance that it would be able to prevent fraud. The Bank's reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

***Significant fraud or system failures could harm the Bank's reputation and adversely impact its business and operations.***

The Bank's business is highly dependent on its ability to efficiently and reliably process a high volume of transactions across numerous locations and delivery channels. The Bank's principal delivery channels include ATMs, internet banking, mobile banking and call centers. It places heavy reliance on its technology infrastructure for processing data and therefore ensuring system security and availability is of paramount importance. The Bank's systemic and operational controls may not be adequate to prevent adverse impact from errors, hacking and system failures. The Bank's operational controls are also susceptible to the risk of fraud, including by its employees, customers, lenders or outsiders, or by its perceived inability to properly manage fraud-related risks. During the financial year ended 31<sup>st</sup> March 2022, 4,192 cases of frauds committed by customer and non-customers were reported amounting to Rs. 7,101 crores. The major areas of fraud were with respect to advances under three categories, (i) diversion of funds; (ii) fake security documentation; and (iii) false financial statements. The Bank's inability or perceived inability to manage these risks could also lead to enhanced regulatory oversight and scrutiny. Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses and adversely affect the trading price of the Bonds.

***Banking is a heavily regulated industry and material changes in the regulations which govern the Bank could cause its business to suffer.***

Banks are subject to detailed regulation and supervision by the RBI. In addition, banks are generally subject to changes in law, as well as to changes in regulations, government policies and accounting principles. The laws and regulations governing the banking sector, including those governing the products and services that the Group provides or proposes to provide, such as its life insurance or asset management business, or derivatives and hedging products and services, could change in the future. Any such changes may adversely affect the Bank's business, future financial performance and the trading price of the Bonds by, for example, requiring a restructuring of the Bank's activities or increasing its operating costs.

The RBI requires every scheduled commercial bank to extend 40.0% of its net bank credit to certain eligible sectors, such as agriculture, small-scale industries and individual housing finance up to Rs. 35 lakhs (which are categorized as "priority sectors"). Economic difficulties are likely to affect those borrowers in priority sectors more severely. As a result of these requirements, Bank may extend loans to borrowers that may not be based on purely commercial criteria, and Bank's loan portfolio may include higher exposure to priority sectors than Bank would choose to have without these requirements. As of March 31, 2022, the Bank's lending to priority sectors accounted for 41.05% of adjusted net bank credit, with 17.35% of net credit going to the agricultural sector.

***If the Bank does not effectively manage its foreign operations or its international expansion, these operations may incur losses or otherwise adversely affect the Bank's business and results of operations.***

As of March 31, 2022, the Bank had a network of 227 international offices in 30 countries including in such locations as New York, London, Frankfurt, Singapore, Hong Kong and the Maldives. In addition, given the opportunities arising from the substantial Indian population in the region, the Bank has entered into tie-ups with exchange companies and banks in the Middle East to facilitate non-resident Indian and other customer remittances to India. The Bank's own international network is supported by correspondent relationships with leading banks in countries across the world and also

by relationship management arrangements with several other banks. As of March 31, 2022, the Bank maintained correspondent relationships with 223 leading banks in 55 countries. As of March 31, 2022, the Bank also had 4,247 relationship management application arrangements through the SWIFT network, facilitating interbank financial telecommunications. As of March 31, 2022, the international banking group's loan portfolio was equal to 14.61% of the Bank's total advances.

As the Bank has or plans to open a number of foreign branches, joint ventures and associates, it is subject to or may become subject to additional risks related to complying with a wide variety of national and local laws, restrictions on the import and export of certain intermediates, banking regulations, technologies and multiple and possibly overlapping tax structures. The Bank may face difficulties integrating new facilities in different countries into its existing operations, as well as integrating employees that the Bank hires in different countries into its existing corporate culture or complying with unfamiliar laws and regulations. If the Bank does not effectively manage its foreign operations and expansion, it may lose money in these countries, which could adversely affect the Bank's business and results of operations.

***The Bank needs to comply with regulatory requirements in jurisdictions in which it operates.***

The Bank and its overseas branches are required to maintain monitoring systems and controls, risk management structures, operational compliances and processes that meet regulatory requirements in their jurisdictions. The failure to comply may subject the Bank or its overseas branches to regulatory action from foreign and Indian regulators. There have been instances of such regulatory action and imposition penalties in the past. With the Bank's widespread overseas presence, despite the Bank's ongoing efforts to enhance the systems and controls to meet regulatory expectations in all jurisdictions in full, the relevant governments and regulatory agencies to which the Bank reports have the authority to impose penalties and other punitive actions. Any such adverse action taken by such agencies could adversely affect the Bank's business, financial performance and reputation.

***Regulatory changes in India or other jurisdictions in which the Bank operates could adversely affect its business.***

The laws and regulations or the regulatory or enforcement environment in any of those jurisdictions in which the Bank operates may change at any time and may have an adverse effect on the products or services the Bank offers, the value of its assets or its business in general.

The RBI, as the central banking institution leading monetary policy, has many objectives across wide ranging issues including promoting economic growth, ensuring price stability, controlling inflation, managing foreign exchange reserves and supervising the banking and financial institutions. In carrying out its objectives, the RBI may enact measures that result in a more challenging environment or competitive landscape for the Bank to operate in. Future changes in the stance of the RBI could have an adverse impact on the Bank's business, operations and profitability. For example, the RBI's ongoing efforts to tighten the framework on public and private sector banks' NPAs may limit the Bank's flexibility to resolve stressed credit and bad loans problems. The RBI may also direct banks to increase the PCR on credit portfolios which may adversely affect the Bank's financial condition and results of operations. Any change by the RBI to the directed lending norms may also result in the Bank being unable to meet the priority sector lending requirements, as well as requiring the Bank to increase its lending to relatively riskier segments which could result in an increase in NPAs in the Bank's directed lending portfolio. Consequently, the Bank's levels of yield-generating assets may be reduced, or the Bank may be forced to recognize accounting losses, which could materially adversely affect its recognized profits, financial condition and results of operations.



Any such change in law or regulations in India and other jurisdictions in which the Bank operates may present the Bank with a number of risks and challenges, some or all of which could have an adverse effect on the Bank's business and financial performance.

***The Bank is subject to capital adequacy and liquidity requirements stipulated by the RBI, including Basel III, and any inability to maintain adequate capital or liquidity due to changes in regulations, a lack of access to capital markets or otherwise may impact the Bank's ability to grow and support its businesses.***

With effect from April 1, 2013, banks have complied with Basel III capital adequacy framework as stipulated by the RBI. The Basel III guidelines, among other things, impose a minimum Common Equity Tier 1 risk-based capital ratio of 5.5%, a minimum Tier 1 risk-based capital ratio of 7.0% and a minimum total risk based capital ratio of 9.0%; require banks to maintain a Common Equity Tier 1 capital conservation buffer of 2.5% of risk-weighted assets above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments; establish new eligibility criteria for capital instruments in each tier of regulatory capital; require more stringent adjustments to and deductions from regulatory capital; provide for more limited recognition of minority interests in the regulatory capital of a consolidated banking group; impose a 4.5% Basel III leverage ratio of Tier 1 capital to exposure; and modify the RBI's Basel II guidelines with respect to credit risk, including counterparty credit risk and credit risk mitigation, and market risk. The guidelines were required to be fully implemented from March 31, 2019. Applying the Basel III guidelines, capital ratios of the Bank as of March 31, 2022 were: Common Equity Tier 1 risk-based capital ratio of 9.94%; Tier 1 capital ratio of 11.42%; and total capital ratio of 13.83%. (The minimum leverage ratio to be maintained by Domestic Systemically Important Banks shall be 4% with effect October 1, 2019).

The RBI may require additional capital to be held by banks as a systemic buffer. Globally, capital regulations continue to evolve, including additional capital requirements for domestic systemically important banks. The RBI has also released guidelines for dealing with domestic banks that are of systemic importance in June 2014. The Bank has been identified as one of the domestic systemically important bank and is subject to an additional CET requirement of 0.60% of RWA and other supervisory oversight. It also released guidelines on counter-cyclical capital buffers ("CCCB") in February 2015 which were to be activated as and when the appropriate circumstances arose. However, in April 2018, the RBI deferred the implementation of CCCB on banks till further notice. In addition, with the approval of the RBI, banks in India may migrate to advanced approaches for calculating risk-based capital requirements in the medium term. These evolving regulations may impact the amount of capital that the Bank is required to hold. The Bank's ability to grow its business and execute its strategy is dependent on its level of capitalization. Any increase in capital adequacy requirements applicable to the Bank or any deterioration in the Bank's capital ratios may require it to raise additional regulatory capital, limit its ability to grow its business and may affect the Bank's future performance and strategy.

***As the Bank's majority shareholder, the Government controls the Bank and may cause the Bank to take actions which are not in the interests of the Bank or of the holders of the Bonds.***

In accordance with the State Bank of India Act 1955 ("SBI Act"), the Government, in consultation with the RBI, has the power to appoint and/or nominate the Chairman, a maximum of four Managing Directors and a majority of the directors of the Bank's Central Board ("Central Board" or "Board"), which determines the outcome of the actions relating to the general direction of the affairs of the Bank, including payment of dividends. Under the SBI Act, the Government, after consultation with the RBI and the Chairman of the Bank, may also issue directives on matters of policy involving the public interest that may affect the conduct of the business affairs of the Bank. Decisions taken by the Government under the SBI Act may affect the Bank and its business in ways that are detrimental to

other Bondholders including holders of the Bonds. Further amendments to the SBI Act have also enabled the Bank to issue preference shares. There can be no assurance that the SBI Act will not be repealed or significantly amended in the future. In addition, there can be no assurance that the RBI or the Government will not take action or implement policies that are averse to the interests of the investors in the Bonds.

***The legal requirement that the government maintain a majority shareholding interest in the Bank of at least 51.0% may limit the ability of the Bank to raise appropriate levels of capital financing.***

The SBI Act prohibits the Government's shareholding in the Bank's issued capital consisting of equity shares from falling below 51.0%. This requirement could result in restrictions in the equity capital raising efforts of the Bank as the government may not be able to fund any further investments that would allow it simultaneously to maintain its stake at a minimum of 51.0% and permit the Bank to raise equity capital. As the Indian economy grows, more businesses and individuals will require capital financing. In order to meet and sustain increasing levels of growth in capital demand, the Bank will need to increase its capital base over time, whether through organic growth or, more likely, capital market financing schemes. If the Bank is unable to grow its capital base in line with demand, its business, financial prospects and profitability may be materially and adversely affected.

***The Group may not be successful in implementing its growth strategies or entering new markets.***

One of the Group's principal business strategies is to expand into new businesses and financial services product offerings. To this end, the Group has launched initiatives in general insurance, private equity funds and cash management services, among other businesses, in recent years. This strategy exposes the Group to a number of risks and challenges, including, among others, the following:

- growth will require greater marketing and compliance costs than experienced in the past, diverting operational, financial and managerial resources away from the existing businesses of the Group;
- growth plans and new investments in businesses may not develop and materialize as the Group anticipates and there can be no assurances that new product or service lines will become profitable;
- the Group may fail to identify appropriate opportunities and offer attractive new products in a timely fashion putting its businesses at a disadvantage as compared to its competitors;
- compliance with new market standards and unfamiliar regulations will place new demands upon management and create new and possibly unforeseen risks to the Group;
- the Group will need to hire or retrain skilled personnel who are able to supervise and conduct the relevant new business activities, adding to the Group's cost base; and
- competitors in the different business segments that the Group operates in may have more experience and resources than the Group which may affect its ability to compete.

In addition, the Group's growth strategy in the future may involve strategic acquisitions and reconstructions, partnerships, joint ventures and exploration of mutual interests with other parties.

These acquisitions and investments may not necessarily contribute to business growth and the Group's profitability or be unsuccessful. In addition, the Group could experience difficulty in assimilating personnel, integrating operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt the Group's ongoing business, distract its management and employees and increase its expenses.

***If the Bank is not able to integrate any future acquisitions, the Bank's business could be disrupted.***

The Bank may seek opportunities for growth through acquisitions or be required to undertake mergers mandated by the RBI. For example, in 2017, the Bank merged with five of its associate banks — State Bank of Bikaner & Jaipur, State Bank of Mysore, State Bank of Travancore, State Bank of Hyderabad and State Bank of Patiala — as well as with Bhartiya Mahila Bank. This merger and any future acquisitions or mergers may involve a number of risks, including diversion of its management's attention required to integrate the acquired business and failure to retain key acquired personnel and clients, leverage synergies, rationalize operations, or develop the skills required for new businesses and markets, or unknown and known liabilities, some or all of which could have an adverse effect on its business.

***If the Bank is unable to adapt to rapid technological changes, its business could suffer.***

The Bank's future success will depend in part on its ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that the Bank will successfully implement new technologies effectively or adapt its transaction processing systems to meet customer requirements or emerging industry standards. If the Bank is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its business, the future financial performance of the Bank and the trading price of the Bonds could be materially affected.

***The Bank implements new information technology systems as it expands and may experience technical difficulties with their implementation.***

The Bank implemented and continues to implement new information technology ("IT") systems to facilitate and complement its growth. As the Bank implements additional IT platforms which become integral to the Bank's product offering, unforeseen technical difficulties may cause disruption in the Bank's operations. Such disruptions could significantly affect the Bank's operations and quality of its customer service and could result in business and financial losses, which could adversely affect the profitability of the Bank and the trading price of the Bonds. As the Bank's risk management systems evolve and as its operations become more reliant upon technology to manage and monitor its risk, any failure or disruption could materially and adversely affect its operations and financial position.

***The Bank depends on the accuracy and completeness of information about customers and counterparties.***

In deciding whether to extend credit or to enter into other transactions with customers and counterparties, the Bank may rely on information furnished to the Bank by or on behalf of customers and counterparties, including financial statements and other financial information. The Bank may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, the Bank may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. The Bank's financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or with other information that is materially misleading.

***The Bank's employees are highly unionized and any union action may adversely affect the Bank's business.***

Most of the Bank's employees are represented by one of two unions: the All India State Bank Officers' Federation ("AISBOF") and the All India State Bank of India Staff Federation ("AISBISF"). Both unions are non-political. Approximately 86.48% of the Bank's Award Staff (clerical and subordinate staff) are members of AISBISF, and 93.99% of the Bank's Officers are members of AISBOF as of 15<sup>th</sup> July 2022. AISBISF is affiliated with the National Confederation of Bank Employees ("NCBE"), and AISBOF is affiliated to the All India Bank Officers Confederation. There have been strikes led by NCBE and AIBOC in the past in which the Bank's employees have participated. The Indian Banks' Association and the Award Staff Unions and Officers Federation signed a settlement with AISBOF and AISBISF on May 25, 2015, which resulted in an upward revision in the public sector bank employees' salaries. While the Bank believes it has a strong working relationship with its unions, associations and employees, there can be no assurance that the Bank will continue to maintain such a relationship in the future. It is possible that future calls for work stoppages or other similar actions could force the Bank to suspend part of its operations until disputes are resolved. Such suspension of the Bank's operations could adversely affect the Bank's business and operations.

***The Bank's remuneration scheme may not be as attractive as other banks with which it competes which may affect its ability to attract and maintain a skilled and committed workforce.***

The Bank's remuneration scheme for employees up to the level of the general manager position is guided by an industry-wide bipartite settlement between the Indian Banks' Association and the public sector bank employees represented by their respective unions or associations. The Indian Banks' Association and the Award Staff Unions and Officers Federation signed the eleventh bipartite wage settlement on November 11, 2020, which provided for an upward revision of salary for public sector bank employees. All negotiations are subject to final approval by the Government, which limits the Bank's flexibility in implementing performance-linked pay. Permanent employees constitute more than 99% of the Bank's total staff. Although the Bank's remuneration packages may not be comparable at certain levels with those offered by private sector banks, the Bank believes that other benefits allow it to effectively compete for qualified employees. Excluding retirement, the general attrition rate of the Bank is in the range of 1% - 2% among its permanent staff. When required, the Bank also employs officers with specialized skills on a contract and on a cost-to-company basis, offering competitive salaries. The attrition rate in this category is slightly higher than the rate in the Bank's permanent staff, but comparable with market levels for contract officers. To incentivize high performers, the Bank operates a performance-linked incentive scheme, which is intended to reduce employee attrition and improve productivity. If the general banking industry increasingly moves toward incentive-based pay schemes, the Bank's attrition rates could increase and the Bank could be forced to alter its remuneration scheme. Such pressures may negatively affect the Bank's operations and profitability, especially if employee productivity or output does not experience a commensurate rise.

***The Bank is involved in various litigation matters. Any final judgment awarding material damages against the Bank could have a material adverse impact on its future financial performance and the trading price of the Bonds.***

The Bank is involved in certain litigation matters in the ordinary course of its business. These matters generally arise because the Bank seeks to recover from borrowers or because customers seek claims against it. Although it is the Bank's policy to make provisions for probable loss, the Bank does not

make provisions or disclosures in its financial statements where its assessment is that the risk is insignificant. The Bank cannot guarantee that the judgments in any of the litigation in which the Bank is involved would be favorable to it and if its assessment of the risk changes, its view on provisions will also change. Increased provisioning for such potential losses could have a material adverse effect on the Bank's results of operations and financial condition. If the Bank's provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on the Bank's business.

***The Group has contingent liabilities.***

As of March 31, 2022, the Group had contingent liabilities of Rs. 20,07,232 crores, recording an increase of 17.09% in comparison to the Group's contingent liabilities of Rs. 17,14,240 crores as of March 31, 2021. This increase in contingent liabilities since March 31, 2022 was primarily due to liabilities on account of outstanding forward exchange contracts and derivatives.

If the Group's contingent liabilities are realized, this may have an adverse effect on the Bank's future financial performance and the trading price of the Bonds.

***A reduction in long-term interest rates may increase the Bank's pension liabilities which may adversely affect the Bank's future financial performance and results of operations.***

A part of the employees are covered under a defined benefit pension scheme. The Bank uses a discount rate linked to the long-term yield of government securities to calculate the present value of the Bank's future liabilities in relation to the scheme. A reduction in the long-term interest rate would increase the present value of the Bank's pension obligations. The Bank may be required to make further cash contributions to cover the deficit, which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of the securities in which the Bank has invested may increase, thereby offsetting the increase in the present value of the Bank's pension obligations.

***Investors may have limited recourse to the assets of the Bank in view of the overarching powers of the Government to order winding-up of the Bank.***

The Bank can be placed in liquidation only by an order of the Government pursuant to Section 45 of the SBI Act, which exempts the Bank from provisions of Indian law relating to the winding-up of companies generally and stipulates that the Bank cannot be placed in liquidation except by order of the Government. Accordingly, in the event of default of the Bank under the Bonds, the Bondholders will have no ability to wind up the Bank. There can be no assurance that the claims of the Bondholders would be treated as senior unsecured obligations of the Bank as the Government would have the sole ability to determine the ranking of claims of the Bank in liquidation.

***Economic conditions could adversely affect the Bank's business.***

A substantial part of the Bank's business is focused in India. As a result, the Bank's operations and financial performance are closely linked to the economic conditions of India, which exposes the Bank to risks that are beyond its control. For example, any slowdown in the growth of the housing, automobile and agricultural sectors in India could adversely impact the Bank's business, financial condition and results of operations given the importance of the Bank's retail banking portfolio and its agricultural loan portfolio to its business. India's economic conditions may also be affected by macroeconomic conditions such as its global commodity prices and trade deficits, which could

adversely affect the Indian economy and consequently, the Bank's borrowers and contractual counterparties.

***The effects of inflation, particularly fluctuations in commodity prices, may have a significant effect on the Indian economy and the Bank's business***

In recent years, the Indian economy has experienced periods of high inflation. High inflation can adversely affect the Bank's business in a number of ways, including impeding economic growth and reducing borrowing because of reduced investment and consumption and higher interest rates. While inflation has since returned to lower levels, a return to high rates of inflation may have a material adverse effect on the Bank's business.

India's economy and inflation rate are particularly susceptible to increases in the price of crude oil. Global crude oil prices have been volatile, fluctuating significantly as a result of factors including changes in supply, including as a result of OPEC actions, worldwide economic, financial and market conditions, military conflicts and geopolitical tensions, and changes in energy consumption, including as a result of new technology. A significant increase in crude oil prices could result in lower economic activity in India and place the Bank's customers under stress, which would adversely affect the Bank's profitability.

***A slowdown in economic growth in India could cause the Bank's business to suffer.***

The Bank's performance and the growth of its business are necessarily dependent on the health of the overall Indian economy. As a result, any slowdown in the economy could adversely affect the Bank's business. Any substantial decrease in the rate of economic growth or adverse conditions in Indian economy in general, would be expected to adversely affect the Bank's business, results of operations, financial conditions and prospects.

***Financial instability in countries where the Bank has established operations, or globally could adversely affect the Bank's business and the trading price of the Bonds.***

Certain global market and economic conditions have been unprecedented and challenging, with tighter credit conditions and recessions in most major economies. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies, as well as for the United States and international capital and credit markets. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

The Indian economy is influenced by the global economic and market conditions, including conditions in the United States, in Europe and in certain emerging market countries. The Bank has established operations in several other countries, including the United States, certain European countries, and certain emerging market countries. A loss of investor confidence in the financial systems of other markets and countries where the Bank has established operations or any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. The outlook provides a list of downside risk factors, including mounting trade tensions, rising interest rates, political uncertainty and complacent financial markets. These factors, and any prolonged financial crisis, may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on Bank's business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crises, have led to increased liquidity and credit concerns and volatility in the global credit and financial markets. In February 2022, a military conflict erupted between Ukraine and Russia, involving an ongoing military incursion by Russia into Ukraine. As a result, the United States, the European Union and other countries imposed wide ranging sanctions against Russia and certain Russian entities and individuals connected to the Russian government. The escalating conflict has resulted in great uncertainty in the global markets, which could have an impact on the ability of companies to access capital in the global capital markets and result in liquidity constraints for companies. Any significant decrease in availability of funding through the international capital markets could have an adverse effect on the Bank. Additionally, the conflict between Ukraine and Russia may not be resolved for some time, and the situation could even degenerate even further. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.

As a result of these market conditions, the cost and availability of credit have been, and may continue to be, adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce and, in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the domestic and international markets and economies and prolonged declines in business consumer spending may adversely affect the liquidity and financial condition of the Bank's customers, as well as the Bank's ability to access the capital markets to meet liquidity needs. These global market and economic conditions have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which in turn may continue to have a material adverse effect on the Bank's business and financial performance.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on the Bank's cost of funding, loan portfolio, business, future financial performance and the trading price of the Bonds. Adverse economic developments overseas in countries where the Bank has operations could have a material adverse impact on the Bank and the trading price of the Bonds.

***Natural calamities could adversely affect the Indian economy, the Bank's business and the trading price of the Bonds.***

India has experienced natural calamities such as earthquakes, floods and droughts in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. For example, in fiscal year 2015, the agricultural sector was adversely affected by unseasonal rains and hailstorms in northern India in March 2015. As a result, the gross value added, which is the value of output less the value of intermediate consumption, in the agricultural sector increased only 0.2% in fiscal year 2015 as compared to 3.7% growth in fiscal year 2014. In August 2018, severe floods in

the state of Kerala also caused significant damage to the agricultural production of the state. The occurrence of similar or other natural calamities could have a negative impact on the Indian economy, affecting the Bank's business and potentially causing the trading price of the Bonds to decrease.

***The Bank's transition to the use of the IFRS converged Indian Accounting Standards may result in changes in the presentation of its financial statements and could result in operational delays and resulting penalties.***

On February 16, 2015, the Ministry of Corporate Affairs ("MCA") of the Government published the Companies (Indian Accounting Standards) Rules, 2015, which are effective from April 1, 2015, which provides that IFRS converged Indian Accounting Standards ("IND-AS") will be mandatorily implemented by the companies specified in the roadmap for the accounting periods beginning on or after April 1, 2016, with the comparatives for the period ended March 31, 2016, or thereafter. However, banking, insurance and non-banking finance companies were exempted from this road map.

On February 11, 2016, the RBI issued a notification for the implementation of IND-AS by banks. Under this notification, all scheduled commercial banks (excluding Regional Rural Banks) was to follow IND-AS as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the RBI in this regard from the accounting periods beginning on or after April 1, 2018 with the comparatives for the period ending March 31, 2018. The subsidiaries, joint ventures and associates of such banks shall also follow the road map applicable to banks. However, in April 2018, the RBI deferred the implementation of IND-AS for banks by a year, to April 1, 2019. On March 22, 2019, the RBI again deferred implementation of IND-AS, this time indefinitely. With some of the key reserve requirements getting further leeway for implementation, it is likely that the adoption of IND-AS for banks may be further extended by two years. The RBI could defer the implementation of IND-AS – the Indian version of global accounting standards – to fiscal year 2024. The new rules are expected to add to the burden of higher capital requirement for banks, especially loan loss provisions.

The Bank has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. Furthermore, the new accounting standards will change, among other things, the Bank's methodology for estimating allowances for probable loan losses and for classifying and valuing its investment portfolio and its revenue recognition policy. For estimation of probable loan losses, the new accounting standards may require the Bank to calculate the present value of the expected future cash flows realizable from its loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in the Bank recognizing allowances for probable loan losses in the future which may be higher or lower than under current Indian GAAP. Therefore, there can be no assurance that the Bank's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under INDAS than under Indian GAAP. In the Bank's transition to IND-AS reporting, the Bank may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IND-AS financial statements. Furthermore, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that the Bank's adoption of IND-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IND-AS could adversely affect the Bank's business and the trading price of the Bonds.

There may be less company information available in the Indian securities markets than securities markets in developed countries.



There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other developed countries. The Securities and Exchange Board of India ("SEBI") is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries.

***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could adversely impact the banking industry in general. A rapid decrease in reserves may also create a risk of higher interest rates and a consequent slowdown in growth.***

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could adversely impact the banking industry in general. A rapid decrease in reserves may also create a risk of higher interest rates and a consequent slowdown in growth. India's foreign currency assets increased to U.S.\$596.4 billion as of June 10, 2022. There can, however, be no assurance that India's foreign exchange reserves will continue to increase in the future. An increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect the Bank's business, its future financial performance and the trading price of the Bonds.

**New tax laws in India could adversely affect the Bank's business and the trading price of the Bonds.**

The Government had introduced two major reforms in Indian tax laws, namely the goods and services tax and provisions relating to General Anti-Avoidance Rules ("GAAR"). From July 1, 2017, the goods and services tax ("GST") has replaced the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state value added tax ("VAT"). While implementation of the new tax appears to have been generally effective, with limited disruption to economic activity, the longer-term effects of the GST remain to be seen.

Under the Income Tax Act, 1961 there are both specific as well as generic anti-avoidance provisions relating to tax such as transfer pricing provision and GAAR provisions. Under the transfer pricing provisions, any income arising between two related parties has to be computed having regard to the arm's length price ("ALP"). In the event that the transactions are not at ALP and there may be consequential compliances.

SEBI introduced changes to the listing agreement, which may subject the Bank to higher compliance requirements and increase the Bank's compliance costs.

SEBI has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide notification dated 5<sup>th</sup> May 2021 mandating the Bank to follow certain corporate governance practices. The earlier exemption granted to the Bank to adopt the corporate governance practices to the extent it does not violate the SBI Act and guidelines or directives issued by the relevant authorities has been withdrawn. The Bank has taken up the matter with the regulators and relevant authorities. There can be no assurance that SEBI will accede to the request of the Bank or will not take any action against the Bank or impose further restrictions on the Bank for non-compliance with the Regulations.

Any increase in the Bank's compliance requirements or compliance costs may have an adverse effect on its business, cash flows and results of operations.

***The Indian banking sector is subject to external economic forces.***

In its latest financial stability report dated June 2021, the RBI highlighted the collective assessment of the Sub-Committee of the Financial Stability and Development Council ("FSDC") on risks to financial stability, and the resilience of the financial system in the context of contemporaneous issues relating to development and regulation of the financial sector. The RBI observed that sustained policy support, benign financial conditions and the gathering momentum of vaccination are nurturing an uneven global recovery. Policy support has helped in shoring up financial positions of banks, containing non-performing loans and maintaining solvency and liquidity globally. On the domestic front, the ferocity of the second wave of COVID-19 has dented economic activity, but monetary, regulatory and fiscal policy measures have helped curtail the solvency risk of financial entities, stabilize markets, and maintain financial stability. Going forward, as banks respond to credit demand in a recovering economy, they will need to reinforce their capital and liquidity positions to fortify themselves against potential balance sheet stress.

It is now well recognized that an efficient bankruptcy regime is essential for timely resolution and liquidation of stressed companies. The Insolvency and Bankruptcy Code, 2016, has significantly altered the financial landscape as it provides a market mechanism for time-bound insolvency resolution enabling maximization of value. The new regime is a paradigm shift in which creditors take control of the assets in contrast to the earlier systems in which debtors remained in possession of the assets till its resolution or liquidation, leading to an improvement in the credit culture of the country.

The Bank has little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian banking system could impact the Bank's funding, profitability, asset quality or NPAs and adversely affect the Bank's business growth and, as a result, impact future financial performance and the trading price of the Bonds.

***The Bank is required to maintain its Capital Adequacy Ratio at the minimum level required by the RBI for Indian Banks. There can be no assurance that the Bank will be able to maintain this ratio in the future***

The RBI requires Indian Banks to maintain a minimum Tier I Capital Adequacy Ratio and a minimum Risk Weighted Total Capital Adequacy Ratio under the Basel III framework. The Bank is also required to maintain an additional buffer in the form of CET 1. The Bank is exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. There can be no assurance that the Bank will be able to maintain this ratio in the future.

In addition, there can be no assurance that the GoI will provide additional capital infusions or that the Bank will be able to raise adequate additional capital from other sources in the future on terms favourable to it or at all. Moreover, if the Basel Committee on Banking Supervision (the "Basel Committee") releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect its business, financial condition and results of operations.

***There are Operational risks associated with the banking and financial services industry which may have an adverse impact on the Bank's business.***

The Bank, like all financial institutions, is exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees

and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing its business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. The Bank outsources some functions to other agencies, such as certain data entry, ATM management and rural outreach functions to Business correspondents. Given its high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, its dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. The Bank may also be subject to disruptions of its operating systems arising from events that are wholly or partially beyond its control (including, for example, computer viruses or electrical or telecommunication outages, cyber-attacks, and natural calamities), which may give rise to a deterioration in customer service and to loss or liability to the Bank. The Bank is further exposed to the risk that external vendors may be unable to fulfil their contractual obligations to the Bank (or will be subject to the same risk of fraud or operational errors by their respective employees as the Bank is), and to the risk that its (or its vendors') business continuity and data security systems prove not to be sufficiently adequate. The Bank also faces the risk that the design of its controls and procedures may prove inadequate, or are circumvented, thereby causing delays in detection or errors in information. Although the Bank maintains a system of controls designed to keep operational risk at appropriate levels, like all banks, the Bank has suffered losses from operational risk and there can be no assurance that the Bank will not suffer losses from operational risks in the future that may be material in amount, and its reputation could be adversely affected by the occurrence of any such events involving its employees, customers or third parties.

The Bank's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. Although the Bank has established these policies and procedures, these policies may not be fully effective, which could adversely affect the Bank's business or result in losses.

In addition, although the Bank maintains insurance coverage for certain risks, there can be no assurance that if the Bank suffers material losses, Bank's insurance arrangements will be sufficient to cover those losses. If the Bank's losses are more than the Group's insurance coverage or cannot be recovered through insurance, Bank's business and results of operations could be materially adversely affected.

***The Group may not be able to renew or maintain its statutory and regulatory permits and approvals required to operate its business.***

The Group is required to obtain various statutory and regulatory permits and approvals to operate its business which requires the Group to comply with certain terms and conditions to continue its banking operations. In the event that it is unable to renew or maintain such statutory permits and approvals or comply with any or all of these terms and conditions or seek waivers or extensions of time for complying with these terms and conditions, may result in the interruption of all or some of the Group's operations, imposition of penalties and could materially and adversely affect its business, financial results and reputation.

## **Risk related to unaudited financial information**

***This Placement Memorandum includes unaudited financial information, which has been subjected to limited review, in relation to the Bank. Reliance on such information should, accordingly, be limited.***

This Placement Memorandum includes the unaudited financial results for the half year ended 30<sup>th</sup> September 2022, in respect of which the Auditors have issued their review report dated 5<sup>th</sup> November 2022. For further details in relation to unaudited financial results for half-year ended 30<sup>th</sup> September 2022, please refer to page no. 66 of this Placement Memorandum. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of Bank's financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Placement Memorandum.

## **RISK RELATING TO THE BONDS**

***The Bonds may not be a suitable investment for all investors.***

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Placement Memorandum;
- have access to, and knowledge of, the appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds and be familiar with the nature of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments and investors may purchase such instruments as a way to manage risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial advisor) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

The Bonds are unsecured obligations, the repayment of which may be jeopardized in certain circumstances. Because the Bonds are unsecured obligations, their repayment may be compromised if:

- the Bank enters into bankruptcy, liquidation, reorganization or other winding-up procedures;
- there is a default in payment under the Bank's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Bank's indebtedness.

If any of these events occur, the Bank's assets may not be sufficient to pay amounts due on any of the Bonds.

***The Bonds are unsecured obligations of the Bank***

The Bonds being issued under this Placement Memorandum are unsecured which means that they are not secured by a charge on any of the Bank's assets. The claims of the investors in the Bonds being issued as Long-Term Bonds shall rank pari-passu along with claims of other uninsured, unsecured creditors of the Bank.

***The Bonds are not guaranteed by the Government of India.***

The Bonds are not the obligations of, or guaranteed by, the Government. Although the Government owned 56.92% of the Bank's issued share capital as of March 31, 2022, the Government is not providing a guarantee in respect of the Bonds. In addition, the Government is under no obligation to maintain the solvency of the Bank. Therefore, investors should not rely on the Government ensuring that the Bank fulfils its obligations under the Bonds.

***An active trading market for the Bonds may not develop.***

There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds may trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Issuer's operations and the market for similar securities. No assurance can be given as to the liquidity of, or trading market for, the Bonds.

***The terms of these Bonds contain no limitation on issuing debt or senior or pari passu securities.***

There is no restriction on the amount of debt securities that the Bank may issue. The issue of any such debt securities may reduce the amount recoverable by investors in the Bonds upon the Bank's bankruptcy, winding-up or liquidation.

***Payments made on the Bonds are subordinated to certain tax and other liabilities preferred by law***

The Bonds will be subordinated to certain liabilities preferred by law such as to claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Bank's trading or banking transactions. In particular, in the event of bankruptcy, liquidation or winding-up, the Bank's assets will be available to pay obligations on the Bonds only after all of those liabilities that rank senior to such Bonds have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Bonds.

***A downgrade in ratings may affect the trading price of the Bonds.***

Any ratings assigned to the Bonds that may be issued do not reflect the Bank's ability to make timely payments of principal and interest. A rating is not a recommendation to buy, sell or hold any security, does not address the likelihood or timing of repayment of the Bonds and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. There can be no assurance that the ratings assigned to it or the Bonds will remain in effect for any given period or

that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. A downgrade in ratings may affect the trading price of the Bonds.

***Decisions may be made on behalf of all Bondholders that may be adverse to the interests of individual Bondholders.***

The terms and conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

***These Bonds have fixed maturity date and investors have no right to call for redemption of the Bonds.***

These Bonds have a fixed maturity date unless the Bank elects to redeem these Bonds to the extent allowed under the applicable RBI Guidelines and in accordance with the Summary Term Sheet of this Placement Memorandum. In addition, holders of these Bonds have no right to call for the redemption of these Bonds.

These Bonds are being issued under various rules, regulations and guidelines issued by the RBI. Further, the Bank may be forced to redeem the Bonds prior to maturity or to take such other action in relation to these Bonds as may be required pursuant to the law and regulations then in force, though there is no call option embedded in the Bond.

There is no assurance that the holders of these Bonds will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in these Bonds. Potential investors should consider re-investment risk in light of other investments available at that time.

***Investors will have limited rights under these Bonds***

Holders of these Bonds will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Bank or participate in the management of the Bank.

***There is no assurance that the Bonds issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until after the Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the Bonds on the Stock Exchanges for reasons unforeseen.

***There may be no active market for the Bonds on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the Bonds may fail to develop and may accordingly be adversely affected.***

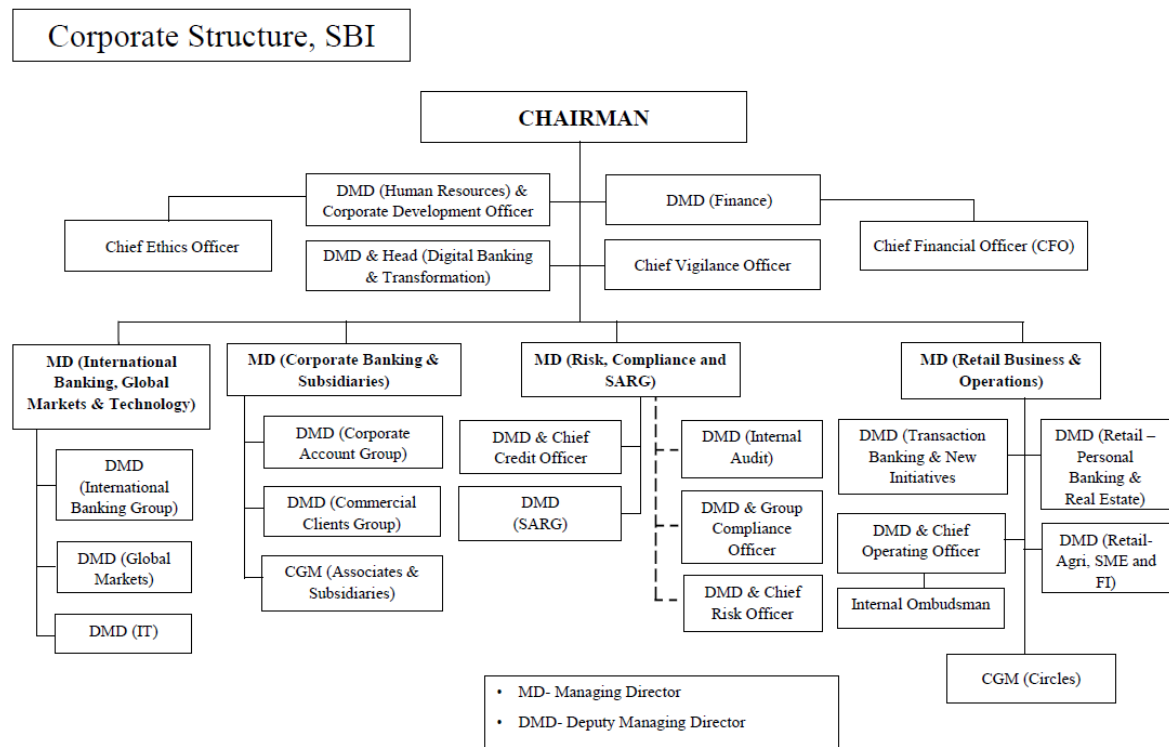
Any issue of Bonds carried out hereunder will be a new issue of bonds and the Bonds have no established trading market. There is no assurance that a trading market for the Bonds will exist and no assurance as to the liquidity of any trading market. Although an application will be made to list

the Bonds on the NSE and/or BSE, there can be no assurance that an active market for the Bonds will develop, and if such a market were to develop, there is no obligation on us to maintain such a market. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, Bank's financial condition and prospects and other factors that generally influence market price of such instruments. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which you purchase the Bonds.

***The Bank is not required to and will not create or maintain a Debenture Redemption Reserve (DRR) for the Bonds issued under this Placement Memorandum.***

As per the Companies (Share Capital and Debentures) Rules, 2014, as amended, no Debenture Redemption Reserve is required to be created by Banking Companies issuing debentures. Also, the Issuer is not required to create Debenture Redemption Reserve as per State Bank of India Act, 1955 as amended from time to time.

### 3. Corporate Structure:





4. Audited financial statements for a period of three completed years:

(i) Balance Sheet on a standalone basis

Rs. in crores

Particulars	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
<b>CAPITAL AND LIABILITIES</b>			
Capital	892.46	892.46	892.46
Reserves & Surplus	2,79,195.60	2,52,982.73	2,31,114.97
Deposits	40,51,534.12	36,81,277.08	32,41,620.73
Borrowings	4,26,043.38	4,17,297.70	3,14,655.65
Other Liabilities and Provisions	2,29,931.85	1,81,979.66	1,63,110.11
<b>TOTAL</b>	<b>49,87,597.41</b>	<b>45,34,429.63</b>	<b>39,51,393.92</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	2,57,859.21	2,13,201.54	1,66,735.78
Balances with Banks and money at call and short notice	1,36,693.12	1,29,837.17	84,361.23
Investments	14,81,445.47	13,51,705.21	10,46,954.52
Advances	27,33,966.59	24,49,497.79	23,25,289.56
Fixed Assets	37,708.16	38,419.24	38,439.28
Other Assets	3,39,924.87	3,51,768.68	2,89,613.55
<b>TOTAL</b>	<b>49,87,597.41</b>	<b>45,34,429.63</b>	<b>39,51,393.92</b>
<b>Contingent Liabilities</b>	<b>20,07,083.44</b>	<b>17,06,949.91</b>	<b>12,14,994.61</b>
<b>Bills for Collection</b>	<b>77,730.12</b>	<b>56,516.12</b>	<b>55,758.16</b>

(ii) Profit & Loss Account on a standalone basis

Rs. in crores

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>INCOME</b>			
Interest earned	2,75,457.29	2,65,150.63	2,57,323.59
Other Income	40,563.91	43,496.37	45,221.48
<b>TOTAL</b>	<b>3,16,021.20</b>	<b>3,08,647.00</b>	<b>3,02,545.07</b>
<b>EXPENDITURE</b>			
Interest expended	1,54,749.70	1,54,440.63	1,59,238.77
Operating expenses	93,397.52	82,652.22	75,173.69
Provisions and contingencies	36,198.00	51,143.68	53,644.50
<b>TOTAL</b>	<b>2,84,345.22</b>	<b>2,88,236.53</b>	<b>2,88,056.96</b>
<b>PROFIT</b>			
Net Profit for the year	31,675.98	20,410.47	14,488.11
Profit brought forward	(3,600.84)	(10,498.30)	(15,226.05)
<b>TOTAL</b>	<b>28,075.14</b>	<b>9,912.17</b>	<b>(737.94)</b>

**(iii) Cashflow Statement on a standalone basis****Rs. in crores**

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
<b>Cash Flow from Operating Activities</b>			
<b>Net Profit before Taxes</b>	43,421.85	27,541.12	25,062.77
Adjustments for:			
Depreciation on Fixed Assets	3,248.58	3,317.55	3,303.80
(Profit)/ Loss on sale of Fixed Assets (Net)	16.87	28.58	28.37
(Profit)/ Loss on revaluation of Investments (Net)	263.28	0	0
(Profit)/ Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates	12.93	(1,539.73)	(6,215.64)
Provision for diminution in fair value & Non-Performing Assets	14,086.85	27,244.35	42,775.96
Provision on Standard Assets	4,677.04	3,789.78	(877.40)
Provision on non performing investments	3,440.10	3,014.50	538.55
Other Provisions including provision for contingencies	2,248.15	9,964.41	632.74
Income from investment in Subsidiaries/Joint Ventures/ Associates	(718.37)	(642.86)	(212.03)
Interest paid on Capital Instruments	5,451.98	5,782.52	4,781.23
	<b>76,149.25</b>	<b>78,500.22</b>	<b>69,818.35</b>
<b>Adjustments for:</b>			
Increase/ (Decrease) in Deposits	3,70,257.04	4,39,656.35	3,30,234.72
Increase/ (Decrease) in Borrowings other than Capital Instruments	5,064.98	92,135.53	(96,690.17)
(Increase)/ Decrease in Investments other than investments in subsidiaries/Joint Ventures/ Associates	(1,32,646.15)	(3,05,564.42)	(74,335.05)
(Increase)/ Decrease in Advances	(2,98,555.65)	(1,51,452.58)	(1,82,188.61)
Increase/ (Decrease) in Other Liabilities	40,375.27	16,516.35	13,206.60
(Increase)/ Decrease in Other Assets	5,583.07	(77,531.38)	(21,255.66)
	<b>66,227.81</b>	<b>92,260.07</b>	<b>38,790.19</b>
Tax refund / (Taxes Paid)	(7,812.36)	(2,394.52)	(13,102.33)
<b>Net Cash generated from/ (used in) operating activities: (A)</b>	<b>58,415.45</b>	<b>89,865.55</b>	<b>25,687.86</b>
<b>Cash Flow from Investing Activities</b>			

Net (Increase)/ Decrease in Investments in Subsidiaries/Joint Ventures / Associates	(797.50)	(2,200.77)	(6,136.07)
Net Profit/(Loss) on sale of Investments in Subsidiaries/Joint Ventures/Associates	(12.93)	1,539.73	6,215.65
Income from investment in Subsidiaries/ Joint Ventures/ Associates	718.37	642.86	212.03
Net (Increase)/ Decrease in Fixed Assets	(2,520.66)	(3,336.09)	(3,268.38)
<b>Net Cash generated from/ (used in) investing activities (B)</b>	<b>(2,612.72)</b>	<b>(3,354.27)</b>	<b>(2,976.77)</b>
<b>Cash Flow from Financing Activities</b>			
Issue/(redemption) of Capital Instruments (Net)	3,680.70	10,583.16	8,133.40
Interest on Capital Instruments	(5,288.37)	(4,950.53)	(4,781.23)
Dividends Paid	(3,569.84)	-	-
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(5,177.51)</b>	<b>5,632.63</b>	<b>3,352.17</b>
<b>Effect of exchange fluctuation on Translation Reserve (D)</b>	<b>888.39</b>	<b>(202.21)</b>	<b>2,543.64</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C+D)</b>	<b>51,513.61</b>	<b>91,941.70</b>	<b>28,606.90</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,43,038.71</b>	<b>2,51,097.01</b>	<b>2,22,490.11</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,94,552.32</b>	<b>3,43,038.71</b>	<b>2,51,097.01</b>

(iv) Balance Sheet on a consolidated basis

Rs. in crores

Particulars	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
<b>CAPITAL AND LIABILITIES</b>			
Capital	892.46	892.46	892.46
Reserves & Surplus	3,04,695.58	2,74,669.10	2,50,167.66
Minority Interest	11,207.42	9,625.92	7,943.82
Deposits	40,87,410.60	37,15,331.24	32,74,160.63
Borrowings	4,49,159.78	4,33,796.21	3,32,900.67
Other Liabilities and Provisions	5,07,517.68	4,11,303.62	3,31,427.10
<b>TOTAL</b>	<b>53,60,883.53</b>	<b>48,45,618.55</b>	<b>41,97,492.34</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	2,58,086.43	2,13,498.62	1,66,968.46
Balances with Banks and Money at Call & Short Notice	1,40,818.69	1,34,208.42	87,346.80
Investments	17,76,489.90	15,95,100.27	12,28,284.28
Advances	27,94,076.00	25,00,598.99	23,74,311.18
Fixed Assets	39,510.03	40,166.79	40,078.17
Other Assets	3,51,902.48	3,62,045.46	3,00,503.45

<b>TOTAL</b>	<b>53,60,883.53</b>	<b>48,45,618.55</b>	<b>41,97,492.34</b>
<b>Contingent Liabilities</b>	<b>20,07,232.49</b>	<b>17,14,239.52</b>	<b>12,21,083.11</b>
<b>Bills for Collection</b>	<b>77,783.06</b>	<b>56,557.64</b>	<b>55,790.70</b>

**(v) Profit & Loss Account on a consolidated basis**

**Rs. in crores**

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
<b>I. INCOME</b>			
Interest earned	2,89,972.69	2,78,115.48	2,69,851.66
Other Income	1,17,000.40	1,07,222.41	98,158.99
<b>TOTAL</b>	<b>4,06,973.09</b>	<b>3,85,337.89</b>	<b>3,68,010.65</b>
<b>II. EXPENDITURE</b>			
Interest expended	1,56,194.34	1,56,010.17	1,61,123.80
Operating expenses	1,74,363.43	1,50,429.60	1,31,781.56
Provisions and contingencies	40,059.15	54,618.41	56,928.46
<b>TOTAL</b>	<b>3,70,616.92</b>	<b>3,61,058.18</b>	<b>3,49,833.82</b>
<b>III. PROFIT</b>			
Net Profit /(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)	36,356.17	24,279.71	18,176.83
Add: Share in Profit of Associates	827.01	(391.90)	2,963.14
Less: Minority Interest	1,809.30	1,482.36	1,372.17
Net Profit/(Loss) for the Group	35,373.88	22,405.45	19,767.80
Profit/(Loss) Brought forward	8,096.54	(1,361.74)	(8,328.40)
<b>Amount available for Appropriation</b>	<b>43,470.42</b>	<b>21,043.71</b>	<b>11,439.40</b>

**(vi) Cashflow Statement on a consolidated basis**

**Rs. in Crores**

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
<b>Cash flow from operating activities</b>			
<b>Net Profit before taxes (including share in profit from associates and net of minority interest)</b>	<b>48,756.34</b>	<b>30,921.71</b>	<b>31,907.56</b>
<b>Adjustments for:</b>			
Depreciation on Fixed Assets	3,691.27	3,711.06	3,661.56
(Profit)/Loss on sale of Fixed Assets (Net)	16.40	28.34	28.34
(Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/Associates	(9.74)	(1,323.43)	(5,573.63)
(Profit)/Loss on revaluation of Investments (Net)	445.74	5.15	0
Provision for diminution in fair value & Non-Performing Assets	15,845.90	29,732.66	43,848.89
Provision on Standard Assets	4,581.81	3,601.33	(291.37)
Provision on non-performing investments	3,471.79	2,820.99	626.52
Other Provisions including provision for contingencies	2,777.18	9,947.19	604.65
Share in Profit of Associates	(827.01)	391.90	(2,963.14)

Dividend from Associates	(3.20)	(3.20)	(14.67)
Interest on Capital Instruments	5,587.89	5,900.31	4,908.09
<b>SUB TOTAL</b>	<b>84,334.38</b>	<b>85,734.01</b>	<b>76,742.80</b>
<b>Adjustments for:</b>			
Increase/(Decrease) in Deposits	3,72,079.36	4,41,170.62	3,33,619.56
Increase/(Decrease) in Borrowings other than Capital Instruments	11,807.88	90,438.85	(89,342.81)
(Increase)/Decrease in Investments other than Investment in Subsidiaries/Joint Ventures/Associates	(1,83,899.64)	(3,68,800.15)	(1,00,670.42)
(Increase)/Decrease in Advances	(3,09,322.92)	(1,56,020.45)	(1,91,306.40)
Increase/(Decrease) in Other Liabilities	86,464.27	67,465.50	31,602.73
(Increase)/Decrease in Other Assets	5,255.83	(66,249.95)	(21,857.44)
<b>SUB TOTAL</b>	<b>66,719.15</b>	<b>93,738.43</b>	<b>38,788.02</b>
Tax refund / (Taxes paid)	(9,024.30)	(3,819.49)	(14,859.49)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>57,694.85</b>	<b>89,918.94</b>	<b>23,928.53</b>
<b>Cash flow from investing activities</b>			
(Increase)/Decrease in Investments in Subsidiaries/ Joint Ventures/Associates	(580.53)	(1,234.83)	(6,031.06)
Profit/(Loss) on sale of Investments in Subsidiaries/ Joint Ventures/Associates	9.74	1,323.43	5,573.63
Dividend from Associates	3.20	3.20	14.67
(Increase)/Decrease in Fixed Assets	(3,050.92)	(3,828.02)	(3,065.01)
(Increase)/Decrease in Goodwill on Consolidation	0	(0.01)	184.08
<b>Net Cash generated from / (used in) investing activities (B)</b>	<b>(3,618.51)</b>	<b>(3,736.23)</b>	<b>(3,323.69)</b>
<b>Cash flow from financing activities</b>			
Issue / (redemption) of Capital Instruments (Net)	3,555.70	10,533.34	8,495.82
Interest on Capital Instruments	(5,411.01)	(5,069.11)	(4,908.09)
Dividends paid including tax thereon	(3,569.84)	0	0
Dividends tax paid by Subsidiaries/Joint Ventures	(0.87)	(3.65)	(65.04)
Increase/(Decrease) in Minority Interest	1,581.51	1,682.09	1,906.83
<b>Net Cash generated from / (used in) financing activities (C)</b>	<b>(3,844.53)</b>	<b>7,142.67</b>	<b>5,429.52</b>
<b>Effect of exchange fluctuation on translation reserve(D)</b>	<b>966.26</b>	<b>66.40</b>	<b>2,768.64</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)+(D)</b>	<b>51,198.09</b>	<b>93,391.78</b>	<b>28,803.00</b>
<b>Cash and Cash equivalents as at beginning of the year</b>	<b>3,47,707.04</b>	<b>2,54,315.26</b>	<b>2,25,512.26</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>3,98,905.12</b>	<b>3,47,707.04</b>	<b>2,54,315.26</b>

The detailed financial statements along with Auditor's Report, requisite schedules, footnotes, summary etc. is at Annexure VI

## 5. Unaudited financial information along with limited audit review report for the quarter ended 30<sup>th</sup> September 2022:

Following is the unaudited financial information with limited audit review report for the quarter ended 30<sup>th</sup> September 2022:

STATE BANK OF INDIA														
CORPORATE CENTRE, MUMBAI - 400 021														
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022														
S. No.	Particulars	Standalone						Consolidated						(₹ in crore)
		Quarter ended		Half year ended		Year ended	Quarter ended		Half year ended		Year ended			
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)	30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)	
1	Interest earned (a)=(b)+(c)+(d)	79,859.59	72,676.37	69,481.49	1,52,535.96	1,35,045.92	2,75,457.29	84,462.87	76,780.86	73,029.13	1,61,243.73	1,41,989.08	2,89,572.69	
	(a) Interest/ discount on advances/ bills	52,382.94	46,473.53	42,316.89	98,856.47	83,460.42	1,71,823.73	54,155.19	48,105.28	43,643.51	1,02,260.47	86,115.74	1,77,474.83	
	(b) Income on investments	23,669.56	22,439.62	21,074.66	46,109.18	41,444.49	84,877.20	26,391.65	24,833.44	23,235.88	51,225.09	45,584.96	93,477.90	
	(c) Interest on balances with Reserve Bank of India and other inter-bank funds	735.91	1,178.32	1,231.31	1,914.23	2,266.38	4,377.91	826.21	1,248.45	1,272.76	2,074.66	2,375.83	4,608.35	
	(d) Others	3,071.18	2,584.90	4,858.83	5,656.08	7,874.63	14,378.45	3,089.82	2,593.69	4,876.98	5,683.51	7,912.55	14,411.61	
2	Other income	8,874.27	2,312.20	8,207.60	11,186.47	20,010.34	40,563.91	30,319.61	17,743.44	28,114.12	48,063.05	52,421.11	1,17,000.40	
3	TOTAL INCOME (1)+(2)	88,733.86	74,988.57	77,689.09	1,63,722.43	1,55,056.26	3,16,021.20	1,14,782.48	94,524.30	1,01,143.25	2,09,306.78	1,94,410.19	4,06,973.09	
4	Interest expended	44,676.16	41,480.44	38,297.59	86,156.69	76,223.59	1,54,749.70	45,232.19	41,931.16	38,638.14	87,163.35	76,887.23	1,66,194.34	
5	Operating expenses (a)+(b)+(c)	22,937.69	20,755.67	21,312.42	43,693.26	41,778.77	85,979.13	45,776.84	37,565.65	42,060.12	83,342.39	76,247.71	1,66,945.04	
	(a) Employee cost	12,867.35	12,051.41	12,577.80	24,918.76	25,116.09	50,143.60	13,965.39	13,137.33	13,537.20	27,102.72	26,952.24	54,026.74	
	(b) Operating expenses relating to Insurance Business	-	-	-	-	-	-	19,441.46	13,748.83	17,833.82	33,190.29	29,252.22	69,706.73	
	(c) Other operating expenses	10,070.34	8,704.16	8,734.62	18,774.50	16,662.68	35,835.53	12,369.99	10,679.39	10,699.10	23,049.38	20,042.25	43,211.57	
6	TOTAL EXPENDITURE (excluding provisions and contingencies) (4)+(5)	67,613.84	62,236.01	59,610.01	1,29,849.85	1,18,002.36	2,40,728.83	91,009.03	79,496.71	80,698.26	1,70,505.74	1,63,134.94	3,23,139.38	
7	OPERATING PROFIT (before provisions and contingencies) (3)-(6)	21,120.02	12,752.56	18,079.08	33,872.58	37,053.90	75,292.37	23,773.45	15,027.59	20,444.99	38,801.04	41,275.25	83,833.71	
8	Provisions (other than tax) and contingencies (net of write back)	3,038.67	4,392.38	188.75	7,431.05	10,240.71	24,452.13	3,430.97	4,762.48	815.44	8,193.45	11,125.68	26,676.69	
	—of which provisions for non-performing assets	2,010.87	4,268.13	2,699.28	6,279.00	7,729.07	14,096.65	2,417.34	4,633.48	3,165.61	7,050.80	8,655.05	15,845.90	
9	Exceptional items	-	-	-7,418.39	-	-7,418.39	-7,418.39	-	-	-	-7,418.39	-7,418.39	-7,418.39	
10	PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX (7)-(8)-(9)	18,081.35	8,360.18	10,471.94	26,441.53	19,394.80	43,421.85	20,342.48	10,265.11	12,411.16	30,607.59	22,731.18	49,738.63	
11	Tax expense/ (credit)	4,816.83	2,292.10	2,845.37	7,108.93	5,264.23	11,745.87	5,325.20	2,736.66	3,279.93	8,062.06	6,060.73	13,382.46	
12	NET PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES AFTER TAX (10)-(11)	13,264.52	6,068.08	7,626.57	19,332.60	14,130.57	31,675.98	15,017.28	7,528.25	9,131.23	22,545.53	16,670.45	36,356.17	
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-	
14	NET PROFIT/ (LOSS) FOR THE PERIOD (12)+(13)	13,264.52	6,068.08	7,626.57	19,332.60	14,130.57	31,675.98	15,017.28	7,528.25	9,131.23	22,545.53	16,670.45	36,356.17	
15	Share in profit of associates	-	-	-	-	-	-	279.43	267.98	210.37	547.41	373.74	827.01	
16	Minority interest	-	-	-	-	-	-	544.71	471.12	451.76	1,015.83	774.44	1,809.30	
17	NET PROFIT/ (LOSS) AFTER MINORITY INTEREST (14)+(15)-(16)	13,264.52	6,068.08	7,626.57	19,332.60	14,130.57	31,675.98	14,752.00	7,326.11	8,689.46	22,077.11	16,269.75	35,373.88	
18	Paid-up equity share capital (face value of ₹1/- each)	892.46	892.46	892.46	892.46	892.46	892.46	892.46	892.46	892.46	892.46	892.46	892.46	
19	Reserves excluding revaluation reserves	-	-	-	-	-	2,55,817.73	-	-	-	-	-	2,61,317.72	
20	Analytical ratios													
(i)	Percentage of shares held by Government of India	56.92%	56.92%	56.92%	56.92%	56.92%	56.92%	56.92%	56.92%	56.92%	56.92%	56.92%	56.92%	
(ii)	Capital adequacy ratio (Basel III)	13.51%	13.43%	13.35%	13.51%	13.35%	13.83%	13.51%	13.35%	13.83%	13.51%	13.35%	13.83%	
	(a) CET 1 ratio	9.53%	9.72%	9.76%	9.53%	9.76%	9.94%	9.53%	9.72%	9.76%	9.53%	9.72%	9.76%	
	(b) Additional tier 1 ratio	1.59%	1.43%	1.26%	1.59%	1.26%	1.48%	1.59%	1.43%	1.26%	1.59%	1.43%	1.26%	
(iii)	Earnings per share (EPS) (₹)													
	(a) Basic and diluted EPS before Extraordinary items (net of tax expense) (Quarter/Half-Year numbers not annualised)	14.86	6.80	8.55	21.66	15.83	35.49	16.53	8.21	9.96	24.74	16.23	39.64	
	(b) Basic and diluted EPS after Extraordinary items (net of tax expense) (Quarter/Half-Year numbers not annualised)	14.86	6.80	8.55	21.66	15.83	35.49	16.53	8.21	9.96	24.74	16.23	39.64	
(iv)	NPA ratios													
	(a) Amount of gross non-performing assets	1,06,804.14	1,13,271.72	1,23,941.77	1,06,804.14	1,23,941.77	1,12,023.37							
	(b) Amount of net non-performing assets	23,572.19	28,257.92	37,118.61	23,572.19	37,118.61	27,965.71							
	(c) % of gross NPAs	3.52%	3.91%	4.90%	3.52%	4.90%	3.97%							
	(d) % of net NPAs	0.80%	1.00%	1.52%	0.80%	1.52%	1.02%							
(v)	Return on assets (Net assets basis-annualised)	1.04%	0.48%	0.66%	0.76%	0.61%	0.67%							
(vi)	Net worth	2,59,069.39	2,45,837.47	2,25,409.19	2,59,069.39	2,25,409.19	2,40,502.13							
(vii)	Outstanding redeemable preference shares	-	-	-	-	-	-							
(viii)	Capital redemption reserve	-	-	-	-	-	-							
(ix)	Debt-equity ratio*	0.63	0.53	0.56	0.63	0.56	0.71							
(x)	Total debts to total assets**	9.40%	9.56%	8.93%	9.40%	8.93%	8.54%							

\*Debt represents borrowings (including Repos) with residual maturity of more than one year.

\*\*Total debts represents total borrowings of the Bank.



**STATE BANK OF INDIA**  
CORPORATE CENTRE, MUMBAI - 400 021  
UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS & LIABILITIES

S. No	Particulars	Standalone						Consolidated						(₹ in crore)
		Quarter ended			Half year ended		Year ended	Quarter ended			Half year ended		Year ended	
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)	30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)	
1	Segment Revenue													
	a Treasury operations	25,889.43	18,407.87	24,737.75	44,297.30	50,829.46	1,00,000.05	25,897.97	16,404.43	24,773.07	44,302.40	50,865.68	99,649.80	
	b Corporate/ Wholesale Banking operations	23,115.80	19,316.48	17,326.73	42,432.28	36,606.23	74,379.36	23,577.24	19,728.26	17,627.72	43,305.50	37,235.27	75,675.43	
	c Retail Banking operations	39,136.31	37,122.16	33,694.55	76,258.47	65,581.36	1,38,504.95	39,267.51	37,247.22	33,784.89	76,514.73	65,756.80	1,38,896.25	
	d Insurance Business													
	e Other Banking operations							21,343.21	15,480.96	19,450.86	36,824.17	32,062.60	76,586.67	
	f Unallocated	592.32	142.06	1,930.06	734.38	2,039.21	3,136.84	5,305.56	4,531.71	4,272.95	9,837.27	7,780.49	16,726.04	
	Total Segment Revenue	88,733.86	74,988.57	77,689.09	1,63,722.43	1,55,056.26	3,16,021.20	1,15,989.36	95,540.07	1,01,844.17	2,11,529.43	1,95,749.55	4,10,690.28	
	Less: Inter Segment Revenue							1,206.88	1,015.77	700.92	2,222.65	1,339.36	3,717.19	
	Net Segment Revenue	88,733.86	74,988.57	77,689.09	1,63,722.43	1,55,056.26	3,16,021.20	1,14,782.48	94,524.30	1,01,143.25	2,09,306.78	1,94,410.19	4,06,973.09	
2	Segment Results													
	a Treasury operations (before exceptional items)	3,205.72	- 4,672.47	5,882.69	- 1,466.75	12,959.99	13,654.90	3,162.26	- 4,738.20	5,879.87	- 1,575.94	12,883.28	13,055.52	
	b Corporate/ Wholesale Banking operations (before exceptional items)	7,384.84	8,360.93	4,874.50	15,745.77	9,325.76	26,959.15	7,438.55	8,432.41	4,921.74	15,870.96	9,462.56	27,037.39	
	c Retail Banking operations (before exceptional items)	8,320.57	5,924.51	6,558.28	14,245.08	5,174.59	12,541.38	8,403.70	5,970.84	6,594.19	14,374.54	5,234.84	12,333.19	
	d Insurance Business							434.90	473.99	445.96	608.89	754.05	1,904.29	
	e Other Banking operations							1,702.98	1,349.05	1,382.88	3,052.03	2,402.28	5,022.31	
	f Unallocated	- 829.78	- 1,252.79	574.86	- 2,082.57	- 647.15	- 2,315.19	- 799.91	- 1,222.98	604.91	- 2,022.89	- 587.24	- 2,195.68	
	Sub Total	18,081.35	8,360.18	17,890.33	26,441.53	26,813.19	50,840.24	20,342.48	10,265.11	18,829.55	30,607.59	30,149.57	57,157.02	
	Exceptional Items	-	-	- 7,418.39	-	- 7,418.39	-	-	-	-	- 7,418.39	-	- 7,418.39	
	Profit/ (Loss) from Ordinary Activities before Tax	18,081.35	8,360.18	10,471.94	26,441.53	19,394.80	43,421.85	20,342.48	10,265.11	12,411.16	30,607.59	22,731.18	49,738.63	
	Less: Tax expense / (credit)	4,816.83	2,292.10	2,845.37	7,108.93	5,264.23	11,745.87	5,325.20	2,736.86	3,279.93	8,082.06	6,060.73	13,382.46	
	Add / Less: Extraordinary Profit/ (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	
	Net Profit/ (Loss) before share in profit of associates and minority interest	13,264.52	6,068.08	7,626.57	19,332.60	14,130.57	31,675.98	15,017.28	7,528.25	9,131.23	22,545.53	16,670.45	36,356.17	
	Add: Share in profit of associates							279.43	267.98	210.37	547.41	373.74	827.01	
	Less: Minority interest							544.71	471.12	451.76	1,015.83	774.44	1,809.30	
	Net Profit/ (Loss) <sup>1</sup>	13,264.52	6,068.08	7,626.57	19,332.60	14,130.57	31,675.98	14,752.00	7,325.11	8,889.84	22,077.11	16,269.75	35,373.88	
3	Segment Assets													
	a Treasury operations	16,47,932.61	16,38,948.78	16,92,056.91	16,47,932.61	16,92,056.91	16,13,186.75	16,49,456.08	16,35,718.17	16,93,164.96	16,49,456.08	16,93,164.96	16,11,406.25	
	b Corporate/ Wholesale Banking operations	14,10,183.62	13,20,293.95	11,34,669.06	14,10,183.62	11,34,669.06	13,02,237.02	14,33,090.00	13,45,015.62	11,57,935.94	14,33,090.00	11,57,935.94	13,26,995.56	
	c Retail Banking operations	21,02,252.26	20,21,154.68	18,15,426.50	21,02,252.26	18,15,426.50	20,21,244.45	21,07,712.70	20,26,262.45	18,20,752.54	21,07,712.70	18,20,752.54	20,27,135.23	
	d Insurance Business							3,00,946.55	2,81,024.08	2,61,531.70	3,00,946.55	2,61,531.70	2,85,210.54	
	e Other Banking operations							70,788.35	63,889.29	50,491.33	70,788.35	50,491.33	58,894.25	
	f Unallocated	39,432.30	45,422.44	49,764.79	39,432.30	49,764.79	50,929.19	39,697.28	45,740.70	50,037.88	39,697.28	50,037.88	51,241.70	
	Total	51,99,800.79	50,25,819.85	46,91,917.26	51,99,800.79	46,91,917.26	49,87,597.41	56,01,690.96	53,97,650.31	50,33,914.35	56,01,690.96	50,33,914.35	53,60,883.53	
4	Segment Liabilities													
	a Treasury operations	15,39,403.47	15,27,597.45	15,80,922.55	15,39,403.47	15,80,922.55	14,68,058.86	15,22,910.74	15,12,227.31	15,71,342.81	15,22,910.74	15,71,342.81	14,58,533.68	
	b Corporate/ Wholesale Banking operations	13,78,133.08	12,88,423.01	11,39,225.63	13,78,133.08	11,39,225.63	12,74,940.11	14,00,996.76	13,08,546.69	11,56,701.36	14,00,996.76	11,56,701.36	12,93,294.16	
	c Retail Banking operations	18,69,306.68	18,10,658.34	16,13,064.09	18,69,306.68	16,13,064.09	18,48,288.43	18,87,317.55	18,27,286.13	16,30,189.75	18,87,317.55	16,30,189.75	18,63,708.05	
	d Insurance Business							2,85,659.51	2,66,253.67	2,47,563.08	2,85,659.51	2,47,563.08	2,70,570.71	
	e Other Banking operations							51,233.80	45,580.07	34,708.45	51,233.80	34,708.45	41,562.93	
	f Unallocated	1,08,044.81	1,07,777.57	90,304.61	1,08,044.81	90,304.61	1,16,222.15	1,20,449.18	1,19,758.28	1,00,944.56	1,20,449.18	1,00,944.56	1,27,625.95	
	Capital and Reserves & Surplus	3,04,912.75	2,91,363.48	2,68,400.38	3,04,912.75	2,68,400.38	2,80,088.06	3,33,123.42	3,17,998.16	2,92,464.34	3,33,123.42	2,92,464.34	3,05,688.05	
	Total	51,99,800.79	50,25,819.85	46,91,917.26	51,99,800.79	46,91,917.26	49,87,597.41	56,01,690.96	53,97,650.31	50,33,914.35	56,01,690.96	50,33,914.35	53,60,883.53	

<sup>1</sup> Segment Net Results are arrived after taking the effects of Transfer Pricing.

RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, has identified 'Digital Banking' as a sub-segment under the 'Retail Banking Segment'. The Bank has commenced Digital Banking Unit (DBU) operations on October 16, 2022. Reporting of the Digital Banking as a separate sub-segment in the Segment reporting will be done based on the directive of RBI / decision of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI).



**STATE BANK OF INDIA**  
CORPORATE CENTRE, MUMBAI - 400 021  
**SUMMARISED STATEMENT OF ASSETS & LIABILITIES**

S. No.	Particulars	Standalone			Consolidated		
		30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	<b>Capital and Liabilities</b>						
a	Capital	892.46	892.46	892.46	892.46	892.46	892.46
b	Reserves & surplus	3,04,020.29	2,67,507.92	2,79,195.60	3,32,230.96	2,91,571.88	3,04,695.59
c	Minority interest						
d	Deposits	41,90,254.88	38,09,629.87	40,51,534.12	42,30,342.22	38,44,788.15	40,87,410.60
e	Borrowings	4,88,608.40	4,18,950.76	4,26,043.38	5,15,722.02	4,38,055.90	4,49,159.78
f	Other liabilities and provisions	2,16,024.76	1,94,936.25	2,29,931.85	5,10,343.52	4,48,177.76	5,07,517.68
	<b>Total</b>	<b>51,99,800.79</b>	<b>46,91,917.26</b>	<b>49,87,597.41</b>	<b>56,01,690.96</b>	<b>50,33,914.35</b>	<b>53,60,883.53</b>
2	<b>Assets</b>						
a	Cash and balances with Reserve Bank of India	2,33,907.59	3,29,010.25	3,18,265.21	2,34,104.19	3,29,225.20	3,18,492.43
b	Balances with banks and money at call and short notice	60,041.77	66,033.65	76,287.11	69,075.67	71,342.26	80,412.69
c	Investments	15,55,321.91	14,66,529.53	14,81,445.47	18,68,681.06	17,35,670.28	17,76,489.90
d	Advances	29,51,287.51	24,43,194.23	27,33,966.59	30,15,269.57	24,96,382.89	27,94,076.00
e	Fixed assets	41,738.26	37,938.92	37,708.16	43,607.50	39,705.24	39,510.03
f	Other assets	3,57,503.75	3,49,210.68	3,39,924.87	3,70,952.97	3,61,588.48	3,51,902.48
	<b>Total</b>	<b>51,99,800.79</b>	<b>46,91,917.26</b>	<b>49,87,597.41</b>	<b>56,01,690.96</b>	<b>50,33,914.35</b>	<b>53,60,883.53</b>

**UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

PARTICULARS	Standalone			Consolidated		
	Half year ended		Year ended	Half year ended		Year ended
	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	26,441.53	19,394.80	43,421.85	30,139.17	22,330.48	48,756.34
Adjustments for:						
Depreciation on Fixed Assets	1,642.72	1,606.89	3,248.59	1,809.99	1,816.09	3,691.27
(Profit)/Loss on sale of Fixed Assets (Net)	12.80	9.86	16.86	11.80	9.78	16.40
(Profit)/Loss on revaluation of Investments (Net)	7,947.05	-	263.28	8,239.34	-	445.74
(Profit) on sale of Investments in Subsidiaries/Joint Ventures/ Associates	-	-	-	-	-9.74	-9.74
Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates	-	12.93	12.93	-	-	-
Provision for diminution in fair value & Non Performing Assets	6,279.00	7,729.07	14,086.85	7,050.80	8,655.05	15,845.90
Provision on Standard Assets	-1,169.65	2,056.69	4,677.04	-1,162.68	2,067.50	4,681.82
Provision on non-performing Investments	1,508.01	153.82	3,440.10	1,461.10	125.37	3,471.79
Other provisions including provision for contingencies	813.69	564.42	2,248.15	844.23	565.17	2,777.18
Income from investment in Subsidiaries/Joint Ventures / Associates	-186.89	-162.48	-718.37	-	-	-
Share in Profit of Associates	-	-	-	-547.41	-373.74	-827.01
Dividend from Associates	-	-	-	-2.66	-3.20	-3.20
Interest charged on Capital Instruments	2,816.95	2,686.35	5,451.97	2,894.52	2,754.81	5,587.89
	<b>46,105.21</b>	<b>34,052.35</b>	<b>76,149.25</b>	<b>60,738.20</b>	<b>37,937.57</b>	<b>84,334.38</b>
Adjustments for:						
Increase/(Decrease) in Deposits	1,38,720.76	1,28,352.79	3,70,257.04	1,42,931.62	1,29,436.91	3,72,079.36
Increase/(Decrease) in Borrowings other than Capital Instruments	53,693.02	4,446.36	5,064.98	57,390.15	7,052.99	11,807.87
(Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates	-83,253.66	-1,15,059.11	-1,32,646.15	-1,01,344.19	-1,40,323.87	-1,83,899.64
(Increase)/Decrease in Advances	-2,23,599.91	-1,425.51	-2,98,555.65	-2,28,244.37	-4,438.95	-3,09,322.92
Increase/(Decrease) in Other Liabilities	-7,220.65	14,393.17	40,375.27	-3,120.87	37,961.83	86,464.27
(Increase)/Decrease in Other Assets	-26,106.86	489.41	5,583.07	-27,722.33	-1,357.04	5,255.83
	<b>-1,01,662.09</b>	<b>65,249.46</b>	<b>66,227.81</b>	<b>-1,09,374.79</b>	<b>66,269.44</b>	<b>66,719.15</b>
Tax refund / (Taxes paid)	1,086.45	-3,694.61	-7,812.36	-188.67	-4,213.63	-9,024.30
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>-1,00,575.64</b>	<b>61,554.85</b>	<b>58,415.46</b>	<b>-1,09,183.12</b>	<b>62,055.81</b>	<b>57,694.85</b>



PARTICULARS	Standalone			Consolidated		
	Half year ended		Year ended	Half year ended		Year ended
	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase of Shares in Subsidiaries / Joint Ventures / Associates	- 77.84	-	- 878.47	- 11.73	-	- 582.76
Sale of Shares in Subsidiaries / Joint Ventures / Associates	-	68.05	68.05	-	11.97	11.97
Income from investment in Subsidiaries / Joint Ventures / Associates	186.89	162.48	718.37			
Dividend from Associates				2.66	3.20	3.20
(Increase) in Fixed Assets	- 1,192.19	- 1,814.48	- 2,715.31	- 1,407.25	- 2,739.42	- 3,305.26
Decrease in Fixed Assets	102.50	646.54	194.64	65.62	1,375.09	254.34
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>- 980.64</b>	<b>- 937.41</b>	<b>- 2,612.72</b>	<b>- 1,350.70</b>	<b>- 1,349.16</b>	<b>- 3,618.51</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of Capital Instruments	10,872.00	4,000.00	13,974.00	11,272.09	4,100.00	14,074.00
Redemption of Capital Instruments	- 2,000.00	- 6,793.30	- 10,293.30	- 2,100.00	- 6,893.30	- 10,518.31
Interest paid on Capital Instruments	- 2,496.68	- 2,657.10	- 5,288.37	- 2,560.87	- 2,720.89	- 5,411.01
Dividend paid	- 6,336.47	- 3,569.84	- 3,569.84	6,336.47	- 3,569.84	- 3,569.84
Dividend tax paid by Subsidiaries/Joint Ventures				-	-	- 0.87
Increase/(Decrease) in Minority Interest				952.36	822.28	1,581.50
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>38.85</b>	<b>- 9,020.24</b>	<b>- 5,177.51</b>	<b>13,900.05</b>	<b>- 8,261.75</b>	<b>- 3,844.53</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>	<b>914.47</b>	<b>407.99</b>	<b>888.39</b>	<b>908.51</b>	<b>415.52</b>	<b>966.27</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)</b>	<b>- 1,00,602.96</b>	<b>52,005.19</b>	<b>51,513.61</b>	<b>- 95,725.26</b>	<b>52,860.42</b>	<b>51,198.08</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1ST APRIL</b>	<b>3,94,552.32</b>	<b>3,43,038.71</b>	<b>3,43,038.71</b>	<b>3,98,905.12</b>	<b>3,47,707.04</b>	<b>3,47,707.04</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE PERIOD END</b>	<b>2,93,949.36</b>	<b>3,95,043.90</b>	<b>3,94,552.32</b>	<b>3,03,179.86</b>	<b>4,00,567.46</b>	<b>3,98,905.12</b>

Note:

1 Components of Cash & Cash Equivalents as at:

Cash & Balances with Reserve Bank of India	30.09.2022	30.09.2021	31.03.2022	30.09.2022	30.09.2021	31.03.2022
Balances with Banks and money at call & short notice	2,33,907.59	3,29,010.25	3,18,265.21	2,34,104.19	3,29,225.20	3,18,492.43
	60,041.77	66,033.65	76,287.11	69,075.67	71,342.26	80,412.69

Total 2,93,949.36 3,95,043.90 3,94,552.32 3,03,179.86 4,00,567.46 3,98,905.12

2 Cash flow from operating activities is reported by using indirect method.

★ The banking license of "Bank SBI Botswana" was surrendered on 30.06.2021. Operations of the same were closed post deregistration & the capital of Rs. 80.98 crore was repatriated at loss of Rs. 12.93 crore.

The above results have been approved by the Central Board of the Bank at the meeting held on November 5, 2022 and were subjected to "Limited Review" by the Bank's Statutory Central Auditors.

Alok Kumar Choudhary  
Managing Director (RB & O)

Ashwini Kumar Tewari  
Managing Director (R, C & SARG)

Swaminathan  
Managing Director (CB & Subsidiaries)

Challa Sreenivasulu Setty  
Managing Director (IB, GM & T)

Dinesh Kumar Khara  
Chairman

Place: Mumbai  
Date: November 5, 2022

#### Notes on Standalone Financial Results:

1. The above financial results for the quarter and half year ended September 30, 2022 have been drawn from the financial statements prepared in accordance with Accounting Standard (AS-25) on 'Interim Financial Reporting'.
2. The above financial results have been reviewed by the Audit Committee of the Board at its meeting held on November 04, 2022 and approved by the Board of Directors at its meeting held on November 05, 2022. The financial results have been subjected to a limited review by the Statutory Central Auditors of the Bank.
3. The above financial results for the quarter and half year ended September 30, 2022 have been arrived at after considering necessary provisions for NPAs, Standard Assets, Standard Derivative Exposures, Restructured Assets and Provision for Non Performing Investments. Provisions for Contingencies, Employee Benefits, Direct Taxes (after adjustment for Deferred Tax) and in respect of other assets / items are made on estimated basis.
4. Other income of the Bank includes fee income, earnings from foreign exchange and derivative transactions, profit or loss on sale/revaluation of investments, dividend from subsidiaries and recoveries made in written off accounts.
5. There is no change in the Significant Accounting Policies adopted during the quarter ended September 30, 2022 as compared to those followed in the previous financials ended March 31, 2022.
6. State Bank Operations Support Services Pvt. Ltd. has been incorporated on July 26, 2022 as a wholly owned subsidiary. The company provides operation support services for Agriculture/MSME and other Micro Loans including activities permissible to business correspondents, to the Bank which will help to improve the customer connect and business focus of the branches of Bank.
7. The Bank has acquired additional 13.82% stake in SBI Global Factors Limited making it a wholly owned subsidiary of the Bank.
8. RBI Circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on 'Basel III Capital Regulations' read together with RBI Circular No. DBR.No.BP. BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments' requires the Bank to make applicable Pillar 3 Disclosures including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. These disclosures as of September 30, 2022, are placed on the Bank's Website <https://www.sbi.co.in>.



9. As per RBI Circulars DBR.No.BP.15199/21.04.048/2016-17 and DBR .No. BP. 1906/21.04.048/2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of ₹ 4,700 crore (100% of total outstanding) as on September 30, 2022.
10. The Bank has estimated the liability for Unhedged Foreign Currency in terms of RBI Circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of ₹ 175.36 crore as on September 30, 2022.
11. 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.
12. Provision Coverage Ratio without AUCA as on September 30, 2022 is 77.93% (PCR with AUCA is 91.54%).
- AUCA represents Accounts which have been fully provided for and transferred to a separate head called Advance under Collection Account.
13. 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, Bank had provided for the entire additional liability of ₹ 7,418.39 crore in the Profit and Loss Account in the quarter ended September 30, 2021. The same had been disclosed as an exceptional item.

There was no unamortised expenditure in the Balance Sheet on account of Family Pension Scheme.

The image shows several handwritten signatures and initials in blue and green ink. On the left, there are several blue ink signatures, some with checkmarks. In the center, there are more blue ink signatures and initials, including one that looks like 'Anj' and another 'Anr'. On the right, there are green ink signatures and initials, including one that looks like 'A' and another 'd'.

14. 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), the details of resolution plan as on September 30, 2022 is :

(₹ in crore)

Type of borrower	(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	15,498	234	-	718	15,017
Corporate persons	15,462	1,824	-	1,876	12,319
of which, MSMEs	12,446	803	-	1,125	11,045
Others	-	-	-	-	-
<b>Total</b>	<b>30,960</b>	<b>2,058</b>	<b>-</b>	<b>2,594</b>	<b>27,336</b>

Handwritten signatures and initials in blue and green ink are present below the table.

15. Details of loan transferred/acquired during quarter ended September 30, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

I. Details of non-performing assets (NPAs) transferred:

(₹ in crore)

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees
Number of Accounts	9	3	-
Aggregate principal outstanding of loans transferred	4,383.01	45.60	-
Weighted average residual tenor of the loans transferred (in month)	0.82	-	-
Net book value of loans transferred (at the time of transfer)	58.62	9.64	-
Aggregate consideration	1,745.15	12.39	-
Additional consideration realised in respect of accounts transferred in earlier years	27.29	-	-

During the quarter ended September 30, 2022, excess provision of ₹ 1,697.00 crore was reversed to the Profit and Loss Account on account of transfer of NPAs to ARCs/Permitted Transferees.

During the quarter ended September 30, 2022, Investment made in Security Receipts (SRs) was ₹ 5.59 crore. Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

II. The Bank has not transferred any Special Mention Account (SMA) and loan not in default.



III. Details of loans not in default acquired through assignment are given below:

Particulars	(₹ in crore)	
	From lenders listed in Clause 3	From ARCs
Aggregate amount of loans acquired	1,487.10	-
Weighted average residual maturity (in years)	3.42	-
Weighted average holding period by originator (in years)	0.75	-
Retention of beneficial economic interest by the originator	12.91%	-
Tangible security coverage	86.35%	-

The loans acquired are not rated as these are not corporate borrowers.

Bank is purchasing Pools under Direct Assignment Route from NBFCs/HFCs/MFIs. Rating of pools under Direct Assignment is not mandatory. Accordingly, as per Industry Practice and Bank's Assignment policy, Loss Estimates are obtained from External Rating Agencies.

IV. The Bank has not acquired any stressed loan during Q2 FY 2022-23.

16. The number of Investor complaints pending at the beginning of the quarter were NIL. The Bank received 89 Investor complaints during the quarter ended September 30, 2022 and all 89 complaints have been disposed off. There were NIL pending Investor complaints at the end of the quarter ended September 30, 2022.

17. The figures for the quarter ended September 30, 2022 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2022 and the published year to date figures up to June 30, 2022.

18. Previous period/year figures have been regrouped/reclassified, wherever necessary, to conform to current period classifications.


			
<b>Alok Kumar Choudhary</b>	<b>Ashwini Kumar Tewari</b>	<b>Swaminathan J.</b>	<b>Challa Sreenivasulu Setty</b>
<b>Managing Director</b>	<b>Managing Director</b>	<b>Managing Director</b>	<b>Managing Director</b>
<b>(RB &amp; O)</b>	<b>(R, C &amp; SARG)</b>	<b>(CB &amp; Subsidiaries)</b>	<b>(IB, GM &amp; T)</b>

  
**Dinesh Kumar Khara**  
**Chairman**


**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Regn. No. 105049W

  
**Shailesh Shah**  
Partner: M. No. 033632


**For Shah Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 109574W

  
**Arpita T. Gadhia**  
Partner: M. No. 177483

**For Umamaheswara Rao & Co.**  
Chartered Accountants  
Firm Regn. No. 004453S

  
**Radha Krishna Bhagavatula**  
Partner: M. No. 022061


**For SCV & Co. LLP**  
Chartered Accountants  
Firm Regn.No.000235N/N500089

  
**Anuj Dhingra**  
Partner: M. No.512535

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No.009571N/N500006

  
**Prateet Mittal**  
Partner: M. No. 402631

**For Prem Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000425N

  
**Shakun Gupta**  
Partner: M. No. 506838

**For Guha Nandi & Co.,**  
Chartered Accountants  
Firm Regn. No. 302039E



Dr. B. S. Kundu  
Partner: M. No. 051221

**For M C Bhandari & Co**  
Chartered Accountants  
Firm Regn. No. 303002E



M. R. Jain  
Partner: M. No. 050919

**For K C Mehta & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829



Chirag Bakshi  
Partner: M. No. 047164

**For V Singhi & Associates**  
Chartered Accountants  
Firm Regn. No. 311017E



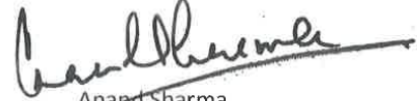
Aniruddha Sengupta  
Partner: M. No. 051371

**For Suri & Co**  
Chartered Accountants  
Firm Regn. No. 004283S



V Natarajan  
Partner: M. No. 223118

**For M/s Talati & Talati LLP**  
Chartered Accountants  
Firm Regn. No 110758W/W100377



Anand Sharma  
Partner: M. No.129033

**Place: Mumbai**

**Date: November 05, 2022**



**Independent Auditors' Review Report on the Unaudited Standalone Financial Results of State Bank of India for the quarter and half year ended September 30, 2022 pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

To  
The Board of Directors,  
State Bank of India,  
State Bank Bhavan  
Madame Cama Road  
Mumbai – 400021.

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of State Bank of India ('the Bank') for the quarter and half year ended September 30, 2022 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations') except for the disclosures relating to Pillar 3 disclosure as at September 30, 2022 including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared by the Bank's Management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' (AS 25) issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve bank of India ('RBI') from time to time ('the RBI Guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

*[Handwritten signatures and initials in blue ink]*

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. These unaudited standalone financial results incorporate the relevant returns of 20 domestic branches reviewed by us and 14 foreign branches reviewed by the Local Auditors of the Foreign Branches, specifically appointed for this purpose. The financial results also incorporate the relevant returns of Central Accounts Office and Global Market Unit reviewed by us. These review reports cover 30.85% of the advances portfolio of the Bank and 35.17% of the non-performing assets of the Bank.

Apart from these review reports, in the conduct of our review, we have also considered various returns of other 1823 domestic branches such as advance portfolio, non-performing assets and provision duly certified by Branch Managers of the Bank which are also incorporated in the financial results. The Branch Managers' reports cover 27.15% of the advances portfolio of the Bank and 30.65% of the non-performing assets of the Bank.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results including notes thereon prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant guidelines/prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.


**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Regn. No. 105049W

  
Shailesh Shah  
Partner: M. No. 033632  
UDIN: 22033632BCDPFS6382

**For Shah Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 109574W

  
Arpita . T. Gadha  
Partner: M. No. 177483  
UDIN: 22177483BCDRHB4956

**For Umamaheswara Rao & Co.**  
Chartered Accountants  
Firm Regn. No. 004453S

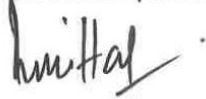
  
Radha Krishna Bhagavatula  
Partner: M. No. 022061  
UDIN: 22022061BCDPIV1141

**For SCV & Co. LLP**  
Chartered Accountants  
Firm Regn.No.000235N/N500089



Anuj Dhingra  
Partner: M. No.512535  
UDIN: 22512535BCDOMI6953

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No.009571N/N500006



Prateet Mittal  
Partner: M. No. 402631  
UDIN: 22402631BCDOXE8964

**For Prem Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000425N



Shakun Gupta  
Partner: M. No. 506838  
UDIN: 22506838BCDOMS3654

**For Guha Nandi & Co.,**  
Chartered Accountants  
Firm Regn. No. 302039E



Dr. B. S. Kundu  
Partner: M. No. 051221  
UDIN: 22051221BCDOQL1396

**For M C Bhandari & Co**  
Chartered Accountants  
Firm Regn. No. 303002E



M. R. Jain  
Partner: M. No. 050919  
UDIN: 22050919BCDOTC4771

**For K C Mehta & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829



Chirag Bakshi  
Partner: M. No. 047164  
UDIN: 22047164BCDNVQ7839

**For V Singhi & Associates**  
Chartered Accountants  
Firm Regn. No. 311017E



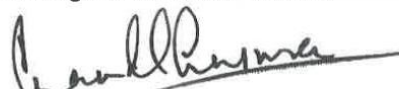
Aniruddha Sengupta  
Partner: M. No. 051371  
UDIN: 22051371BCDQUK2096

**For Suri & Co**  
Chartered Accountants  
Firm Regn. No. 004283S



V Natarajan  
Partner: M. No. 223118  
UDIN: 22223118BCDPDP8262

**For M/s Talati & Talati LLP**  
Chartered Accountants  
Firm Regn. No 110758W/W100377



Anand Sharma  
Partner: M. No.129033  
UDIN: 22129033BCDPJQ5033

Place : Mumbai  
Date : 05.11.2022

### Notes on Consolidated Financial Results

1. The above consolidated financial results for the quarter and half year ended September 30, 2022 have been drawn from the consolidated financial statements prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements", AS 25 "Interim Financial Reporting" & AS 27 "Financial Reporting of Interests in Joint Ventures".
2. The above consolidated financial results have been reviewed by the Audit Committee of the Board at its meeting held on November 04, 2022 and approved by the Board of Directors at its meeting held on November 05, 2022. These consolidated financial results have been subject to limited review by the Statutory Central Auditor of the Bank.
3. The above consolidated financial results for the quarter and half year ended September 30, 2022 have been arrived at after considering necessary provisions for NPAs, Standard Assets, Standard Derivative Exposures, Restructured Assets and Provision for Non Performing Investments. Provisions for Contingencies, Employee Benefits, Direct Taxes (after adjustment for Deferred Tax) and in respect of other assets / items are made on estimated basis.
4. Other income of SBI Group includes fee income, earnings from foreign exchange and derivative transactions, profit or (loss) on sale / revaluation of investments, dividends from associates, Insurance Premium Income and recoveries made in written off accounts.
5. There is no change in the Significant Accounting Policies adopted during the quarter and half year ended September 30, 2022 as compared to those followed in the previous financial ended March 31, 2022.
6. The above consolidated financial results of State Bank of India ("SBI" or 'the Bank') include the results of SBI and its 27 Subsidiaries, 8 Joint Ventures and 18 Associates (including 14 Regional Rural Banks), referred to as the "Group".
7. State Bank Operations Support Services Pvt. Ltd. has been incorporated on July 26, 2022 as a wholly owned subsidiary. The company provides operation support services for Agriculture / MSME and other Micro Loans including activities permissible to business correspondents, to the Bank which will help to improve the customer connect and business focus of the branches of Bank.
8. The Bank has acquired 13.82% stake in SBI Global Factors Limited making it a wholly owned subsidiary of the Bank.

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9. 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 1,66,925 equity shares of ₹ 10 each during the half year ended September 30,2022. Consequently, the stake of SBI in SBI Cards and Payment Services Limited has reduced to 69.18% from 69.20%.
  - ii) SBI Life Insurance Company Limited has allotted 3,43,094 equity shares of ₹ 10 each during the half year ended September 30,2022. Consequently, the stake of SBI in SBI Life Insurance Company Limited has reduced to 55.46% from 55.48%.
  - iii) Yes Bank Limited has allotted 8,73,750 equity shares of ₹ 2 each during the half year ended September 30,2022.
10. SBICAP (Singapore) Limited, a wholly owned step-down subsidiary of SBI and SBI Infra Management Solutions Private Limited, a wholly owned subsidiary of SBI, are in the process of Liquidation from FY 2021-22. During the half year ended September 30, 2022 there are no business operations carried out by both the subsidiaries.
11. 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.
12. Pursuant to the revision in family pension payable to employees of the Bank covered under 11th 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 during the quarter ended September 30, 2021. The same had been disclosed as an exceptional item.
- There was no unamortised expenditure in the Balance Sheet on account of Family Pension Scheme.
13. In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial results. 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 results and also the information pertaining to the items which are not material have not been

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disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.


14. The figures for the quarter ended September 30, 2022 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2022 and the published year to date figures up to June 30, 2022.
15. Previous period/ year figures have been regrouped/ reclassified, wherever necessary, to conform to current period classification.

  
Alok Kumar Choudhary  
Managing Director  
(RB & O)

  
Ashwini Kumar Tewari  
Managing Director  
(R, C & SARG)

  
Swaminathan J.  
Managing Director  
(CB & Subsidiaries)

  
Challa Sreenivasulu Setty  
Managing Director  
(IB, GM & T)

  
Dinesh Kumar Khara  
Chairman

In terms of our Report of even date  
For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

  
Shailesh Shah  
Partner  
Membership No. 033632

Place: Mumbai  
Date: November 05, 2022



# KHANDELWAL JAIN & CO.

## CHARTERED ACCOUNTANTS

Website: www.kjco.net • E-mail: kjco@kjco.net

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111, M. Karve Road, Churchgate,  
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Tel.: (+91-22) 4311 5000  
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117, M. Karve Road, Churchgate,  
Mumbai - 400 020.  
Tel.: (+91-22) 4311 6000  
Fax : 4311 6060

### Independent Auditor's Review Report on quarterly and year to date Unaudited Consolidated Financial Results of State Bank of India pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors  
State Bank of India,  
State Bank Bhavan,  
Madame Cama Road,  
Mumbai- 400021.

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of State Bank of India ("the Parent" or "the Bank") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its jointly controlled entities and its share of the net profit/(loss) after tax of its associates for the quarter and half year ended September 30, 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation"). The disclosures relating to consolidated Pillar 3 disclosure as at September 30, 2022, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio under Basel III Capital Regulations have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.
2. The Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25") issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the



Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of bank personnel and applying analytical and other review procedures to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

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	SBI Canada Bank
6	SBI DFHI Ltd.	20	State Bank of India (California)
7	SBI Global Factors Ltd.	21	State Bank of India (UK) Limited
8	SBI Infra Management Solutions Pvt. Ltd.	22	State Bank of India Servicios Limitada
9	SBI Mutual Fund Trustee Company Pvt Ltd.	23	SBI (Mauritius) Ltd.
10	SBI Payment Services Pvt. Ltd.	24	PT Bank SBI Indonesia
11	SBI Pension Funds Pvt Ltd.	25	Nepal SBI Bank Ltd.
12	SBI Life Insurance Company Ltd.	26	Nepal SBI Merchant Banking Limited
13	SBI General Insurance Company Ltd.	27	State Bank Operations Support Services Pvt. Ltd. (w.e.f July 26, 2022)
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)



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at September 30, 2022, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
6. We did not review the interim financial results of 32 branches included in the standalone unaudited interim financial results of the Parent included in the Group, whose results reflect total assets of Rs. 27,98,255 crore as at September 30, 2022 and total revenues of Rs. 41,415 crore and Rs. 75,462 crore for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively as considered in the respective standalone unaudited interim financial results of the entities included in the Group. The interim financial results of these branches have been reviewed by the other auditors whose reports have been furnished to us, and our conclusion 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 and other auditors.

Apart from above, in the conduct of our review, we also did not review the interim financial results of 1823 branches included in the standalone unaudited interim financial results of the Parent included in the Group, whose results reflect total assets of Rs. 10,83,346 crore as at September 30, 2022 and total revenue of Rs. 18,881 crore and Rs. 36,169 crore for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively as considered in the respective standalone unaudited interim financial results of the entities included in the Group. The interim financial results of these branches have been reviewed by the branch managers whose certified returns have been furnished to us or other auditors, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the certified returns of such branch managers and other auditors.



We did not review / audit the interim financial results of 19 subsidiaries and 1 jointly controlled entity included in the Statement, whose interim financial results, before consolidation adjustments, reflect total assets of Rs. 4,13,014 crore as at September 30, 2022 and total revenues of Rs. 27,149 crore and Rs. 47,597 crore and total net profit after tax of Rs. 1,776 crore and Rs. 3,263 crore for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, (before consolidation adjustments) respectively as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 275 crore and Rs 545 crore for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively as considered in the Statement, in respect of 17 associates, based on their interim financial results which have not been reviewed/audited by us. These interim financial results have been reviewed/audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities & associates, is based solely on the reports of the other auditors which have been relied upon by us and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

7. The Statement include the interim financial results, which have not been reviewed / audited, of 23,066 branches included in the standalone unaudited interim financial results of the Parent included in the Group, whose results reflect total assets of Rs. 12,81,767 crore as at September 30, 2022 and total revenue of Rs. 27,667 crore and Rs. 50,866 crore for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively as considered in the respective standalone unaudited interim financial results of the entities included in the Group.

The Statement includes the interim financial results of 8 subsidiaries and 7 jointly controlled entities which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 20,350 crore as at September 30, 2022 and total revenue of Rs. 278 crore and Rs. 513 crore and total net profit after tax of Rs. 71 crore and Rs. 121 crore for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, (before consolidation adjustments) respectively as considered in the Statement. The Statement also includes the Group's share of net profit of Rs. 5 crore and Rs. 2 crore for the quarter ended September 30, 2022, and for the period from April 1, 2022 to September 30, 2022, respectively as considered in the Statement, in respect of 1 associate, based on its interim financial results which have not been reviewed / audited by its auditors.

Our conclusion on the Statement is not modified in respect of the above matters.



8. The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at September 30, 2022 in respect of a subsidiary, namely SBI Life Insurance Company Limited, and the actuarial valuation of liabilities in respect of Claim Incurred But Not Reported (IBNR) which includes Incurred But Not Enough Reported (IBNER) as at September 30, 2022 in respect of a subsidiary, namely SBI General Insurance Company Limited, have been duly certified by the Appointed Actuary of the respective subsidiary and in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. The respective auditors of these subsidiaries have relied upon the Appointed Actuary's certificates in this regard in forming their unmodified conclusion on condensed interim financial statements of the said subsidiaries.

Our conclusion on the Statements is not modified in respect of the above matter.

**For KHANDELWAL JAIN & CO.**

CHARTERED ACCOUNTANTS

ICAI Firm Registration No. 105049W



**SHAILESH SHAH**

PARTNER

Membership No.: 033632



Place: Mumbai

Date: November 05, 2022

UDIN: 22033632BCDQEF4116

**6. Key Operational and Financial Parameters for the last 3 Audited years:**

**Key Operational and Financial Parameters of the Bank for the last 3 Audited years and unaudited Results for quarter ended 30<sup>th</sup> September 2022 on a standalone basis are as follows:**

(Rs. in Crores)

Particulars	Half Year ended 30.09.2022	FY 2021-22	FY 2020-21	FY 2019-20
Share Capital	892.46	892.46	892.46	892.46
Reserves & Surplus	3,04,020.29	2,79,195.60	2,52,982.73	2,31,114.97
Net worth	2,59,069.39	2,40,502.13	2,14,666.17	1,96,036.72
Deposits	41,90,254.88	40,51,534.12	36,81,277.08	32,41,620.73
Borrowings	4,88,608.40	4,26,043.38	4,17,297.70	3,14,655.65
Other Liabilities & Provisions	2,16,024.76	2,29,931.85	1,81,979.66	1,63,110.11
Cash and Balances with Reserve Bank of India	2,33,907.59	2,57,859.21	2,13,201.54	1,66,735.78
Balances with Banks and money at call and short notice	60,041.77	1,36,693.12	1,29,837.17	84,361.23
Investments	15,55,321.91	14,81,445.47	13,51,705.21	10,46,954.52
Advances	29,51,287.51	27,33,966.59	24,49,497.79	23,25,289.56
Fixed Assets	41,738.26	37,708.16	38,419.24	38,439.28
Other Assets	3,57,503.75	3,39,924.86	3,51,768.68	2,89,613.55
Contingent Liabilities	19,65,903.87	20,07,083.44	17,06,949.91	12,14,994.61
Bills for Collection	80,541.38	77,730.12	56,516.12	55,758.16
Interest earned	1,52,535.96	2,75,457.29	2,65,150.63	2,57,323.59
Other Income (incl. exceptional items)	11,186.47	40,563.91	43,496.37	45,221.48
Interest expended	86,156.59	1,54,749.70	1,54,440.63	1,59,238.77
Operating expenses	43,693.26	93,397.52	82,652.22	75,173.69
Provisions and contingencies (including tax)	14,539.98	36,198.00	51,143.68	53,644.50
Net Profit for the Period	19,332.60	31,675.98	20,410.47	14,488.11
Net cash generated from operating activities	(1,00,575.64)	58,415.45	89,865.55	25,687.86
Net cash used in / generated from investing activities	(980.64)	(2,612.72)	(3,354.27)	(2,976.77)
Net cash used in financing activities	38.85	(5,177.51)	5,632.63	3,352.17
Effect of exchange fluctuation on Translation	914.47	888.39	(202.21)	2,543.64

Reserve				
Net increase/(decrease) in cash & cash equivalents	(1,00,602.96)	51,513.61	91,941.70	28,606.90
Cash and cash equivalents at the beginning of the year as per statement of cash flows	3,94,552.32	3,43,038.71	2,51,097.01	2,22,490.11
Cash and Cash equivalents at the end of the year as per statement of cash flows	2,93,949.36	3,94,552.32	3,43,038.71	2,51,097.01
Gross NPA (%)	3.52%	3.97%	4.98%	6.15%
Net NPA (%)	0.80%	1.02%	1.50%	2.23%
CET 1 Ratio	9.53%	9.94%	10.02%	9.77%
Tier I Capital Adequacy Ratio (Basel III) (%)	11.12%	11.42%	11.44%	11.00%
Tier 2 Capital Adequacy Ratio (Basel III) (%)	2.39%	2.41%	2.30%	2.06%

**Key Operational and Financial Parameters of the Bank for the last 3 Audited years and unaudited Results for quarter ended on 30<sup>th</sup> September 2022 on a consolidated basis are as under**

(Rs.in Crores)

Parameters	Half-Year ended 30.09.2022	FY 2021-22	FY 2020-21	FY 2019-20
Share Capital	892.46	892.46	892.46	892.46
Reserves & Surplus	3,32,230.96	3,04,695.58	2,74,669.10	2,50,167.66
Net-worth	2,83,883.97	2,62,658.23	2,32,896.99	2,12,023.25
Deposits	42,30,342.22	40,87,410.60	37,15,331.24	32,74,160.63
Borrowings	5,15,722.02	4,49,159.78	4,33,796.21	3,32,900.67
Other Liabilities & Provisions	5,10,343.52	5,07,517.68	4,11,303.62	3,31,427.10
Minority Interest	12,159.78	11,207.42	9,625.92	7,943.82
Cash and Balances with Reserve Bank of India	2,34,104.19	2,58,086.43	2,13,498.62	1,66,968.46
Balance with Banks and money at call and short notice	69,075.67	1,40,818.69	1,34,208.42	87,346.80
Investments	18,68,681.06	17,76,489.90	15,95,100.27	12,28,284.28
Advances	30,15,269.57	27,94,076.00	25,00,598.99	23,74,311.18
Fixed Assets	43,607.50	39,510.03	40,166.79	40,078.17
Other Assets	3,70,952.97	3,51,902.48	3,62,045.46	3,00,503.45
Contingent Liabilities	19,74,683.39	20,07,232.49	17,14,239.52	12,21,083.11
Bills for Collection	80,591.55	77,783.06	56,557.64	55,790.70
Interest Earned	1,61,243.73	2,89,972.69	2,78,115.48	2,69,851.66

Other Income (incl. exceptional items)	48,063.05	1,17,000.40	1,07,222.41	98,158.99
Interest expended	87,163.35	1,56,194.34	1,56,010.17	1,61,123.80
Operating Expenses (incl. exceptional items)	83,342.39	1,74,363.43	1,50,429.60	1,31,781.56
Provisions and contingencies	16,255.51	40,059.15	54,618.41	56,928.46
Share in Profit of Associates	547.41	827.01	-391.90	2,963.14
Share of Minority	1,015.83	1,809.30	1,482.36	1,372.17
Net Profit for the Period	22,077.11	35,373.88	22,405.45	19,767.80
Net cash generated from operating activities	(1,09,183.12)	57,694.85	89,918.94	23,928.53
Net cash used in / generated from investing activities	(1,350.70)	(3,618.51)	(3,736.23)	(3,323.69)
Net cash used in financing activities	13,900.05	(3,844.53)	7,142.67	5,429.52
Effect of exchange fluctuation on Translation Reserve	908.51	966.26	66.40	2,768.64
Net increase/(decrease) in cash & cash equivalents	(95,725.26)	51,198.09	93,391.78	28,803.00
Cash and cash equivalents at the beginning of the year as per statement of cash flows	3,98,905.12	3,47,707.04	2,54,315.26	2,25,512.26
Cash and Cash equivalents at the end of the year as per statement of cash flows	3,03,179.86	3,98,905.12	3,47,707.04	2,54,315.26
Gross NPA	3.48%	3.92%	4.95%	6.07%
Net NPA	0.79%	1.00%	1.48%	2.20%
CET 1 Ratio	9.82%	10.26%	10.33%	10.05%
Tier I Capital Adequacy Ratio (BASEL III)	11.34%	11.68%	11.70%	11.24%
Tier 2 Capital Adequacy Ratio (BASEL III)	2.33%	2.35%	2.27%	2.06%

**Gross Debt-Equity Ratio of the Bank (Standalone basis):**

(Rs.in Crores)

Particulars	Before the issue of bonds	After the issue of bonds
Total Borrowings (in Rs. Crores)	4,98,608.40	5,08,326.40
Net Worth (Rs. Crores)	2,59,069.39	2,59,069.39
Borrowings/Equity Ratio	1.92	1.96

Note: Net Worth is based on unaudited balance sheet as on 30<sup>th</sup> September 2022. Borrowings do not include deposits and is based on unaudited balance sheet as on 30<sup>th</sup> September 2022 but include Rs. 10,000 crores Long Term Bonds issued on 6<sup>th</sup> December 2022. The amount of bids accepted through bidding on EBP platform is Rs. 9,718 crores and is considered as issuance of bonds.

**Profits of the Bank before and after making provision for tax for three financial years immediately preceding the date of this Placement Memorandum (standalone basis)**

(Rs.in Crores)

Particulars	FY 2022	FY 2021	FY 2020
Profit /(Loss) from ordinary activities before tax	43,421.85	27,541.12	25,062.76
Profit /(Loss) from ordinary activities after tax	31,675.98	20,410.47	14,488.11

**7. Project details: gestation period of the project, extent of progress made in the project, deadline for completion of the project, summary of project appraisal report (if any), scheduled implementation of the project, Project cost and means of financing, in case of funding of new projects**

The funds being raised by the Issuer through present issue of Bonds are not meant for financing any particular project. The issue of Debentures is being made pursuant to applicable RBI regulations for enhancing long term resources for funding infrastructure and affordable housing in India.

**8. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability**

The details of contingent liabilities of the issuer on a standalone basis as on 31.03.2022 is as follows:

(Rs. Crores)

Sr. No.	Nature of Liability	Amount
1.	Claims against the bank not acknowledged as debts	85,961.68
2.	Liability for partly paid investments/ Venture Funds	1,982.56
3.	Liability on account of outstanding forward exchange contracts	12,12,393.31
4.	Guarantees given on behalf of constituents	
	(a) In India	1,66,478.97
	(b) Outside India	95,194.96
5.	Acceptances, endorsements, and other obligations	1,78,718.67
6.	Other items for which the bank is contingently liable*	2,66,353.29
	<b>TOTAL</b>	<b>20,07,083.44</b>

\*Includes Derivatives Rs. 2,59,459.41 crore

The details of contingent liabilities of the issuer on a consolidated basis as on 31.03.2022 is as follows:

(Rs. Crores)

Sr. No.	Nature of Liability	Amount
1.	Claims against the bank not acknowledged as debts	86,519.12
2.	Liability for partly paid investments/ Venture Funds	2,773.97
3.	Liability on account of outstanding forward exchange contracts	12,13,429.79
4.	Guarantees given on behalf of constituents	
	(a) In India	1,66,528.98
	(b) Outside India	95,727.54
5.	Acceptances, endorsements, and other obligations	1,71,892.93
6.	Other items for which the bank is contingently liable	2,70,360.16
	<b>TOTAL</b>	<b>20,07,232.49</b>



### C. Brief History of the Issuer since its incorporation

#### History

The origins of the State Bank of India date back to the establishment of the Bank of Calcutta (later renamed the Bank of Bengal) in 1806. The Bank of Bombay was created in 1840 and the Bank of Madras in 1843. These three Banks catered mainly to the needs of the mercantile community and pioneered modern banking in India. In 1876, the Government transferred its shareholding in the three Banks to private shareholders. However, the Government retained controlling powers over the Bank's functioning and constitution. In 1921, the three Banks were merged by an Act of the legislature to form the Imperial Bank of India. On July 1, 1955, the Imperial Bank of India was nationalized and the Bank was constituted under the Act with the RBI holding 92% of its share capital. In June 29, 2007 RBI transferred its holding in the Bank to the Government of India.

The Bank's original mandate was to spread banking facilities on a large scale and make credit more readily available in India, especially in rural and semi-urban areas. In compliance with its mandate, it expanded its network of 480 offices by opening over 400 new branches within five years and continued the rapid expansion. Over the subsequent decades, the Bank has become India's largest Bank, with 22,381 branches in India, 233 international offices in 30 countries as on 31<sup>st</sup> December, 2022. Today, the Bank competes in all major banking sectors while still fulfilling its original mandate.

#### 1. Details of Share Capital as on 31<sup>st</sup> December 2022:

Share Capital	Amount (Rs. crores)
Authorized Share Capital (50,00,00,00,000 shares of ₹1 each)	5,000.00
Issued Share Capital (8,92,54,05,164 equity shares of ₹1 each)	892.54
Subscribed Share Capital (8,92,46,11,734 equity shares of ₹1 each)	892.46
Paid-up Share Capital (8,92,46,11,734 equity shares of ₹1 each)	892.46

#### 2. Changes in the capital structure (Authorized Capital) of the Bank for the last three years upto 31<sup>st</sup> December 2022:

There has not been any change in the capital structure (Authorized Capital) of the Bank as on 31<sup>st</sup> December 2022, for the last three years.

#### 3. Equity Share Capital History of the Issuer for the last five years up to 31<sup>st</sup> December 2022:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (Rs. Crores)	Equity Share Premium (Rs. Crores)	
30.06.2022	200	1.00	159.00	Cash	Allotted against Right	892,46,11,734	892.46	79,115.47	Allotted against Right Issue,

					Issue, 2008 kept in abeyance				2008 kept in abeyance
31.01.2019	24,000	1.00	159.00	Cash	Allotted against Right Issue, 2008 kept in abeyance	892,46,11,534	892.46	79,115.47	Allotted against Right Issue, 2008 kept in abeyance
27.03.2018	29,25,33,741	1.00	300.82	Cash	Preferential Allotment	892,45,87,534	892.46	79,124.22	Preferential Allotment
01.11.2017	3,400	1.00	159.00	Cash	Allotted against Right Issue, 2008 kept in abeyance	863,20,53,793	863.21	70,371.23	Allotted against Right Issue, 2008 kept in abeyance
12.06.2017	52,21,93,211	1.00	287.25	Cash	Qualified Institutions Placement	863,20,50,393	863.21	70,371.23	Qualified Institutional Placement
01.04.2017	13,63,52,740	1.00	-	Other than Cash	Merger	810,98,57,182	810.99	55,423.23	Shares issued on merger of SBBJ, SBM, SBT and Bharatiya Mahila Bank
20.01.2017	21,07,27,400	1.00	269.59	Cash	Preferential Allotment	797,35,04,442	797.35	55,423.23	Preferential Allotment to Gol
29.09.2015	19,65,59,390	1.00	274.37	Cash	Preferential Allotment	776,27,77,042	776.28	49,769.63	Preferential Allotment to Gol
16.07.2015	9,720	1.00	159	Cash	Right issue abeyance 2008 shares	756,62,17,652	756.62	44,401.72	Right issue abeyance 2008 shares
01.04.2015	10,04,77,012	1.00	295.59	Cash	Preferential Allotment	756,62,07,932	756.62	44,401.57	Preferential Allotment to Gol
22.11.2014					Reduction of face value of shares from Rs 10/- to Re. 1/-	746,57,30,920	746.57		Reduction of face value of shares from Rs 10/- to Re. 1/-
03.02.2014	5,13,20,436	10.00	1565.00	Cash	Qualified Institutional Placement	74,65,73,092	746.57	41,444.69	Qualified Institutional Placement
02.01.2014	1,12,18,685	10.00	1782.74	Cash	Preferential Allotment	69,52,52,656	695.25	33,489.98	Preferential Allotment to Gol
20.03.2013	129,88,697	10.00	2312.78	Cash	Preferential Allotment	68,40,33,971	684.03	31,501.20	Preferential Allotment to GOI
25.10.2012	436	10.00	1590.00	Cash	Rights Issue	67,10,45,274	671.05	28,513.91	Allotment against Rights issue 2008 kept in Abeyance
31.03.2012	3,60,45,243	10.00	2191.69	Cash	Preferential Allotment	67,10,44,838	671.04	28,513.85	Preferential Allotment to Gol
03.10.2011	604	10.00	1590.00	Cash	Rights Issue	63,49,99,595	635.00	20,658.68	Allotment against Rights issue 2008 kept in Abeyance
06.01.2011	876	10.00	1590.00	Cash	Rights Issue	63,49,98,991	635.00	20,658.58	Allotment

									against Rights issue 2008 kept in Abeyance
26.08.2010	1,14,606	10.00	10.00	Shares based on the swap ratio	Allotment on Merger	63,49,98,115	635.00	20,658.44	Allotment of SBI Shares to shareholders of State Bank of Indore at Share Exchange ratio of 34 Equity Shares of the Bank for every 100 Equity Shares of State Bank of Indore held
19.05.2010	865	10.00	1590.00	Cash	Rights Issue	63,48,83,509	634.88	20,658.44	Allotment against Rights issue 2008 kept in Abeyance

Notes: 1) There are no Preference Shares (Cumulative/Non-Cumulative)  
2) There is no change in share premium due to the current issue of Bonds

#### 4. Details of any Acquisition or Amalgamation in the last 1 year:

There is no instance of acquisition or amalgamation with any entity by the Bank in the last 1 year. However, SBI Capital Markets Limited, a wholly owned subsidiary of the Bank, has acquired 19.70% stake in Investec Capital Services (India) Private Limited. Further, SBI has acquired 13.82% equity of Existing Shareholders of SBI Global Factors Limited. Post investment, SBI will hold 100% shareholding in SBI Global Factors Limited.

#### 5. Details of any Reorganization or Reconstruction in the last 1 year:

Type of Event	Date of Announcement	Date of Completion	Details
There has not been any reorganization or reconstruction in the last 1 year			

**D. Details of shareholding of the Issuer as on 31<sup>st</sup> December 2022**

**1. Shareholding pattern of the Issuer as on 31<sup>st</sup> December 2022:**

<b>POST ISSUE SHAREHOLDING PATTERN as on 31-12-2022</b>			
1	Name of Listed Entity:	<b>STATE BANK OF INDIA</b>	
2	Scrip Code/Name of Scrip/Class of Security	Equity	
3	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c )	<b>Reg.31(1)(b )</b>	
	a. If under 31(1)(b) then indicate the report for Quarter ending		
	b. If under 31(1)(c) then indicate date of allotment/extinguishment		
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?		<b>No</b>
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		<b>No</b>
3	Whether the Listed Entity has any shares against which depository receipts are issued?	<b>Yes</b>	
4	Whether the Listed Entity has any shares in locked-in?		<b>No</b>
5	Whether any shares held by promoters are pledge or otherwise encumbered?		<b>No</b>
6	Whether the listed entity has any significant beneficial owner?		<b>No</b>
5	The tabular format for disclosure of holding of specified securities is as follows:-		

Summary Statement Holding of Specified Securities																		
Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholdin g as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholdin g, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialize d form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	1	5079775288	0	0	5079775288	56.92	101595505	0	101595505	57.71	0	56.92	0	0	0	0	5079775288
(B)	Public	2797194	3754736656	0	0	3754736656	42.07	74445082	0	74445082	42.29	0	42.07	0	0	54338655	0.61	3689714011
(C)	Non Promoter- Non Public																	
(C1)	Shares underlying DRs	1	0	0	90099790	90099790	1.01	0	0	0	0	0	1.01	0	0	0	0	90099790
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	2797196	8834511944	0	90099790	8924611734	100	176040587	0	176040587	100	0	100	0	0	54338655	0.61	8859589089

Summary Statement Holding of Specified Securities																						
Category of shareholder (I)	PAN (II)	Nos. of shareho lders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underl ying Deposi tory Receipt s (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Sharehold ing as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlyi ng Outstand ing convertibl e securitie s (includin g Warrant s)(X)	Sharehold ing , as a % assuming full conversio n of convertibl e securities ( as a percentag e of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerializ ed form (XIV)	Sub-categorization of shares (XV)				
								No of Voting Rights					Total as a % of (A+B+C)	No. a	As a % of Share s held (b)	No. a		As a % of total Share s held (b)	Sub- categor y (i)	Sub- categor y (ii)	Sub- categor y (iii)	
								Class eg: X	Class eg: Y	Total												
(a)	Individuals/ Hindu Undivided Family		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
(b)	Central Government/ State Government(s)		1	0	0	0	5079775288	56.92	101595505	0	101595505	57.71	0	56.92	0	0	0	0	5079775288	0	0	0
(c)	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(d)	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
i)	Bodies Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			1	0	0	0	5079775288	56.92	101595505	0	101595505	57.71	0	56.92	0	0	0	0	5079775288	0	0	0
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(b)	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(d)	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(e)	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
i)	Bodies Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	TOTAL Shareholding of Promoter and Promoter Group(A) = (1) + (2)		1	0	0	0	5079775288	56.92	101595505	0	101595505	57.71	0	56.92	0	0	0	0	5079775288	0	0	0

Summary Statement Holding of Specified Securities																					
Category of shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Sub-categorization of shares (XV)				
								No of Voting Rights					Total as a % of (A+B+C)	No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)	Shareholding (No. of shares) under		
								Class eg: X	Class eg: Y	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(1) Institutions (Domestic)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a) Mutual Funds		69	1165747763	0	0	1165747763	13.06	23314816	0	23314816	13.24	0	13.06	0	0	3341634	0.04	1165492463	0	0	0
SBI TAX ADVANTAGE FUND SERIES III		34	3011111125	0	0	3011111125	3.37	6022217	0	6022217	3.42	0	3.37	0	0	0	0	3011111125	0	0	0
HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND		30	159860735	0	0	159860735	1.79	3197206	0	3197206	1.82	0	1.79	0	0	0	0	159860735	0	0	0
ICICI PRUDENTIAL VALUE DISCOVERY FUND		31	124983145	0	0	124983145	1.4	2499648	0	2499648	1.42	0	1.4	0	0	2606634	0.03	124983145	0	0	0
(b) Venture Capital Funds		7	563	0	0	563	0	10	0	10	0	0	0	0	0	0	0	563	0	0	0
Alternate Investment Funds		68	31777907	0	0	31777907	0.36	635532	0	635532	0.36	0	0.36	0	0	944754	0.01	31777907	0	0	0
(c) Banks		55	1003685	0	0	1003685	0.01	20061	0	20061	0.01	0	0.01	0	0	0	0	874783	0	0	0
(e) Insurance Companies		41	929758017	0	0	929758017	10.42	18595104	0	18595104	10.56	0	10.42	0	0	0	0	929746517	0	0	0
LIFE INSURANCE CORPORATION OF INDIA - ULIF004200910LICEND+GR		50	772873880	0	0	772873880	8.66	15457472	0	15457472	8.78	0	8.66	0	0	0	0	772863380	0	0	0
(f) Provident / Pension Funds		3	110240524	0	0	110240524	1.24	2204796	0	2204796	1.25	0	1.24	0	0	0	0	110240524	0	0	0
NPS TRUST-A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME		42	99155145	0	0	99155145	1.11	1983090	0	1983090	1.13	0	1.11	0	0	0	0	99155145	0	0	0
(g) Asset Reconstruction Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h) Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i) NBFCs registered with RBI		26	120791	0	0	120791	0	2414	0	2414	0	0	0	0	0	300	0	120791	0	0	0
(j) Other Financial Institutions		3	1355110	0	0	1355110	0.02	27102	0	27102	0.02	0	0.02	0	0	0	0	1355110	0	0	0
(k) Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total B(1)		272	2240004360	0	0	2240004360	25.1	44799835	0	44799835	25.45	0	25.1	0	0	4286688	0.05	2239608658	0	0	0
(2) Institutions (Foreign)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a) Foreign Direct Investment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b) Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investors Category I		876	842548612	0	0	842548612	9.44	16850529	0	16850529	9.57	0	9.44	0	0	0	0	842548612	0	0	0
(e) Foreign Portfolio Investors Category II		156	48820380	0	0	48820380	0.55	976382	0	976382	0.55	0	0.55	0	0	0	0	47845394	0	0	0
(f) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g) Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)		1032	891368992	0	0	891368992	9.99	17826911	0	17826911	10.13	0	9.99	0	0	0	0	890394006	0	0	0
(3) Central Government / State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a) Central Government / President of India		8	68617	0	0	68617	0	1370	0	1370	0	0	0	0	0	0	0	68617	0	0	0
(b) State Government / Governor		2	39330	0	0	39330	0	786	0	786	0	0	0	0	0	0	0	39330	0	0	0
(c) Shareholding by Companies or Bodies Corporate where Central / State Govern		3	2606580	0	0	2606580	0.03	52131	0	52131	0.03	0	0.03	0	0	0	0	1387000	0	0	0
Sub-Total (B)(3)		13	2714527	0	0	2714527	0.03	54287	0	54287	0.03	0	0.03	0	0	0	0	1494947	0	0	0
(4) Non-Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a) Associate companies / Subsidiaries		1	4933	0	0	4933	0	98	0	98	0	0	0	0	0	0	0	4933	0	0	0
(b) Directors and their relatives (excluding independent directors and nominee dire		10	5910	0	0	5910	0	117	0	117	0	0	0	0	0	0	0	5910	0	0	0
(c) Key Managerial Personnel		1	530	0	0	530	0	10	0	10	0	0	0	0	0	0	0	530	0	0	0
(d) Relatives of promoters (other than immediate relatives of promoters disclosed		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e) Trusts where any person belonging to Promoter & PGC istrustee, beneficiary		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f) Investor Education and Protection Fund (IEPF)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g) Resident Individuals holding nominal share capital up to Rs. 2 lakhs		2752277	522596903	0	0	522596903	5.86	9814710	0	9814710	5.58	0	5.86	0	0	34890092	0.39	462743766	0	0	0
(h) Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs		25	13918195	0	0	13918195	0.16	278352	0	278352	0.16	0	0.16	0	0	4423306	0.05	13918195	0	0	0
(i) Non Resident Indians (NRIs)		22341	13828253	0	0	13828253	0.15	270269	0	270269	0.15	0	0.15	0	0	137249	0	12426437	0	0	0
(j) Foreign Nationals		8	2949	0	0	2949	0	56	0	56	0	0	0	0	0	0	0	2949	0	0	0
(k) Foreign Companies		2	91792	0	0	91792	0	1835	0	1835	0	0	0	0	0	0	0	91792	0	0	0
(l) Bodies Corporate		6516	51115495	0	0	51115495	0.57	1020518	0	1020518	0.58	0	0.57	0	0	10475850	0.12	50278981	0	0	0
(m) Any Other (specify)		14696	19083817	0	0	19083817	0.21	378084	0	378084	0.21	0	0.21	0	0	125470	0	18742907	0	0	0
i) Clearing Member		144	5508682	0	0	5508682	0.06	110103	0	110103	0.06	0	0.06	0	0	4375	0	5508682	0	0	0
ii) Non Resident Non Repatriates		14330	9867130	0	0	9867130	0.11	193857	0	193857	0.11	0	0.11	0	0	117980	0	9752240	0	0	0
iii) Overseas corporate bodies		4	5030	0	0	5030	0	100	0	100	0	0	0	0	0	0	0	0	0	0	0
iv) Trust		189	3683776	0	0	3683776	0.04	73645	0	73645	0.04	0	0.04	0	0	2217	0	3462786	0	0	0
v) Foreign Portfolio Investor(Individual)		5	8809	0	0	8809	0	176	0	176	0	0	0	0	0	0	0	8809	0	0	0
vi) Unclaimed or Suspense or Escrow Account		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
vii) Resident HUF		24	10390	0	0	10390	0	203	0	203	0	0	0	0	0	898	0	10390	0	0	0
viii) Custodian		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
x) Employees / Office Bearers		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
xi) Foreign Bank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
xii) Qualified Institutional Buyer		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (B)(4)		2795877	620648777	0	0	620648777	6.95	11764049	0	11764049	6.68	0	6.95	0	0	50051967	0.56	558216400	0	0	0
TOTAL Public Shareholding(B) = B(1) + B(2) + B(3) + B(4)		2797194	3754736656	0	0	3754736656	42.07	74445082	0	74445082	42.29	0	42.07	0	0	54338655	0.61	3689714011	0	0	0

Summary Statement Holding of Specified Securities																						
Category of shareholder (I)	PAN (II)	Nos. of sharehold ers (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlyin g Depositor y Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Sharehold ing as a % of total no. of shares (calculat ed as per SCRR, 1957) (VIII) As a % of (A+B+C2 )	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlyin g Outstand ing convertib le securitie s (includin g Warrants ) (X)	Sharehold ing , as a % assumin g full conversi on of converti ble securitie s ( as a percenta ge of diluted share capital) (XI)= (VII)+(X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Sub-categorization of shares (XV)				
								No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Share s held (b)	No. a	As a % of total Shares held (b)	Number of equity shares held in dematerial ized form (XIV)	Shareholding (No. of shares) under			
								Class eg: X	Class eg: Y	Total									Sub- categ ory (i)	Sub- catego ry (ii)	Sub- categ ory (iii)	
(a)	Name of DR Holder (if available)																					
	THE BANK OF NEW YORK MELLON		1	0	0	90099790	90099790	1.01	0	0	0	0	0	0	0	0	0	0	90099790	0	0	0
			1	0	0	90099790	90099790	1.01	0	0	0	0	0	0	0	0	0	0	90099790	0	0	0
' (2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Re		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		1	0	0	90099790	90099790	1.01	0	0	0	0	0	0	0	0	0	0	90099790	0	0	0

## 2. List of top 10 holders of equity shares of the Issuer as on 31<sup>st</sup> December 2022:

Sr. no.	Name of the Shareholders	Total no. of equity shares	No. of equity shares in demat form	Total Shareholding as % of total no. of equity shares
1.	President of India	5,07,97,75,288	5,07,97,75,288	56.92%
2.	Life Insurance Corporation of India	77,28,73,880	77,28,73,880	8.66%
3.	SBI Mutual Fund	30,11,11,125	30,11,11,125	3.37%
4.	HDFC Trustee Company Ltd.	15,98,60,735	15,98,60,735	1.79%
5.	ICICI Prudential Mutual Fund	12,49,83,145	12,49,83,145	1.40%
6.	NPS Trust	9,91,55,145	9,91,55,145	1.11%
7.	The Bank of New York Mellon	9,00,99,790	9,00,99,790	1.01%
8.	Nippon Life India Trustee Ltd.	7,97,22,872	7,97,22,872	0.89%
9.	Kotak Mutual Fund	7,95,93,381	7,95,93,381	0.89%
10.	Government of Singapore - E	7,28,21,654	7,28,21,654	0.82%

## E. Details regarding the Directors of the Issuer

### 1. Details of the current Directors of the Bank:

Name, Designation, DIN and Occupation	Age	Address	Date of Appointment	Details of other Directorships	Whether wilful defaulter (Yes / No)
Shri Dinesh Kumar Khara Chairman DIN: 06737041 Occupation: Chairman	61	No.5, Dunedin, J. M. Mehta Road, Mumbai – 400 006	07.10.2020	1) SBI Life Insurance Co. Ltd. 2) SBI General Insurance Co. Ltd. 3) SBI Funds Management Ltd. 4) SBI Capital Markets Ltd. 5) SBI Cards & Payment Services Ltd. 6) SBI Foundation 7) SBICAP Ventures Ltd. 8) State Bank Operations Support Services Pvt. Ltd. 9) Export-Import Bank of India 10) Indian Institute of Banking & Finance	No
Shri Challa Sreenivasulu Setty Managing Director DIN: 08335249 Occupation: Managing Director	57	M-1, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	20.01.2020		No
Shri Swaminathan J. Managing Director DIN: 08516241 Occupation: Managing Director	58	M-3, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	28.01.2021	1) SBI Capital Markets Ltd. 2) SBICAP Ventures Ltd. 3) SBICAP Securities Ltd. 4) SBI Cards & Payment Services Ltd. 5) SBI DFHI Ltd.	No



				6) SBI Funds Management Ltd. 7) SBI General Insurance Co. Ltd. 8) SBI Global Factors Ltd. 9) SBI Life Insurance Co. Ltd. 10) SBI Payment Services Pvt. Ltd. 11) SBI Pension Funds Pvt. Ltd. 12) SBI Foundation	
Shri Ashwini Kumar Tewari Managing Director DIN: 08797991 Occupation: Managing Director	55	M-4, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	28.01.2021		No
Shri Alok Kumar Choudhary Managing Director DIN: 08480476 Occupation: Managing Director	58	A-34, 17th Floor, Sterling Apartment, Peddar Road, Mumbai - 400026	07.06.2022	1) State Bank Operations Support Services Pvt. Ltd. 2) SBI Foundation	No
Shri B Venugopal Shareholder Director DIN: 02638597 Occupation: Insurance, Finance & IT Specialist (Ex. MD, LIC of India)	63	2B, 2nd Floor, Wind Cliffe, 50D, Pedder Road, Mumbai 400026	26.06.2020	1) National Commodity and Derivatives Exchange Ltd. (NCDEX) 2) NCDEX eMarkets Ltd. (NeML) 3) National Commodity Clearing Limited (NCCL)	No
Dr. Ganesh G. Natarajan, Shareholder Director DIN: 00176393 Occupation: IT Professional	66	Bungalow No.-10, Talera Park CHS, Kalyani Nagar, Pune-411014	26.06.2020	1) Zeva Capsol Private Limited 2) Global Talent Track Private Limited 3) Lighthouse Communities Foundation 4) 5F World Private Limited 5) Skills Alpha Learning Private Limited 6) Kalzoom Advisors Private Limited 7) Inflexion Analytix Private Limited 8) Foundation To Educate Girls Globally 9) Hinduja Global Solutions Limited 10) Continuum of Capital India Private Limited 11) Asian Venture Philanthropy Network Ltd. 12) Honeywell Automation India Ltd.	No
Shri Ketan S. Vikamsey, Shareholder Director DIN: 00282877 Occupation: Chartered Accountant	56	174-A, Kalpataru Habitat, Dr S.S. Rao Road, Parel, Mumbai- 400012	26.06.2020		No

Shri Mrugank M. Paranjape, Shareholder Director DIN: 02162026 Occupation: MD&CEO of NeML	56	46, Manisha CHS, Subhash Road, Behind Ankita Tailors, Vile Parle East, Mumbai-400057	26.06.2020	1) NCDEX eMarkets Ltd. (NeML) 2) Rashtriya eMarket Services 3) Meta Materials Circular Markets Pvt. Ltd.	No
Shri Prafulla P. Chhajed Part-time Non-official Director DIN: 03544734 Occupation: Chartered Accountant	56	142, Pinceton, Opp. Colgate Bldg., Main Street, Hiranandani Garden, Powai, Mumba - 400076	21.12.2021	1) Intercontinental Forum of Entrepreneurs and Professionals	No
Shri Vivek Joshi GoI Nominee Director DIN: 02854207 Occupation: Secretary (Financial Services), Government of India	56	Secretary, Financial Services, 3rd floor, Jeevan Deep Building, Parliament Street, New Delhi-110001	15.11.2022	1) Reserve Bank of India	No
Shri Anil Kumar Sharma RBI Nominee Director DIN: 08537123 Occupation: Executive Director, RBI	59	Reserve Bank of India, Secretariat Department, 17th Floor, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001	13.04.2021		No

## 2. Details of change in Directors for last three years:

Name, Designation and DIN	Date of Appointment	Date of Cessation	Date of resignation, if applicable	Reasons / Remarks
Shri Sanjeev Maheshwari Part-time Non-official Director DIN: 02431173	20.12.2019	19.12.2022	NA	Completion of term
Shri Vivek Joshi GoI Nominee Director DIN: 02854207	15.11.2022		NA	Nominated by the Central Government under Section 19(e) of SBI Act, 1955,
Shri Sanjay Malhotra GoI Nominee Director DIN: 00992744	16.02.2022	15.11.2022	NA	Term ended as per GOI Notification
Shri Alok Kumar Choudhary Managing Director DIN: 08480476	07.06.2022		NA	Appointed by the Central Government under Section 19(b) and 20(1) of SBI Act, 1955, with effect from the date of assumption of office and up to the date of his attaining the age of

				superannuation i.e., 30.06.2024, or until further orders whichever is earlier.
Shri Ashwani Bhatia Managing Director DIN: 07423221	24.08.2020	31.05.2022	NA	Completion of term consequent upon superannuation.
Shri Sanjay Malhotra Gol Nominee Director DIN: 00992744	16.02.2022		NA	As per notification of Central Govt. under Section 19 (e) of SBI Act, 1955
Shri Debasish Panda Gol Nominee Director DIN: 06479085	24.01.2020	16.02.2022	NA	Term ended as per Gol Notification.
Dr. Pushpendra Rai Part-time Non-official Director DIN: 07506230	06.02.2020	05.02.2022	NA	Completion of term.
Shri Prafulla P. Chhajed Part-time Non-official Director DIN: 03544734	21.12.2021		NA	Nominated by Central Govt. u/s 19(d) of SBI Act, 1955 for a period of 3 years or until further orders whichever is earlier.
Shri Anil Kumar Sharma RBI Nominee Director DIN: 08537123	13.04.2021		NA	Nominated by Central Govt. under Section 19 (f) of SBI Act, 1955 vice Shri Chandan Sinha until further orders.
Shri Chandan Sinha, RBI Nominee Director DIN: 06921244	28.09.2016	13.04.2021	NA	Term ended as per Gol Notification.
Dr. Purnima Gupta, Part-time Non-official Director DIN: Not allotted	01.02.2018	31.01.2021	NA	Completion of term.
Shri Ashwini Kumar Tewari, Managing Director DIN: 08797991	28.01.2021		NA	Appointed by the Central Government under Section 19(b) and 20(1) of SBI Act, 1955, for a period of 3 years or until further orders whichever is earlier.
Shri Swaminathan J., Managing Director DIN: 08516241	28.01.2021		NA	Appointed by the Central Government under Section 19(b) and 20(1) of SBI Act, 1955, for a period of 3 years or until further orders whichever is earlier.
Shri Arijit Basu, Managing Director DIN: 06907779	25.06.2018	31.10.2020	NA	Completion of term consequent upon superannuation.
Shri Dinesh Kumar Khara, Chairman DIN: 06737041	07.10.2020		NA	Appointed as Chairman of the Bank by the Central Govt. u/s 19(a) of SBI Act, 1955, for a period of 3 years or until further orders whichever is earlier.
Shri Dinesh Kumar Khara, Managing Director DIN: 06737041	09.08.2019	06.10.2020	NA	End of term as Managing Director consequent upon appointment as Chairman of the Bank w.e.f. 07.10.2020
Shri Rajnish Kumar, Chairman DIN: 05328267	07.10.2017	06.10.2020	NA	Completion of term.

Shri Ashwani Bhatia, Managing Director DIN: 07423221	24.08.2020		NA	Appointed by the Central Government under Section 19(b) and 20(1) of SBI Act, 1955 with effect from the date of assumption of office and up to the date of his attaining the age of superannuation i.e., 31.05.2022, or until further orders, whichever is earlier.
Shri Mrugank M. Paranjape, Shareholder Director DIN: 02162026	26.06.2020		NA	Elected as Shareholder Director u/s 19(c) of SBI Act, 1955 w.e.f. 26.06.2020 for a period of 3 years.
Shri Ketan S. Vikamsey, Shareholder Director DIN: 00282877	26.06.2020		NA	Elected as Shareholder Director u/s 19(c) of SBI Act, 1955 w.e.f. 26.06.2020 for a period of 3 years.
Dr. Ganesh G. Natarajan, Shareholder Director DIN: 00176393	26.06.2020		NA	Elected as Shareholder Director u/s 19(c) of SBI Act, 1955 w.e.f. 26.06.2020 for a period of 3 years.
Shri B Venugopal Shareholder Director DIN: 02638597	26.06.2020		NA	Re-elected as Shareholder Director u/s 19(c) of SBI Act, 1955 w.e.f. 26.06.2020 for a period of 3 years.
Shri B Venugopal Shareholder Director DIN: 02638597	07.06.2018	25.06.2020	NA	Completion of term.
Shri Basant Seth, Shareholder Director DIN: 02798529	26.06.2017	25.06.2020	NA	Completion of term.
Shri Bhaskar Pramanik, Shareholder Director DIN: 00316650	26.06.2017	25.06.2020	NA	Completion of term.
Shri Sanjiv Malhotra, Shareholder Director DIN: 03435955	26.06.2017	25.06.2020	NA	Completion of term.
Shri. P. K. Gupta, Managing Director DIN: 02895343	02.11.2015	31.03.2020	NA	Completion of term consequent upon attaining Superannuation.
Dr. Pushpendra Rai Part-time Non-official Director DIN: 07506230	06.02.2020		NA	Re-nominated by the Central Govt. under Section 19 (d) of SBI Act, 1955 for a period of two years beyond 05.02.2020, or until further orders, whichever is earlier.
Dr. Pushpendra Rai Part-time Non-official Director DIN: 07506230	06.02.2019	05.02.2020	NA	Completion of term.
Dr. Girish Kumar Ahuja Part-time Non-official Director DIN: 00446339	06.02.2019	05.02.2020	NA	Completion of term.
Shri Debasish Panda GoI Nominee Director DIN: 06479085	24.01.2020		NA	Nominated by Central Govt. under Section 19 (e) of SBI Act, 1955 vice Shri Ravi Mital, until further orders.
Shri Ravi Mital GoI Nominee Director DIN: 00650725	08.08.2019	24.01.2020	NA	Term ended as per GoI Notification.

Shri Challa Sreenivasulu Setty Managing Director DIN: 08335249	20.01.2020		NA	Appointed by the Central Government under Section 19(b) and 20(1) of SBI Act, 1955 for a period of 3 years or until further orders whichever is earlier.
Shri Sanjeev Maheshwari Part-time Non-official Director DIN: 02431173	20.12.2019		NA	Nominated by Central Govt. u/s 19(d) of SBI Act, 1955 for a period of 3 years or until further orders whichever is earlier.
Smt. Anshula Kant Managing Director DIN: 06998644	07.09.2018		31.08.2019	Resigned from the Board.
Shri Dinesh Kumar Khara Managing Director DIN: 06737041	09.08.2019		NA	Extension of term by the Central Government under Section 19(b) and 20(1) of SBI Act, 1955 for a further period of 2 years w.e.f. 09.08.2019 or until further orders, whichever is earlier.
Shri Dinesh Kumar Khara Managing Director DIN: 06737041	09.08.2016	08.08.2019	NA	Completion of current Term of 3 years.
Shri Ravi Mital Gol Nominee Director DIN: 06507252	08.08.2019		NA	Nominated by Central Govt. under Section 19 (e) of SBI Act, 1955 vice Shri Rajiv Kumar.
Shri Rajiv Kumar, GOI Nominee Director DIN: 08049696	12.09.2017	08.08.2019	NA	Term ended as per Gol Notification.

## F. Details regarding Auditors of the Issuer:

### 1. Details of the current auditors of the Issuer:

Sr. No.	Name of the Firm	Details	Auditor Since
1.	M/s. A S A & Associates LLP FRN: 009571N/N500006	81/1, Third Floor Adchini Aurobindo Marg, New Delhi - 110 017 Tel: +91-11- 4613 6688 Email: parveen.kumar@asa.in Contact Person: Mr. Parveen Kumar Website: <a href="http://www.asa.in">www.asa.in</a>	December 2020
2.	M/s Guha Nandi & Co. FRN: 302039E	2A Ganesh Chandra Avenue Commerce House, 5th Floor, Room No 8D &E Kolkata - 700 013 Tel: +91-33-2213 2929 /2930 Email: drbskundu@gmail.com Contact Person: Dr. B S Kundu	December 2020

3.	M/s Prem Gupta & Co., FRN: 000425N	T 2342 Ashok Nagar Faiz Road, Karol Bagh New Delhi – 110 005 Tel: +91-11-4507 0187 Email: office@pguptaco.com; pguptaco@yahoo.co.in Contact Person: Mr. Shakun Gupta Website: <a href="http://www.pguptaco.com">www.pguptaco.com</a>	December 2020
4.	M/s. M.C. Bhandari & Co. FRN: 000734 C	4, Synagogue Street, Suite #205, 2nd floor, Kolkata – 700 001 Tel: +91-33-2242 6077 Email: mcbncokol@gmail.com; mail@mcb.net.in Contact Person: Mr. Nikhil Jain Website: mcb.net.in	September 2021
5.	M/s. Talati & Talati LLP. FRN: 110758W/W100377	Ambica Chambers, Near Old High Court, Navrangpura, Ahmedabad – 380 009 Tel: +91-79-2754 4571 / 72 / 74 Email: umesh@talatiandtalati.com Contact Person: Mr. Umesh Talati Website: www.talatiandtalati.com	September 2021
6.	M/s. V Singhi & Associates FRN: 311017E	Four Mango Lane, Surendra Mohan Ghosh Sarani, Ground Floor, Kolkata – 700 001 Tel: +91-33- 2210 1125 / 26 Email: vsinghiandco@gmail.com Contact Person: Mr. V K Singhi Website: www.vsinghi.in	September 2021
7.	M/s. Suri & Co., FRN: 004283S	Park Circle, 2nd floor, NO.20, Moores Road, Thousand Lights, Chennai – 600 006. Tel: +91-44-2825 1140 / 50 Email: chennai@suriandco.com Contact Person: Mr. Sanjeev Aditya Website: suriandco.com	September 2021
8.	M/s. K C Mehta & Co. LLP FRN-106237W/W100829	Meghdanush, Race Course, Vadodara – 390 007, Gujarat Tel: +91-265-234 1626 / 244 0400 Email: office@kcmehta.com Contact Person: Mr. Chirag Bakshi Website: www.kcmehta.com	September 2021
9.	M/s. Gokhale & Sathe FRN: 103264W	304/308/309, Udyog Mandir No.1, Bhagoji Keer Marg, Mahim, Mumbai – 400016 Tel: +91-22-4348 4242 Email: <a href="mailto:rahul@gokhalesathe.in">rahul@gokhalesathe.in</a> Contact Person: Rahul Joglekar, Partner Website: www.gokhalesathe.in	November 2022
10.	M/s. M.K. Aggarwal & Co. FRN: 001411N	30, Nishant Kunj, Pitampura, New Delhi – 110 034 Tel: +91-11- 4751 7171 Email: <a href="mailto:atul@mkac.in">atul@mkac.in</a> Contact Person: Atul Aggarwal, Partner Website: www.mkacpro.com	November 2022

11.	M/s. Ravi Ranjan & Co. LLP FRN: 009073N	505-A, Fifth Floor, Rectangle-1, D-4, District Centre, Saket, New Delhi-110017 Tel: +91-11- 4054 8860 / 62 Email: <a href="mailto:ravirajan@sravigroup.com">ravirajan@sravigroup.com</a> Contact Person: Gaurav Sharma , Partner Website: <a href="http://www.ravirajan.co.in">www.ravirajan.co.in</a>	November 2022
12.	M/s JLN US & Co. FRN: 101543W	330/348, Third Floor, Tower A, Atlantis K-10 Opp. Vadodara Central, Sarabhai Main Road, Vadodara – 390 023 Tel: +91 - 265 - 231 1146 Email: <a href="mailto:abhishek.nagori@jlnus.com">abhishek.nagori@jlnus.com</a> Contact Person: Abhishek Nagori, Partner Website: <a href="http://www.jlnus.com">www.jlnus.com</a>	November 2022

## 2. Details of the change in auditors since last three years:

Name	Address	Date of Appointment	Date of Cessation	Date of Resignation
M/s. Gokhale & Sathe FRN: 103264W	304/308/309, Udyog Mandir No.1, Bhagoji Keer Marg, Mahim, Mumbai – 400016 Tel: +91-22-4348 4242 Email: <a href="mailto:rahul@gokhalesathe.in">rahul@gokhalesathe.in</a> Contact Person: Rahul Joglekar, Partner Website: <a href="http://www.gokhalesathe.in">www.gokhalesathe.in</a>	November 2022		
M/s. M.K. Aggarwal & Co. FRN: 001411N	30, Nishant Kunj, Pitampura, New Delhi – 110 034 Tel: +91-11- 4751 7171 Email: <a href="mailto:atul@mkac.in">atul@mkac.in</a> Contact Person: Atul Aggarwal, Partner Website: <a href="http://www.mkacpro.com">www.mkacpro.com</a>	November 2022		
M/s. Ravi Ranjan & Co. LLP FRN: 009073N	505-A, Fifth Floor, Rectangle-1, D-4, District Centre, Saket, New Delhi-110017 Tel: +91-11- 4054 8860 / 62 Email: <a href="mailto:ravirajan@sravigroup.com">ravirajan@sravigroup.com</a> Contact Person: Gaurav Sharma, Partner Website: <a href="http://www.ravirajan.co.in">www.ravirajan.co.in</a>	November 2022		
M/s JLN US & Co. FRN: 101543W	330/348, Third Floor, Tower A, Atlantis K-10 Opp. Vadodara Central, Sarabhai Main Road, Vadodara – 390 023 Tel: +91 - 265 - 231 1146 Email: <a href="mailto:abhishek.nagori@jlnus.com">abhishek.nagori@jlnus.com</a> Contact Person: Abhishek Nagori, Partner	November 2022		



	Website: <a href="http://www.jlnus.com">www.jlnus.com</a>			
M/s. M.C. Bhandari & Co. FRN: 000734 C	4, Synagogue Street, Suite #205, 2nd floor, Kolkata – 700 001 Tel: +91-33-2242 6077 Email: <a href="mailto:mcbncokol@gmail.com">mcbncokol@gmail.com</a> ; <a href="mailto:mail@mcb.net.in">mail@mcb.net.in</a> Contact Person: Mr. Nikhil Jain	September 2021		
M/s. Talati & Talati LLP. FRN: 110758W/W100377	Ambica Chambers, Near Old High Court, Navrangpura, Ahmedabad – 380 009 Tel: +91-79-2754 4571 / 72 / 74 Email: <a href="mailto:umesh@talatiandtalati.com">umesh@talatiandtalati.com</a> Contact Person: Mr. Umesh Talati Website: <a href="http://www.talatiandtalati.com">www.talatiandtalati.com</a>	September 2021		
M/s. V Singhi & Associates FRN: 311017E	Four Mango Lane, Surendra Mohan Ghosh Sarani, Ground Floor, Kolkata – 700 001 Tel: +91-33- 2210 1125 / 26 Email: <a href="mailto:vsinghiandco@gmail.com">vsinghiandco@gmail.com</a> Contact Person: Mr. V K Singhi Website: <a href="http://www.vsinghi.in">www.vsinghi.in</a>	September 2021		
M/s. Suri & Co., FRN: 004283S	Park Circle, 2nd floor, NO.20, Moores Road, Thousand Lights, Chennai – 600 006. Tel: +91-44-2825 1140 / 50 Email: <a href="mailto:chennai@suriandco.com">chennai@suriandco.com</a> Contact Person: Mr. Sanjeev Aditya Website: <a href="http://suriandco.com">suriandco.com</a>	September 2021		
M/s. K C Mehta & Co. LLP FRN- 106237W/W100829	Meghdanush, Race Course, Vadodara – 390 007, Gujarat Tel: +91-265-234 1626 / 244 0400 Email: <a href="mailto:office@kcmehta.com">office@kcmehta.com</a> Contact Person: Mr. Chirag Bakshi Website: <a href="http://www.kcmehta.com">www.kcmehta.com</a>	September 2021		
M/s. A S A & Associates LLP FRN: 009571N/N500006	81/1, Third Floor Adchini Aurobindo Marg, New Delhi - 110 017 Tel: +91-11- 4613 6688 Email: <a href="mailto:parveen.kumar@asa.in">parveen.kumar@asa.in</a> Contact Person: Mr. Parveen Kumar Website: <a href="http://www.asa.in">www.asa.in</a>	December 2020		
M/s Guha Nandi & Co. FRN: 302039E	2A Ganesh Chandra Avenue Commerce House, 5th Floor, Room No 8D & E Kolkata - 700 013 Tel: +91-33-2213 2929 /2930 Email: <a href="mailto:drbskundu@gmail.com">drbskundu@gmail.com</a> Contact Person: Dr. B S Kundu	December 2020		
M/s Prem Gupta & Co.,	T 2342 Ashok Nagar Faiz Road, Karol Bagh	December 2020		



FRN: 000425N	New Delhi – 110 005 Tel: +91-11-4507 0187 Email: office@pguptaco.com; pguptaco@yahoo.co.in Contact Person: Mr. Shakun Gupta Website: <a href="http://www.pguptaco.com">www.pguptaco.com</a>			
M/s. Umamaheswara Rao & Co., FRN: 004453S	Flat No 5H, D-Block Yellareddyguda Lane, Ameerpet X Roads, Hyderabad – 500 073, Telangana Tel: +91-33-2230 0171 Email: srk.gabbita@gmail.com Contact Person: Mr. Sivaramakrishna	December 2019	November 2022	
M/s Shah Gupta & Co., FRN: 109574W	38, Bombay Mutual Building, 2 <sup>nd</sup> Floor, D.N. Road, Fort, Mumbai – 400 001, Maharashtra Tel: +91-22-2262 3000 Email: vipulchoksi@shahgupta.com Contact Person: Mr. Heneel Patel	December 2019	November 2022	
M/s Khandelwal Jain & Co., FRN: 105049W	6-B&C, PIL Court 6 <sup>th</sup> Floor, 111, Maharshi Karve Road, Churchgate, Mumbai – 400 020 Tel: +91-22-4311 5000 Email: shailesh@kjco.net Contact Person: Mr. Alpesh Waghela	December 2019	November 2022	
M/s. S C V & Co. LLP, FRN: 000235N/N500089	B-41, Panchsheel Enclave, New Delhi – 110 017 Tel: +91-11-2649 9111 Email: sanjay.vasudeva@scvindia.com Contact Person: Mr. Sanjay Vasudeva	December 2019	November 2022	
M/s. K Venkatachalam Aiyer & Co., FRN: 004610 S	41/3647B, First Floor, Blue Bird Towers, Providence Road, Kochi- 682018, Kerala Tel: +91-48-4239 6511 Email: agopal@kvaier.com Contact Person: Mr. Srivats Gopal	December 2018	September 2021	
M/s. N C Rajagopal & Co., FRN: 003398 S	No. 22, V. Krishnaswamy Avenue, Mylapore Chennai- 600004, Tamil Nadu Tel: +91-44-2499 1569 Email: chandrancr@gmail.com Contact Person: Mr. V Chandrasekaran	December 2018	September 2021	
M/s. O P Totla & Co., FRN: 000734 C	302, Alankar Point, Geeta Bhawan, Square, A. B. Road, Indore- 452001, Madhya Pradesh Tel: +91-731- 249 2877 Email: contact@optotlaco.com Contact Person: Mr. S R Totla	December 2018	September 2021	

M/s. S K Kapoor & Co., FRN: 000745 C	16/98, LIC Building, The Mall, Kanpur- 208001, Uttar Pradesh Tel: +91-512-237 2244 Email: Caskk1949@gmail.com Contact Person: Mr. Virendra B Singh	December 2018	September 2021	
M/s. Karnavat & Co., FRN: 104863 W	2A, Kitab Mahal, 192, DR. D.N. ROAD, Fort, Mumbai- 400001, Maharashtra Tel: +91-22-4066 6666 Email: karnavattax@gmail.com Contact Person: Mr. Sameer Doshi	December 2018	September 2021	
M/s. G P Agrawal & Co., FRN: 302082 E	7-A Kiran Shankar Ray Road, 2nd Floor, Kolkata- 700001, West Bengal Tel: 033 22483941 Email: ajay@gpaco.net Contact Person: Mr. Ajay Kumar Agrawal	December 2018	September 2021	
M/s. J C Bhalla & Co., FRN: 001111 N	B-17, Maharani Bagh, New Delhi- 110065, Delhi Tel: +91-11-4155 1155 Email: rajeshsethi@jcbhalla.com Contact Person: Mr. Rajesh Sethi	December 2018	September 2021	
M/s. Chaturvedi & Shah	714-715 Tulsiani Chambers 212, Free Press Journal Marg, Nariman point Mumbai – 400 021	December 2017	December 2020	
M/s Ray & Ray	WEBEL Bhawan Ground Floor Block EP & GP, Bidhan Nagar Sector V Salt Lake, Kolkata 700091	December 2017	December 2020	
M/s S K Mittal & Co.	E-29, South Extension Part-II New Delhi 110049	December 2017	December 2020	
M/s Rao & Kumar	Door NO. 10-50-19/4 Soudamani Siripuram, Visakhapatnam – 530003.	December 2016	December 2019	
M/s Brahmayya & Co.	No.48 Masilamani Road, Balaji Nagar, Royapettah, Chennai	December 2016	December 2019	
M/s Kalani & Co.	703 VII Floor, Milestone Building, Gandhi Nagar Crossing, Tonk Road, Jaipur- 302015, Rajasthan	December 2018	December 2019	
M/s De Chakraborty & Sen	Bikaner Buildings, 1st Floor, 8/B, Lallbazar Street, Kolkata- 700001, West Bengal	December 2018	December 2019	
M/s. Chatterjee & Co.	153, Rash Behari Avenue, 3rd Floor, Kolkata – 700029.	December 2015	December 2018	
M/s. Manubhai & Shah LLP	2nd Floor, B Wing, Premium House,	December 2015	December 2018	

	Near Gandhigram Rly. Station, Navrangpura, Ahmedabad – 380009			
M/s. Varma & Varma	Bldg No. 53/333A, B, C & D, Off Subhash Chandra Bose Road, (Opp. Reliance Fresh Shop), Vyttila, PO, Kochi – 682019.	December 2015	December 2018	
M/s. Bansal & Co. LLP	A-6, Maharani Bagh, New Delhi – 110065	December 2015	December 2018	
M/s. Mittal Gupta & Co.	14-Ratan Mahal, 15/197 Civil Lines, Kanpur – 208001	December 2015	December 2018	
M/s. M. Bhaskara Rao & Co.	5-D, Fifth floor, “Kautilya”, 6-3-652, Somajiguda, Hyderabad – 500082.	December 2015	December 2018	
M/s. Amit Ray & Co.	5-B, Sardar Patel Marg, Allahabad – 211001	December 2015	December 2018	
M/s. S L Chhajed & Co.	R-12, Maharana Pratap Nagar, Zone – I, Bhopal – 462 011.	December 2015	December 2018	
M/s. GSA & Associates	16, DDA Flats, Ground Floor, Panchsheel-ShivalikMor, Near Malviya Nagar, New Delhi – 110017	December 2015	December 2018	

## G. Details of Borrowings of the Issuer

### 1. Details of Loan Facilities:

<b>Borrowings as on 30th September 2022 (Rs. crores):</b>		
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India		24,956.00
(ii) Other Banks		50.00
(iii) Other Institutions and Agencies		1,45,128.08
(iv) Capital Instruments		
a. Innovative Perpetual Debt Instruments (IPDI)	41,581.70	
b. Hybrid debt capital instruments issued as bonds/debentures		
c. Perpetual Cumulative Preference Shares (PCPS)		
d. Redeemable Non-Cumulative Preference Shares (RNCPS)		
e. Redeemable Cumulative Preference Shares (RCPS)		
f. Subordinated Debt	39,289.90	80,871.60
<b>TOTAL (I)</b>		<b>2,51,005.68</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India		2,37,602.71
(ii) Capital Instruments		
a. Innovative Perpetual Debt Instruments (IPDI)		

b. Hybrid debt capital instruments issued as bonds/debentures		
c. Perpetual Cumulative Preference Shares (PCPS)		
d. Redeemable Non-Cumulative Preference Shares (RNCPS)		
e. Redeemable Cumulative Preference Shares (RCPS)		
f. Subordinated Debt		
<b>TOTAL (II)</b>		<b>2,37,602.71</b>
<b>GRAND TOTAL</b>		<b>4,88,608.39</b>
<b>Secured borrowings included in I &amp; II above</b>		<b>1,80,070.04</b>

**2. Details of Deposits as on 30th September 2022:**

<b>Sr. no.</b>	<b>Particulars</b>	<b>Amount (Rs. crores)</b>
<b>A.</b>	<b>Demand Deposits</b>	
i.	From Banks	8,098.90
ii.	From Others	2,41,422.95
<b>B.</b>	<b>Savings Bank Deposits</b>	<b>15,77,815.97</b>
<b>C.</b>	<b>Term Deposits</b>	
i.	From Banks	5,560.94
ii.	From Others	23,57,356.12
	<b>Total</b>	<b>41,90,254.88</b>
	Deposits of Branches in India	<b>40,28,011.61</b>
	Deposits of Branches outside India	<b>1,62,243.27</b>
	<b>Total</b>	<b>41,90,254.88</b>

### 3. Details of outstanding Non-Convertible Securities:

#### i. Foreign Currency Bond issuances outstanding as on 31<sup>st</sup> December 2022:

Debenture Series (ISIN)	Tenor / period of maturity	Coupon	Amount Outstanding (in US\$ Million)	Date of Allotment	Redemption on Date/ schedule	Credit Rating	Secured / Unsecured	Currency
<b>Standalone 144A /Reg-S</b>								
USY81647AE24	5 Years	4.375	850	16-Jan-19	24-Jan-24	Baa3/ BBB-	Unsecured	USD
USY81647AB84	10 Years	4.875	500	17-Apr-14	17-Apr-24	Baa3/ BBB-	Unsecured	USD
<b>MTN</b>								
XS1151786107	10 Years	3.95	50	24-Dec-14	24-Dec-24	Baa3/ BBB-	Unsecured	USD
XS1861075940	5 Years	4.35	50	30-Jul-18	30-Jul-23	Baa3/ BBB-	Unsecured	USD
XS1856795510	5 Years	4.5	650	28-Sep-18	28-Sep-23	Baa3/ BBB-	Unsecured	USD
XS2281373089	5.5 years	1.80	600	13-Jan-21	13-Jul-26	Baa3/ BBB-	Unsecured	USD
XS2432299449	6 YEARS	2.49	300	26-Jan-22	26-Jan-27	Baa3/ BBB-	Unsecured	USD
<b>TOTAL</b>			<b>3,000</b>					

ii. Domestic Bond outstanding as on 31<sup>st</sup> December 2022

Sr. No.	Debenture Series (ISIN)	Type	Tenor/ Period of Maturity (months)	Coupon (%)	Amount (Rs. In crores)	Allotment Date	Redemption Date	Call Option Date*	Credit Rating	Security	Security Details
1	INE062A08074	Tier 2	120	9.69%	2,000.00	02-Jan-14	02-Jan-24	-	CARE AAA by CARE	Unsecured	NA
2	INE648A08013	Tier 2	120	8.30%	200.00	20-Mar-15	20-Mar-25	-	CRISIL AAA by CRISIL ICRA AAA(hyb) by ICRA	Unsecured	NA
3	INE649A09126	Tier 2	120	8.32%	393.00	31-Mar-15	31-Mar-25	-	CRISIL AAA by CRISIL ICRA AAA by ICRA	Unsecured	NA
4	INE649A08029	Tier 2	120	8.40%	500.00	30-Dec-15	30-Dec-25	-	CARE AAA by CARE ICRA AAA(hyb) by ICRA	Unsecured	NA
5	INE649A08037	Tier 2	120	8.45%	200.00	08-Feb-16	08-Feb-26	-	CARE AAA by CARE ICRA AAA(hyb) by ICRA	Unsecured	NA
6	INE651A08033	Tier 2	120	8.55%	500.00	17-Dec-14	17-Dec-24	-	CARE AAA by CARE CRISIL AAA by CRISIL	Unsecured	NA
7	INE651A08041	Tier 2	120	8.40%	300.00	31-Dec-15	31-Dec-25	-	CRISIL AAA by CRISIL ICRA AAA(hyb) by ICRA	Unsecured	NA
8	INE651A08058	Tier 2	120	8.45%	200.00	18-Jan-16	18-Jan-26	-	CRISIL AAA by CRISIL ICRA AAA(hyb) by ICRA	Unsecured	NA
9	INE652A08015	Tier 2	120	8.29%	950.00	22-Jan-15	22-Jan-25	-	CARE AAA by CARE ICRA AAA(hyb) by ICRA	Unsecured	NA
10	INE062A08165	Tier 2	120	8.90%	4,115.90	02-Nov-18	02-Nov-28	02-Nov-23	CRISIL AAA by CRISIL IND AAA by IRRPL	Unsecured	NA
11	INE062A08173	Additional Tier 1	Perpetual	9.56%	4,021.00	04-Dec-18	NA	04-Dec-23	CRISIL AA+ by CRISIL ICRA AA+(hyb) by ICRA	Unsecured	NA
12	INE062A08181	Additional Tier 1	Perpetual	9.37%	2,045.00	21-Dec-18	NA	21-Dec-23	CRISIL AA+ by CRISIL ICRA AA+(hyb) by ICRA	Unsecured	NA
13	INE062A08199	Additional Tier 1	Perpetual	9.45%	1,251.30	22-Mar-19	NA	22-Mar-24	CRISIL AA+ by CRISIL ICRA AA+(hyb) by ICRA	Unsecured	NA
14	INE062A08207	Tier 2	120	7.99%	5,000.00	28-Jun-19	28-Jun-29	28-Jun-24	CRISIL AAA by CRISIL IND AAA by IRRPL	Unsecured	NA
15	INE062A08215	Additional Tier 1	Perpetual	8.75%	3,104.80	30-Aug-19	NA	30-Aug-24	CRISIL AA+ by CRISIL ICRA AA+(hyb) by ICRA	Unsecured	NA
16	INE062A08223	Additional Tier 1	Perpetual	8.50%	3,813.60	22-Nov-19	NA	22-Nov-24	CRISIL AA+ by CRISIL ICRA AA+(hyb) by ICRA	Unsecured	NA

17	INE062A08231	Tier 2	180	6.80%	8,931.00	21-Aug-20	21-Aug-35	21-Aug-30	CRISIL AAA by CRISIL CARE AAA by CARE	Unsecured	NA
18	INE062A08249	Additional Tier 1	Perpetual	7.74%	4,000.00	09-Sep-20	NA	09-Sep-25	CRISIL AA+ by CRISIL IND AA+ by IRRPL ICRA AA+(hyb) by ICRA	Unsecured	NA
19	INE062A08256	Tier 2	120	6.24%	7,000.00	21-Sep-20	21-Sep-30	21-Sep-25	CRISIL AAA by CRISIL ICRA AAA(hyb) by ICRA	Unsecured	NA
20	INE062A08264	Tier 2	120	5.83%	5,000.00	26-Oct-20	26-Oct-30	26-Oct-25	CRISIL AAA by CRISIL IND AAA by IRRPL ICRA AAA(hyb) by ICRA	Unsecured	NA
21	INE062A08272	Additional Tier 1	Perpetual	7.73%	2,500.00	24-Nov-20	NA	24-Nov-25	CRISIL AA+ by CRISIL IND AA+ by IRRPL ICRA AA+(hyb) by ICRA	Unsecured	NA
22	INE062A08280	Additional Tier 1	Perpetual	7.72%	4,000.00	03-Sep-21	NA	03-Sep-26	CRISIL AA+ by CRISIL IND AA+ by IRRPL	Unsecured	NA
23	INE062A08298	Additional Tier 1	Perpetual	7.72%	6,000.00	18-Oct-21	NA	18-Oct-26	CRISIL AA+ by CRISIL IND AA+ by IRRPL	Unsecured	NA
24	INE062A08306	Additional Tier 1	Perpetual	7.55%	3,974.00	14-Dec-21	NA	14-Dec-26	CRISIL AA+ by CRISIL IND AA+ by IRRPL	Unsecured	NA
25	INE062A08314	Additional Tier 1	Perpetual	7.75%	6,872.00	09-Sep-22	NA	09-Sep-27	CRISIL AA+ by CRISIL ICRA AA+ by ICRA	Unsecured	NA
26	INE062A08322	Tier 2	180	7.57%	4,000.00	23-Sep-22	23-Sep-37	23-Sep-32	ICRA AAA by ICRA CARE AAA by CARE	Unsecured	NA
27	INE062A08330	Long Term Bonds	120	7.51%	10,000.00	06-Dec-22	06-Dec-32	NA	ICRA AAA by ICRA IND AAA by IRRPL	Unsecured	NA

Note:

(i) In addition to the call dates mentioned above, in case of Basel III compliant Perpetual Bonds, the call is exercisable every year after the call option date and on tax call and regulatory call.

**4. List of top 10 holders of Non-Convertible Securities as on 31<sup>st</sup> December 2022:**

Sr.no.	Name of holder of Non-convertible Securities	Amount (Rs. In crores)	% of total non-convertible securities outstanding
1	NPS Trust	10,780.10	11.86%
2	Life Insurance Corporation of India	10,194.80	11.22%
3	Central Board of Trustees	9,558.40	10.52%
4	Axis Bank	3,669.00	4.04%
5	Reliance Industries Limited	3,171.50	3.49%
6	Army Group Insurance Fund	3,084.00	3.39%
7	HDFC Mutual Fund	2,825.00	3.11%
8	HCL Capital Private Limited	2,429.00	2.67%
9	ICICI Prudential Mutual Fund	2,218.60	2.44%
10	Agarwal Holdings Private Limited	1,904.60	2.10%

Note: Top 10 holders of bonds aggregated based on PAN have been shown on a cumulative basis for all outstanding domestic bonds.

**5. Details of Certificates of Deposit outstanding as on 31<sup>st</sup> December 2022:**

S. No.	ISIN of Certificate of Deposit	Maturity Date	Amount Outstanding
1.	INE062A16465	12.09.2023	Rs. 4,900 crores

**6. Details of rest of the borrowings (including hybrid debt like FCCB, Optionally Convertible Bonds /Preference Shares) as on 31<sup>st</sup> December 2022:**

The Issuer has not issued any hybrid debt like Foreign Currency Convertible Bonds (FCCBs), optionally Convertible Bonds /Debentures (OCBs) / Preference Shares etc.

**7. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

The Issuer confirms that other than and to the extent mentioned elsewhere in this Placement Memorandum, it has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

**8. Issue of securities on private placement/preferential issue/rights issue during the year**

Please refer para C and Para G for details.



**9. Details of all default (s) and /or delay (s) in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the issuer, in the past three years including current financial year:**

There has been no default (s) and / or delay (s) in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Bank, in the past three years including the current financial year.

**10. In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.**

There has been no default in aforesaid material covenants of the outstanding debt instruments, deposits and other borrowings of the Bank.

**H. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/Promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non convertible securities.**

The Issuer hereby confirms that other than the information disclosed in the Public Domain, our website and this Placement Memorandum there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.

**I. Any litigation or legal action pending or taken by a Government Department or a statutory body against the promoter of the Bank during the last three years immediately preceding the year of the issue of prospectus**

President of India is the Promoter of the Issuer and hence the details of litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue are not applicable.

**J. Details of default and non-payment of statutory dues**

There is no default and non-payment of statutory dues.

**K. Name of the Trustee and Consent thereof:**

In accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide Circular No. SEBI/LAD-NRO/GN/2021/39 dated August 9, 2021, the Issuer has appointed IDBI Trusteeship Services Limited to act as Trustee to the Bondholder(s).

The address and contact details of the Trustee are as under:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai 400 001  
Contact Person: Ms. Sneha Jadhav, Compliance Officer  
Tel: +91-22-4080 7000  
Fax: +91-22-6631 1776  
Email: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)  
Website: [www.idbitrustee.com](http://www.idbitrustee.com)

Copy of letter from IDBI Trusteeship Services Limited dated 9<sup>th</sup> January 2023 conveying their consent to act as Trustee for the current issue of Bonds is enclosed at Annexure III in this Placement Memorandum.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustee may in its absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Issuer to the Trustee on behalf of the Bondholder(s) shall discharge the Issuer pro -tanto to the Bondholder(s). No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed, fail to do so.

The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trustee Agreement, Placement Memorandum and all other related Transaction Documents, with due care, diligence and loyalty.

**L. Details of guarantee or letter of comfort or any other document / letter with similar intent backing the security or in the absence of same, details of payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines)**

This Offer is unsecured and issued as per terms of RBI Guidelines and is not backed by any guarantee or letter of comfort or any other document / letter with similar intent.

**M. Rating and Detailed Rating Rationale**

ICRA vide its letter and press release dated 12<sup>th</sup> January 2023 has assigned a credit rating of "[ICRA] AAA (Stable)" for the proposed Long-Term Bonds aggregating to Rs. 10,000 crores.

IRRPL vide its letter and press release dated 10<sup>th</sup> January 2023 has assigned a credit rating of "IND AAA/Stable" to the proposed issue of Long-Term Bonds aggregating to Rs. 10,000 crores

Copy of press release of the rating from ICRA and IRRPL are enclosed within the Annexure in this Placement Memorandum. As on date of this Placement Memorandum the ratings issued by rating agencies are valid and the Issuer has not received any communication from rating agencies effecting validity of the ratings as on date including any revision or withdrawal.

As per rating letters issued by ICRA Limited and by IRRPL dated 10<sup>th</sup> January, 2023 and 10<sup>th</sup> January, 2023 respectively, the rating letters are valid as on the date of issue and allotment of the Bonds and the

listing of the Bonds.

Other than the credit ratings mentioned herein above, the Issuer has not accepted any other credit rating from any other credit rating agency(ies) for the Bonds offered for subscription under the terms of this Placement Memorandum. However, the Issuer reserves the right to get the issue rated by any other credit rating agency at a later date, should it feel the necessity.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

#### **N. Disclosure of Cash flow with date of interest and redemption payment as per day count convention**

As per Chapter III of SEBI Operational Circular illustrative cash flow for bonds is as under:

##### **Illustration**

Name of the Issuer	State Bank of India
Face Value	Rs. 1,00,000
Deemed Date of Allotment	19 <sup>th</sup> January 2023
Call option Date	NA
Redemption Date	19 <sup>th</sup> January 2038
Coupon Rate	7.70%
Frequency of Interest Payment	Annual; First interest shall become payable on 19 <sup>th</sup> January 2024 and subsequently on 19 <sup>th</sup> January every year till redemption
Day Count Convention	Actual/ Actual

Cash Flows	Due Date	Payment Date	No. of Days for denominator	Amount (in Rs.)
1 <sup>st</sup> Coupon	19 <sup>th</sup> January 2024	19 <sup>th</sup> January 2024	365	7,700
2 <sup>nd</sup> Coupon	19 <sup>th</sup> January 2025	20 <sup>th</sup> January 2025	366	7,700
3 <sup>rd</sup> Coupon	19 <sup>th</sup> January 2026	19 <sup>th</sup> January 2026	365	7,700
4 <sup>th</sup> Coupon	19 <sup>th</sup> January 2027	19 <sup>th</sup> January 2027	365	7,700
5 <sup>th</sup> Coupon	19 <sup>th</sup> January 2028	19 <sup>th</sup> January 2028	365	7,700
6 <sup>th</sup> Coupon	19 <sup>th</sup> January 2029	19 <sup>th</sup> January 2029	366	7,700
7 <sup>th</sup> Coupon	19 <sup>th</sup> January 2030	19 <sup>th</sup> January 2030	365	7,700
8 <sup>th</sup> Coupon	19 <sup>th</sup> January 2031	20 <sup>th</sup> January 2031	365	7,700
9 <sup>th</sup> Coupon	19 <sup>th</sup> January 2032	19 <sup>th</sup> January 2032	365	7,700
10 <sup>th</sup> Coupon	19 <sup>th</sup> January 2033	19 <sup>th</sup> January 2033	366	7,700
11 <sup>th</sup> Coupon	19 <sup>th</sup> January 2034	19 <sup>th</sup> January 2034	365	7,700

12 <sup>th</sup> Coupon	19 <sup>th</sup> January 2035	19 <sup>th</sup> January 2035	365	7,700
13 <sup>th</sup> Coupon	19 <sup>th</sup> January 2036	19 <sup>th</sup> January 2036	365	7,700
14 <sup>th</sup> Coupon	19 <sup>th</sup> January 2037	19 <sup>th</sup> January 2037	366	7,700
15 <sup>th</sup> Coupon	19 <sup>th</sup> January 2038	19 <sup>th</sup> January 2038	365	7,700
Redemption	19 <sup>th</sup> January 2038	19 <sup>th</sup> January 2038		1,00,000

Note:

1. The above example is for illustration purpose only. The actual payment will be made as per provisions of Summary Term Sheet.

2. Working Day shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. If the date of payment of interest/redemption of principal does not fall on a Working Day, the payment of interest/principal shall be made in accordance with as per the SEBI Operational Circular.

3. If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the Bonds.

4. If the redemption date of the Bonds falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the Bonds.

5. It is clarified that Interest/redemption with respect to Bonds, interest/redemption payments in relation to the Bonds shall be made only on the days when the commercial banks are open for business in the city of Mumbai, Maharashtra.

6. Interest payments will be rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.

## **O. Disclosures relating to wilful defaulter**

The Issuer or any of the Issuer's director is not declared as a wilful defaulter.

## **P. Security**

The Bonds are unsecured and none of the holders of the Bonds or any other person claiming for or on behalf of or through such holder shall be entitled to any lien or set-off on any property / assets / rights, whether current or future, of the Bank or any other person in relation to any obligations of the Bank in relation to the Bonds, whether such right is under law, equity or contract and holding of the Bonds by any person shall be deemed as an express undertaking by such holder to that effect, i.e., such holder waives in perpetuity its rights or claims, whether in law or equity or contract, of set-off and/or lien on any property / assets / rights, whether current or future, of the Bank or any other person in relation to any obligations of the Bank in relation to the Bonds. It is further clarified that the Bonds are neither secured nor covered by a guarantee of the Bank of any other related entity of the Bank. Further, it is clarified that this Bond is not covered by any other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bond vis-a-vis the Bank's creditors.

#### **Q. Stock Exchange where Bonds are proposed to be listed**

The Bonds are proposed to be listed on the Debt segment of NSE and BSE Limited. NSE is the designated stock exchange. The Issuer has created recovery expense fund of Rs. 25 Lakhs with NSE, as specified by SEBI.

#### **R. Additional Disclosures**

**1. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons**

There is no financial or other material interest of directors, promoters or key managerial personnel in the offer.

**2. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;**

The issue of the Bonds is made on the electronic book building platform (EBP) of the stock exchanges in accordance with SEBI EBP Circular and EBP Guidelines. Only those investors who are eligible as per SEBI Debt Regulations shall be able to bid on the EBP. The allotment of the bonds shall be made by the EBP and communicated to the Issuer in accordance with SEBI EBP Circular and EBP Guidelines. As such contribution made by the promoters or directors, if any, shall be known only post bidding of the Issue.

**3. The details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Bank and its future operations**

The Bank is involved in certain legal proceedings in the ordinary course of its business. However, as of the date of this Placement Memorandum, the Bank is not a party to any proceedings, and is not aware of any current, pending or anticipated proceedings by governmental authorities or third parties, which, if adversely determined, would have material adverse effect on the Bank's financial condition or results of operations. See "Risk Factors — Risks Relating to the Bank's Business" The Bank is involved in various litigation matters. Whether any final judgment awarding material damages against the Bank could have a material adverse impact on its future financial performance, stockholders' equity and the trading price of the Bonds can be considered only after the final judgement is passed.

#### 4. Remuneration of Directors for last three financial years

For FY 2021-22

##### Salary and Allowances paid to the Chairman and Managing Directors in FY 2021-22 (in Rs.)

Name	Basic	DA	Other	Total	Remark	Period
Dinesh Kumar Khara	27,00,000.00	7,42,500.00		34,42,500.00		01.04.2021 to 31.03.2022
Challa Sreenivasulu Setty	25,58,100.00	7,04,139.00		32,62,239.00		01.04.2021 to 31.03.2022
Ashwani Bhatia	25,20,600.00	6,95,118.00		32,15,718.00		01.04.2021 to 31.03.2022
Swaminathan Janakiraman	24,83,400.00	6,83,586.00	7,150.00	31,74,136.00	7,150.00 - 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	24,83,400.00	6,83,586.00		31,66,986.00		01.04.2021 to 31.03.2022

##### Details of Sitting Fees paid to Directors for attending meetings of the Central Board and Board-Level Committees in FY 2021-22 (in Rs.)

Sr. No.	Name of Director	Meetings of Central Board	Meeting 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

For FY 2020-21

**Salary and Allowances paid to the Chairman and Managing Directors in FY 2020-21 (in Rs.)**

Name	Basic	DA	Other	Total	Remark	Period
Rajnish Kumar	13,93,548.39	2,36,903.23	14,04,000	30,34,451.62	1404000.00 is leave encashment paid on retirement in October 2020.	01.04.2020 to 06.10.2020
Dinesh Kumar Khara	29,24,283.87	4,87,750.25	4,00,000.00	38,12,034.12	400000.00 is Incentive Paid.	01.04.2020 to 31.03.2021
Challa Sreenivasulu Setty	24,79,600.00	4,21,532.00		29,01,132.00		01.04.2020 to 31.03.2021
Ashwani Bhatia	14,90,806.45	2,53,437.10		17,44,243.55		24.08.2020 to 31.03.2021
Arijit Basu	16,37,200.00	2,76,464.00	5,09,886.00	24,23,550.00	509886.00 is Amount of Leave Encashment Paid on retirement in October 2020.	01.04.2020 to 31.10.2020
Swaminathan Janakiraman	4,37,303.23	74,341.55		5,11,644.78		28.01.2021 to 31.03.2021
Ashwini Kumar Tewari	4,37,303.23	74,341.55		5,11,644.78		28.01.2021 to 31.03.2021

**Details of Sitting Fees paid to Directors for attending meetings of the Central Board and Board-Level Committees in FY 2020-21 (in Rs.)**

S. No.	Name of Director	Meetings of Central Board	Meetings of Other Board Level Committees	Total
1	Shri Sanjiv Malhotra	3,50,000.00	6,30,000.00	9,80,000.00
2	Shri Bhaskar Pramanik	3,50,000.00	7,20,000.00	10,70,000.00
3	Shri Basant Seth	3,50,000.00	3,60,000.00	7,10,000.00
4	Shri B Venugopal	7,70,000.00	17,30,000.00	25,00,000.00
5	Dr. Ganesh Natarajan	9,10,000.00	15,90,000.00	25,00,000.00
6	Shri Ketan S. Vikamsey	7,00,000.00	11,70,000.00	18,70,000.00
7	Shri Mrugank M. Paranjape	7,00,000.00	18,00,000.00	25,00,000.00
8	Dr. Pushpendra Rai	9,10,000.00	15,90,000.00	25,00,000.00
9	Dr. Purnima Gupta	8,40,000.00	13,50,000.00	21,90,000.00
10	Shri Sanjeev Maheshwari	7,70,000.00	17,30,000.00	25,00,000.00
11	Shri Chandan Sinha	9,10,000.00	15,90,000.00	25,00,000.00

**For the FY 2019-20**

**Salary and Allowances paid to the Chairman and Managing Directors in FY2019-20 (in Rs.)**

Name	Basic	DA	Other	Total	Remark
Rajnish Kumar	27,00,000	4,25,250	1,000	31,26,250	
Parveen Kumar Gupta	26,14,800	4,11,831	11,05,753	41,32,384	Rs. 1,104,753.00 is Leave Encashment Paid on Retirement in the month of March 2020. This amount is included in Others.
Dinesh Kumar Khara	25,39,200	3,99,924	1,000	29,40,124	
Arijit Basu	24,64,800	3,88,206	1,000	28,54,006	
Anshula Kant	10,27,000	1,23,240		11,50,240	Salary Details provided are for the period - 01.04.2019 to 31.08.2019.
Challa Sreenivasulu Setty	4,90,309.68	83,352.65	1,000	5,74,662.33	Salary Details provided are for the period 20.01.2020 to 31.03.2020

**Details of sitting fees paid to Directors for attending meetings of the Central Board and Board-Level Committees in FY 2019-20 (in Rs.)**

S. No.	Name of Director	Meetings of Central Board	Meetings of Other Board Level Committees	Total
1	Shri Sanjiv Malhotra	8,50,000.00	15,55,000.00	24,05,000.00
2	Shri Bhaskar Pramanik	7,30,000.00	14,35,000.00	21,65,000.00
3	Shri Basant Seth	8,50,000.00	9,60,000.00	18,10,000.00
4	Shri B Venugopal	6,60,000.00	17,80,000.00	24,40,000.00
5	Dr. Girish K. Ahuja	4,90,000.00	4,20,000.00	9,10,000.00
6	Dr. Pushpendra Rai	6,40,000.00	9,05,000.00	15,45,000.00
7	Dr. Purnima Gupta	8,50,000.00	9,10,000.00	17,60,000.00
8	Shri Sanjeev Maheshwari	3,50,000.00	3,60,000.00	7,10,000.00
9	Shri Chandan Sinha	7,00,000.00	11,20,000.00	18,20,000.00



5. Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided:

For FY 2021-22 and FY 2020-21

**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.

For FY 2019-20

d) Accounting Standard – 18 “Related Party Disclosures”

1. Related Parties

A. SUBSIDIARIES

i. FOREIGN BANKING SUBSIDIARIES

1. Commercial Indo Bank LLC, Moscow
2. Bank SBI Botswana Limited
3. SBI Canada Bank
4. State Bank of India (California)
5. State Bank of India (UK) Limited
6. SBI (Mauritius) Ltd.
7. PT Bank SBI Indonesia
8. Nepal SBI Bank Ltd.

ii. DOMESTIC NON-BANKING SUBSIDIARIES

1. SBI Capital Markets Ltd.
2. SBICAP Securities Ltd.
3. SBICAP Trustee Company Ltd.
4. SBICAP Ventures Ltd.
5. SBI DFHI Ltd.
6. SBI Global Factors Ltd.
7. SBI Infra Management Solutions Pvt. Ltd.
8. SBI Mutual Fund Trustee Company Pvt. Ltd.
9. SBI Payment Services Pvt. Ltd.
10. SBI Pension Funds Pvt. Ltd.
11. SBI Life Insurance Company Ltd.
12. SBI General Insurance Company Ltd.
13. SBI Cards and Payment Services Ltd.
14. SBI – SG Global Securities Services Pvt. Ltd.
15. SBI Funds Management Pvt. Ltd.
16. SBI Foundation.

iii. FOREIGN NON-BANKING SUBSIDIARIES

1. SBICAP (Singapore) Ltd.
2. SBICAP (UK) Ltd.
3. SBI Funds Management (International) Pvt. Ltd.
4. State Bank of India Servicios Limitada
5. Nepal SBI Merchant Banking Ltd.

B. JOINTLY CONTROLLED ENTITIES

1. C-Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Ltd.

C. ASSOCIATES

i. Regional Rural Banks

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaqual Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Purvanchal Bank
10. Saurashtra Gramin Bank
11. Utkal Grameen Bank
12. Uttarakhand Gramin Bank
13. Jharkhand Rajya Gramin Bank
14. Rajasthan Marudhara Gramin Bank
15. Telangana Grameena Bank

ii. Others

1. SBI Home Finance Ltd.(under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.
4. Yes Bank Ltd. (from 14<sup>th</sup> March 2020)

**D. Key Management Personnel of the Bank**

1. Shri Rajnish Kumar, Chairman
2. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
3. Shri Dinesh Kumar Khara, Managing Director (Global Banking & Subsidiaries)
4. Shri Arijit Basu, Managing Director (Commercial Clients Group & IT)
5. Ms. Anshula Kant, Managing Director (Stressed Assets, Risk and Compliance) 01.04.2019 to 31.08.2019.
6. Shri Challa Sreenivasulu Setty, Managing Director (Stressed Assets) w.e.f. 20.01.2020

**2. Parties with whom transactions were entered into during the year**

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

**3. Transactions and Balances**

(₹ in crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>A. Outstanding as at 31<sup>st</sup> March,2020</b>			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	746.45 (46.09)	Nil (Nil)	746.45 (46.09)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>Maximum outstanding during the year</b>			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	767.06 (206.16)	Nil (Nil)	767.06 (206.16)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>During the year ended 31<sup>st</sup> March,2020</b>			
Interest Income	4.89 (Nil)	Nil (Nil)	4.89 (Nil)
Interest expenditure	0.82 (Nil)	Nil (Nil)	0.82 (Nil)
Income earned by way of dividend	17.88 (21.78)	Nil (Nil)	17.88 (21.78)
Other Income	0.74 (0.73)	Nil (Nil)	0.74 (0.73)
Other expenditure	Nil (Nil)	Nil (Nil)	Nil (Nil)
Profit/(loss) on sale of land/building and other assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
Management contracts	Nil (Nil)	1.38 (1.32)	1.38 (1.32)

Figures in brackets are for Previous Year.

There are no materially significant related party transactions during the year.

6. **Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the Bank and the corrective steps taken and proposed to be taken by the Bank for each of the said reservations or qualifications or adverse remark**

Please refer Annexure VI for auditors reports and their comments.

7. **Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of Bank and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Bank and all of its subsidiaries**

Nil

8. **Details of acts of material frauds committed against the Bank in the last three years, if any, and if so, the action taken by the Bank**

During the Q2 FY 2022-23 ended 30th September 2022, there were 577 cases aggregating to Rs. 519.36 crores reported as fraud during the year out of which 367 cases aggregating to Rs. 506.36 crores represent advances declared as frauds. The Bank has taken appropriate actions against the cases reported as fraud as per the regulatory guidelines and its internal policies.

During the Q1 FY 2022-23 ended 30th June 2022, there were 655 cases aggregating to Rs. 3140.61 crores reported as fraud during the year out of which 199 cases aggregating to Rs. 3124.34 crores represent advances declared as frauds. The Bank has taken appropriate actions against the cases reported as fraud as per the regulatory guidelines and its internal policies.

During the year ended 31st March 2022, there were 4,192 cases aggregating to Rs. 7036.40 crores reported as fraud during the year out of which 1,025 cases aggregating to Rs. 6914.31 crores represent advances declared as frauds. The Bank has taken appropriate actions against the cases reported as fraud as per the regulatory guidelines and its internal policies. Full provision has been made for the outstanding balance as on 31st March 2022 in respect of frauds reported during the year.

During the year ended 31<sup>st</sup> March 2021, there were 5,724 cases aggregating to Rs. 10,085.92 crores reported as fraud during the year out of which 660 cases aggregating to Rs. 9,963.24 crores represent advances declared as frauds. The Bank has taken appropriate actions against the cases reported as fraud as per the regulatory guidelines and its internal policies. Full provision has been made for the outstanding balance as on 31<sup>st</sup> March 2021 in respect of frauds reported during the year.

During the year ended 31<sup>st</sup> March 2020, there were 6,964 cases aggregating to Rs. 44,622.45 crores reported as fraud during the year out of which 651 cases aggregating to Rs. 44,419.46 crores represent advances declared as frauds. The Bank has taken appropriate actions against the cases reported as fraud as per the regulatory guidelines and its internal policies. Full provision has been made for the outstanding balance as on 31<sup>st</sup> March 2020 in respect of frauds reported during the year except advance account declared as fraud during the year where Bank has chosen to make provision over four quarters. The unamortized provision amount of Rs. 5,230.37 crores as on 31<sup>st</sup> March 2020 has been debited to 'Other Reserves' by credit to 'Provisions' in terms of RBI circular.

**9. Dividends declared by the Bank in respect of the past three financial years;**

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Dividends declared	Rs. 7.1 per equity share (710%)  Total dividend outflow: Rs. 6,336.47 crore	Rs. 4 per equity share (400%)  Total dividend outflow: Rs. 3,569.84 crore	NIL

**10. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Bank**

There are no changes in accounting policies during financial years FY 2020-21 and FY 2021-22.

During the FY 2019-20, there is no change in the Significant Accounting Policies adopted as compared to those followed in the previous financial year 2018-19 except in respect of investment in associates. This change does not have any impact on the financial results for the year ended 31st March 2020.

**11. The change in control, if any, in the Bank that would occur consequent to the private placement**

There is no change in control pursuant to this Offer.

**12. Pre-issue and post-issue shareholding pattern of the Bank**

There is no change in shareholding pattern due to this Offer. Please refer page no. 96 for shareholding pattern of the Bank as on 31<sup>st</sup> December 2022.

**13. Details of any litigation or legal action pending or taken by any Ministry, Department of the Government or a statutory authority against any promoter of the offeree Bank immediately preceding three years from the date of this Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action**

President of India is the Promoter of the Issuer and hence not applicable.

**S. Other Details**

**1. Creation of Debenture Redemption Reserve**

As per the Companies (Share Capital and Debentures) Rules, 2014, no Debenture Redemption Reserve is required to be created by Banking Companies issuing debentures.

Also, the Issuer is not required to create Debenture Redemption Reserve as per State Bank of India Act, 1955 as amended from time to time.

## **2. Issue/instrument specific regulations**

The present issue of Bonds is being made in pursuance of RBI Guidelines. The present Issue of Bonds is being made pursuant to the resolution of the Executive Committee of the Central Board (ECCB) of the Issuer, passed at its meeting held on 3<sup>rd</sup> January 2023 & 13<sup>th</sup> January 2023 and the delegation provided to Committee of Directors in the Central Board meeting held on February 18, 2020. The Committee of Directors at its meeting held on 13<sup>th</sup> January 2023 has approved issuance of Long-Term Bonds. The Bank can issue the Bonds proposed by it in view of the present approvals and no further internal or external permission/ approval(s) is/are required by it to undertake the proposed activity.

## **3. Default in Payment**

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for Bonds, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the Issuer for the defaulting period.

## **4. Delay in Listing**

In case of delay in listing of securities beyond the timelines specified by SEBI Operational Circular, penal interest of 1% p.a. over the coupon rate shall be payable by the Issuer for the period of delay to the Investor.

## **5. Delay in allotment of securities**

The allotment of securities shall be made within the timelines stipulated under SEBI Operational Circular.

## **6. Application Process**

### **i. Who can apply**

The categories of investors who are eligible to apply for this Issue are mentioned in the Summary Term Sheet of this Placement Memorandum. However, the prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, RBI, SEBI or any other statutory and regulatory body from time to time.

However, out of the above mentioned class of investors eligible to invest, this Placement Memorandum is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Placement Memorandum from the Issuer).

### **ii. Documents to be provided by Investors**

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Memorandum and Articles of Association/constitution/ bye-laws/ trust deed;
- Board resolution authorizing the investment and containing operating instructions;



- Power of attorney/ relevant resolution/authority to make application;
- Specimen signatures of the authorized signatories, duly certified by an appropriate authority;
- Government notification (in case of primary co-operative bank and regional rural banks);
- SEBI registration certificate (for Mutual Funds);
- Copy of Permanent Account Number Card ("**PAN Card**") issued by the Income Tax department;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable;
- Application Form (including RTGS/NEFT details).

### iii. **How to apply**

All eligible Investors should refer the Operating Guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE / NSE. Investors will also have to complete the mandatory know your customer verification process. Investors should refer to the EBP Guidelines in this respect. The application form will be filled in by each Investor. Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English as per the instructions contained therein.

(a) The details of the Issue shall be entered on the EBP Platform by the Issuer at least 2 (two) Business Days prior to the Issue opening date, in accordance with the Operational Guidelines.

(b) The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform, at least 1 (one) Business Day before the start of the Issue opening date.

Some of the key guidelines in terms of the current Operational Guidelines on issuance of securities on private placement basis through an EBP mechanism are as follows:

#### **(a) Modification of Bid**

Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, revision of bid is only allowed for downward revision in coupon / yield / spread or upward modification in price and / or upward revision in terms of bid size.

#### **(b) Cancellation of Bid**

Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 minutes of the bidding period / window, no cancellation of bids is permitted.

#### **(c) Multiple Bids**

Investors are permitted to place multiple bids on the EBP platform in line with EBP Guidelines vide SEBI Operational Circular.

However, Investors should refer to the Operational Guidelines prevailing as on the date of the bid.

### **Payment Mechanism**

Applicants shall make remittance of application money by way of electronic transfer of funds through

RTGS/electronic fund mechanism for credit by the pay-in time in the bank account of the clearing corporation appearing on the EBP platform in accordance with the timelines set out in the EBP Guidelines and the relevant rules and regulations specified by SEBI in this regard. All payments must be made through RTGS as per the Bank details mentioned in the application form / EBP platform.

The Bank assumes no responsibility for any Applications lost in mail. The entire amount of Rs.10 lakhs per Bond is payable on application.

#### **How to fill the Application Form**

- Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected.
- The name of the applicant's bank, type of account and account number must be filled in the Application Form.
- The Applicant or in the case of an application in joint names, each of the Applicant, should mention his/her PAN allotted under the Income -Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. Application Forms without this information will be considered incomplete and are liable to be rejected.
- All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ private/ religious/ charitable trusts, provident funds and other superannuation trusts and other investors requiring "approved security" status for making investments.

***For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application Form.***

#### **iv. Terms of Payment**

The full face value of the Bonds applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and payment through RTGS for the full value of Bonds applied for.

#### **v. Force Majeure**

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise.

#### **vi. Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an Application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and

specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

**vii. Application by Mutual Funds**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- a. SEBI registration certificate
- b. Resolution authorizing investment and containing operating instructions
- c. Specimen signature of authorized signatories

**viii. Application by Provident Funds, Superannuation Funds and Gratuity Funds**

The applications must be accompanied by certified true copies of

- a. Trust deed / bye laws /resolutions
- b. Resolution authorizing investment
- c. Specimen signatures of the authorized signatories

Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate issued by the Income Tax officer along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.

**ix. Acknowledgements**

No separate receipts will be issued for the application money. However, the Issuer receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

**x. Basis of Allocation**

Allotment against valid applications for the Bonds will be made to applicants in accordance with applicable SEBI regulations, Operational Guidelines of the exchanges and all applicable laws. At its sole discretion, the Issuer shall decide the amount of over subscription to be retained over and above the Base Issue size.

**xi. Right to Accept or Reject Applications**

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (a) Number of Bonds applied for is less than the minimum application size;

- (b) Application money received not being from the bank account of the person/entity subscribing to the Bonds or from the bank account of the person/ entity whose name appears first in the Application Form, in case of joint holders;
- (c) Bank account details of the Applicants not given;
- (d) Details for issue of Bonds in dematerialized form not given;
- (e) PAN/GIR and IT circle/Ward/District not given;
- (f) In case of applications under power of attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bonds applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

**xii. PAN /GIR Number**

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

**xiii. Signatures**

Signatures should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

**xiv. Nomination Facility**

Only individuals applying as sole applicant/joint applicant can nominate, in the prescribed manner, a person to whom, his Bonds shall vest in the event of his death. Non-individuals including holders of power of attorney cannot nominate.

**xv. Fictitious Applications**

In terms of Section 38 of the Companies Act, 2013, any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the bonds, or otherwise induced a body corporate to allot, register any transfer of bonds therein to them or any other person in a fictitious name, shall be punishable under the extant laws.

**xvi. Depository Arrangements**

The Issuer has appointed M/s Alankit Assignments Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110055, Tel.: 011 42541234, Fax.:011 23552001, Email: sbi.igr@alankit.com, website: www.alankit.com. as the Registrar for the present Bond Issue. The Issuer has entered into necessary depository arrangements with NSDL and CDSL for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made there under. In this context, the Issuer has signed two tripartite agreements as under:

- Tripartite Agreement between the Issuer, NSDL and the Registrar for dematerialization of the Bonds offered under the present Issue.
- Tripartite Agreement between the Issuer, CDSL and the Registrar for dematerialization of the Bonds offered under the present Issue.

Bondholders can hold the bonds only in dematerialized form and deal with the same as per the

provisions of Depositories Act, 1996 as amended from time to time.

**xvii. Procedure for applying for Demat Facility**

- A. Applicant(s) must have a beneficiary account with any DP of NSDL or CDSL prior to making the application.
- B. Applicant(s) must specify their beneficiary account number and DP ID in the relevant columns of the Application Form.
- C. For subscribing to the Bonds, names in the application form should be identical to those appearing in the account details of the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- D. If incomplete/ incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Bank.
- E. The Bonds shall be directly credited to the beneficiary account as given in the Application Form and after due verification, the confirmation of the credit of the Bonds to the applicant's depository account will be provided to the Applicant by the DP of the Applicant.
- F. Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Issuer as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
- G. For the allotment of debentures and all future communications including notices, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- H. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

**7. Others**

**i. Rights of Bondholder(s)**

Bondholder is not a shareholder. The Bondholders will not be entitled to any rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Issuer. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the terms of this Issue and the other terms and conditions as may be incorporated in the Debenture Trustee Agreement and other documents that may be executed in respect of these Bonds.

**ii. Modification of Rights**

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Issuer

where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

Further, the Issuer shall be entitled (without obtaining a prior approval from the Bondholders) to make any modifications in this Placement Memorandum which in its opinion is of a formal, minor or technical nature or is to correct a manifest error.

### **iii. Future Borrowings**

The Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue bonds/ debentures or other securities in any manner with ranking as senior or on pari passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustee in this connection.

In relation to the aforesaid, it is hereby clarified that such borrowing or raising of loans or availing of financial assistance by the Bank may be on such terms and conditions as the Bank may deem fit, in accordance with applicable laws, and may be secured and/or unsecured, at the discretion of the Bank. It is further clarified that such borrowing may or may not be to enhance and/or to replace regulatory capital.

### **iv. Notices**

All notices required to be given by the Issuer or by the Trustee to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier /e-mail and/or any other mode of communication as may be permitted under applicable law as per the discretion of the Issuer to the original sole/ first allottees of the Bonds and/ or if an advertisement is given in a leading newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

### **v. Minimum subscription**

As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Bank shall not be liable to refund the issue subscription(s)/proceed (s) in the event of the total issue collection falling short of the issue size or certain percentage of the issue size.

### **vi. Underwriting**

The present issue of Bonds is not underwritten.

### **vii. Deemed Date of Allotment**

All benefits under the Bonds and relating to the Bonds (including payment of interest) will accrue and be available to the Bondholders from and including the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.

The Bank reserves the right to keep multiple date(s) of allotment / allotment date(s) at its sole and absolute discretion without any notice. In case if the issue closing date/ pay-in dates is/are changed

(preponed/ postponed), the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Issuer at its sole and absolute discretion.

**viii. Credit of the Bonds**

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ DP will be given initial credit within the timeline specified under SEBI Regulations. The initial credit in the account will be akin to the letter of allotment. On completion of all statutory formalities, such credit in the account will be akin to a bond certificate.

**ix. Issue of Bond Certificate(s)**

Subject to the completion of all statutory formalities within time frame prescribed in the relevant regulations/Act/ rules etc., the initial credit akin to a letter of allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds will be issued in electronic (dematerialized) form and will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ DP from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

**x. Market Lot**

The market lot will be one Bond ("**Market Lot**").

**xi. Trading of Bonds**

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond. Trading of Bonds would be permitted in demat mode only in standard denomination of 1 bond and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

**xii. Mode of Transfer of Bonds**

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/DP of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his DP. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

**xiii. Common Form of Transfer**

The Issuer undertakes that it shall use a common form/procedure for transfer of Bonds issued under terms of this Placement Memorandum.

#### **xiv. Interest on Application Money**

Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in the Issuer's bank account up to one day prior to the Deemed Date of Allotment. The interest on application money shall be payable by the Issuer through electronic mode within 15 days from the Deemed Date of Allotment. In absence of complete bank details i.e., correct/updated bank account number, IFSC/RTGS code/NEFT code etc., the Issuer shall make payment through cheques/ DDs or any other mode of payment as per the discretion of the Issuer. If the Pay-In Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.

The Interest on the application money will be computed as per Actual/Actual day count convention. Income Tax at Source (TDS) will be deducted at the applicable rate on the Interest on application money.

The Bank shall not be liable to pay any interest in case of invalid applications or applications liable to be rejected including applications made by person who is not an eligible investor.

#### **xv. Interest on the Bonds**

The face value of the Bonds outstanding shall carry interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned in the Summary Term Sheet.

The interest payment shall be made through electronic mode to the Bondholders whose names appear on the list of beneficial owners given by the DP to R&TA as on the Record Date fixed by the Bank in the bank account which is linked to the demat account of the bondholder. However, in absence of complete bank details i.e., correct/updated bank account number, IFSC/RTGS code/NEFT code etc., Issuer shall make payment through cheques / DDs or any other mode of payment as per the discretion of the Issuer on the due date at the sole risk of the bondholders

Interest or other benefits with respect to the Bonds would be paid to those Bondholders whose names appear on the list of beneficial owners given by the DP to R&TA as on the Record Date. In case the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, Bank shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Bank. Bank shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation. Bank will not pay interest or any amount in whatever name for the intervening period from Record Date to the actual date of payment of interest.

#### **xvi. Payment on Redemption**

The Bonds will be redeemed on the Redemption Date specified in the Summary Term Sheet.

The redemption proceeds shall be made through electronic mode to the bondholders whose names appear on the list of beneficial owners given by the DP to R&TA as on the record date fixed by the Bank in the bank account which is linked to the demat account of the bondholder. However, in absence of complete bank details i.e., correct/updated bank account number, IFSC/RTGS code/NEFT code etc.,



The Issuer shall be required to make payment through cheques / DDs or any other mode of payment as per the discretion of the Issuer on the due date at the sole risk of the bondholders.

The redemption proceeds shall be paid to those Bondholders whose names appear on the list of beneficial owners given by the DP to R&TA as on the record date fixed by the Issuer for the purpose of redemption. In case the beneficial owner is not identified by the depository on the record date due to any reason whatsoever, issuer shall keep in abeyance the payment of redemption proceeds, till such time the beneficial owner is identified by the depository and intimated to R&TA. Issuer shall pay the redemption proceeds to the beneficiaries identified within 15 days of receiving such intimation. Issuer will not be liable to pay any interest, income or compensation of any kind in whatever name for the intervening period from record date to the actual date of payment of redemption proceeds, in such cases where the DP does not identify the beneficial owner on the record date.

**xvii. Right to further issue under the ISINs**

The Issuer reserves right to effect multiple issuances under the same ISIN in accordance with Chapter VIII of SEBI Operational Circular dated August 10, 2021.

The Issue can be made either by way of creation of a fresh ISIN or by way of issuance under the existing ISIN at premium, par or discount as the case may be in line with the SEBI Operational Circular.

**xviii. Right to Re-purchase, Re-issue or Consolidate the Bonds**

The Issuer will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Bonds from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines or regulations, if any.

In the event of a part or all of the Issuer's Bonds being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed always to have had, the power to re-issue the Bonds either by re-issuing the same Bonds or by issuing other debentures in their place. The Issuer shall have right to consolidate the Bonds under present series in accordance with applicable law.

Further the Issuer, in respect of such re-purchased or re-deemed Bonds shall have the power, exercisable either for a part or all of those Bonds, to cancel, keep alive, appoint nominee(s) to hold or re-issue at such price and on such terms and conditions as it may deem fit and as permitted under the ISIN Circulars or by laws or regulations.

**xix. Deduction of Tax at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source out of interest payable on Bonds.

Interest payable subsequent to the Deemed Date of Allotment of Bonds shall be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/document, under Section 193 of the Income Tax Act, 1961, if any, with the Registrars, or to such other person(s) at such other address (es) as the Issuer may specify from time to time through suitable communication, at least 45 days before the payment becoming due. Regarding deduction of tax at source and the requisite declaration forms to be submitted, applicants are advised to consult their own tax consultant(s).

**xx. List of Beneficial Owners**

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

**xxi. Succession**

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Bondholder or the holder of succession certificate or other legal representative as having title to the Bond(s). The Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Non-Resident Indians who become entitled to the Bonds by way of succession shall ensure that they comply with all such procedures and compliances as may be required under the Foreign Exchange Management Act, 1999 and the rules made thereunder, the relevant RBI guidelines and other applicable laws for them to become the beneficial holders of the Bonds.

**xxii. Joint - Holders**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to provisions contained in the applicable statute and the amendments there to.

**xxiii. Disputes and Governing Law**

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Mumbai, Maharashtra.

**xxiv. Investor Relations and Grievance Redressal**

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer shall endeavor to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the application number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has designated a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account etc. Contact details of the Compliance Officer are given elsewhere in this Placement Memorandum.

**xxv. Material Contracts and Agreements involving Financial Obligations of the Issuer**

By very nature of its business, the Bank is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Bank. However, the contracts referred to in Para A

below (not being contracts entered into in the ordinary course of the business carried on by the Bank) which are or may be deemed to be material that have been entered into by the Bank. Copies of these contracts may be inspected at the Corporate Centre of the Bank between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

**A. Material Contracts and Documents**

- a. Letter appointing Registrars and copy of MoU entered into between the Bank and the Registrars.
- b. Letter appointing Trustee to the Issue.
- c. The State Bank of India Act, 1955.
- d. Committee of Directors' Resolution of the meeting held on 13<sup>th</sup> January 2023 authorizing issue of Bonds offered under terms of this Placement Memorandum.
- e. Letter of consent from the Trustee to act as Trustee to the Issue.
- f. In-principle Approval for listing of Bonds by BSE and/or NSE.
- g. Letter from ICRA and IRRPL conveying the credit rating for the Bonds.
- h. Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialized form.
- i. Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialized form.
- j. Annual Report along with Audited financials and Audit Reports for the last three financial years.
- k. Unaudited Limited review financial results for the quarter ended 30<sup>th</sup> September 2022.

## T. Issue Details

### Summary Term Sheet:

Security Name	7.70% SBI LTB 2038
Series	LTB II
Issuer/Bank	State Bank of India
Issue Size	Aggregate total issue size not exceeding Rs. 10,000 crores with a base issue size of Rs. 5,000 crores and a green-shoe option to retain oversubscription upto Rs. 5,000 crores.
Option to retain oversubscription	Yes. Green-shoe option to retain oversubscription upto Rs. 5,000 crores.
Type of Instrument	Non-convertible, Taxable, Redeemable, Unsecured, Fully Paid-up Long-Term Bonds in the nature of debentures of face value Rs.1 lakh each
Nature of Instrument	Unsecured
Seniority	Unsecured, pari-passu along with other uninsured, unsecured creditors
Mode of Issue	Private Placement through EBP platform
EBP Platform	BSE
Manner of Bidding	Closed Bidding
Manner of Allotment	Uniform Yield
Eligible Investors	<p>Only those investors who are permitted to invest in this issue as per RBI Guidelines and SEBI Debt Regulations, applicable for issuance and listing of these Bonds.</p> <p>The investors who fall under the definition of “Qualified Institutional Buyers” (QIB) under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and any non-QIB investor (including arranger) who are specifically authorized by the issuer in the EBP platform are eligible to participate in the offer (being “<b>Eligible Investors</b>”). The investors who fall under the definition of QIB are as follows:</p> <ul style="list-style-type: none"> <li>(i) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI</li> <li>(ii) a foreign portfolio investor (“FPIs”) other than Individuals, corporate bodies and family offices,</li> <li>(iii) a Public Financial Institution;</li> <li>(iv) a Scheduled Commercial Bank</li> <li>(v) a multilateral and bilateral developmental financial institution</li> <li>(vi) a state industrial development corporation</li> </ul>

	<p>(vii) an Insurance Company registered with the Insurance Regulatory and Development Authority of India</p> <p>(viii) a Provident Fund with minimum corpus of Rs. 25 crores</p> <p>(ix) a Pension Fund with minimum corpus of Rs. 25 crores</p> <p>(x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India</p> <p>(xi) insurance funds set up and managed by army, navy or air force of the Union of India</p> <p>(xii) insurance funds set up and managed by the Department of Posts, India; and</p> <p>(xiii) systemically important non-banking financial companies.</p> <p>The following class of investors are not eligible to participate in the offer:</p> <p>(i) Resident Individual Investors;</p> <p>(ii) Foreign Nationals;</p> <p>(iii) Persons resident outside India, other than FPIs;</p> <p>(iv) Overseas Corporate Bodies;</p> <p>(v) Partnership firms formed under applicable laws in India in the name of the partners;</p> <p>(vi) Hindu Undivided Families through Karta; and</p> <p>(vii) Person ineligible to contract under applicable statutory/ regulatory requirements.</p> <p>Investment by a bank in the issue is subject to compliance of the provisions of RBI Circular DBR.BP.BC.No.98/08.12.014/2014-15 dated 1<sup>st</sup> June 2015 as amended from time to time. The banks should ensure that its bid on the EBP system is in compliance with the above circular. As per the RBI Circular dated 1<sup>st</sup> June 2015:</p> <p>a) Banks' investment in such bonds will not be treated as 'assets with the banking system in India' for the purpose of calculation of NDTL</p> <p>b) Such investments are not to be held under HTM category</p> <p>c) An investing bank's investment in a specific issue of such bonds will be capped at 2% of the investing bank's Tier 1 Capital or 5% of the issue size, whichever is lower.</p> <p>d) An investing bank's aggregate holding in such bonds will be capped at 10% of its total Non-SLR investments.</p> <p>e) Not more than 20% of the primary issue size of such bond issuance can be allotted to banks.</p>
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	<p>Each bank bidding in the EBP shall ensure compliance with the above norms. The Bank shall be under no obligation to verify the eligibility/authority or the eligible bid amount of any bank in these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any bank, such bank becomes ineligible or exceeded the limits mentioned above and/or is found to have exceeded the limits specified as per RBI Circular as amended in these Bonds, the Bank shall not be responsible in any manner.</p> <p>Investment by FPIs in these Bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by the RBI, SEBI or any other regulatory authorities on investment in these Bonds.</p> <p>The issuance being a private placement through the EBP Platform, the investors who have bid on its own account or through arrangers, if any, appointed by Issuer, in the issue through the said platform and in compliance with SEBI circulars on the above subject and EBP Platform operating guidelines are only eligible to apply. Any other application shall be at the sole discretion of the Issuer.</p> <p>Further, notwithstanding anything contained above, only eligible investors who have been addressed through the application form are eligible to apply.</p> <p>Prior to making any investment in these Bonds, each Eligible Investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the Eligible Investor to invest in these Bonds. Further, mere receipt of this Placement Memorandum (and/or any Transaction Document in relation thereto and/or any draft of the Transaction Documents and/or this Placement Memorandum) by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.</p> <p>Notwithstanding any acceptance of bids by the Bank on and/or pursuant to the bidding process on the Electronic Book Platform, (a) if a person, in the Bank's view, is not an Eligible Investor, the Bank shall have the right to refuse allotment of Bonds to such person and reject such person's application; (b) If a person, in the Bank's view, does not comply with the restrictions mentioned in RBI Guidelines or SEBI Debt Regulations or applies in excess thereof, the Bank has the right to decide the amount to be allotted to such investors (c) if after applying for subscription to</p>
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	these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Issuer shall not be responsible in any manner.
Anchor Portion	No
Total Anchor Portion	NA
Anchor Investors and Quantum allocated to each Anchor Investor	NA
Listing	<p>Proposed on the Wholesale Debt Market (WDM) Segment of NSE and BSE. The Issuer has received in-principle approval for listing of these Bonds from NSE vide their letter Ref. No.: NSE/LIST/5826 dated 13<sup>th</sup> January 2023 and BSE vide their letter DCS/COMP/PG/IP-PPDI/567/22-23 dated 13<sup>th</sup> January 2023. Please refer to Annexure IV and V for a copy of the letters from NSE and BSE.</p> <p>The Issuer shall make listing application to BSE and NSE as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 and receive listing approval from BSE and NSE within 3 (three) working days from the Issue Closure Date.</p> <p>Designated Stock Exchange for the Issue is: NSE</p>
Credit Rating	"[ICRA] AAA Stable" by ICRA and "IND AAA/Stable" by IRRPL
Minimum subscription	Not Applicable
Objects of the Issue/ Purpose for which there is requirement of funds	<p>Enhancing long term resources for funding infrastructure and affordable housing.</p> <p>The funds being raised by the Bank through this Issue are not meant for financing any particular project.</p>
Details of Utilization of funds	Enhancing long term resources for funding infrastructure and affordable housing. The funds being raised by the Bank through this Issue are not meant for financing any particular project.
Coupon Rate	7.70% p.a.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual
Coupon Payment Dates	First coupon payment shall be made on 19 <sup>th</sup> January 2024 and every year thereafter, as per the coupon payment frequency mentioned above, till the redemption of the bonds.
Coupon Type (Fixed, floating or other structure) / Interest Rate Parameter	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Cumulative or Non-Cumulative	NA

Day Count Basis	<p>The Coupon for each of the interest periods shall be computed as per Actual / Actual day count convention (as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613) on the face value/principal outstanding at the Coupon Rate rounded off to the nearest Rupee.</p> <p>The Interest Period means each period beginning on (and including) the Deemed Date of Allotment(s) or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date. It is clarified that in case of Coupon payment in a leap year, the same shall be calculated taking the number of days as 366 (three hundred and sixty six) days (as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613).</p> <p>Illustrative interest calculation is provided in this Placement Memorandum.</p>
Working Day Convention/ Effect of Holidays	<p>'Working Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. If the date of payment of interest/redemption of principal does not fall on a Working Day, the payment of interest/principal shall be made in accordance with as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613.</p> <p>If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the Bonds. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Working Day.</p> <p>If the redemption date of the Bonds falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the Bonds.</p>
Interest on Application Money	<p>Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in the Issuer's bank account up to one day prior to the Deemed Date of Allotment. The Bank shall not be liable to pay any interest in case of invalid applications or applications liable to be rejected including applications made by person who is not an Eligible Investor. If</p>



	<p>the Pay-In Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.</p> <p>The Interest on the application money will be computed as per Actual/Actual day count convention. Income Tax at Source (TDS) will be deducted at the applicable rate on the Interest on application money.</p>
Default Interest Rate	<p>In case of default (including delay) in payment of Interest and/or principal redemption on the due dates, additional interest at 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period.</p> <p>The Issuer shall make listing application to BSE and/or NSE as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 and receive listing approval from BSE and/or NSE within timelines mentioned in the SEBI Operational Circular. In case of delay in listing of the Bonds beyond the timelines mentioned in the SEBI Operational Circular, the Issuer shall pay penal interest at the rate of 1% p.a. over the coupon rate for the period of delay to the investor.</p> <p>If the Bank fails to execute the trust deed within the prescribed timelines under the applicable law, the Bank shall also pay interest of 2% p.a. to the investors, over and above the agreed coupon rate, till the execution of the trust deed.</p>
Tenor	15 years
Redemption Date	19 <sup>th</sup> January, 2038
Redemption Amount	At par i.e. Rs. 1 lakh per Bond
Premium/Discount on redemption	Nil
Issue Price	At par (Rs.1 lakh per Bond)
Discount at which security is issued and the effective yield as a result of such discount.	Nil
Put Option	Not Applicable
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time (Timelines by which the Issuer need to	Not Applicable.

intimate investor before exercising the put)	
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable
Face Value	Rs. 1 lakh per Bond.
Minimum Application and in multiples of Bonds thereafter / Minimum Bid Lot	1 Bond and in multiples of 1 Bond thereafter.
Trading Lot	1 Bond.
Description regarding Security	Unsecured
Undertaking on creation of Security	Not Applicable. The Bonds are unsecured in nature and hence no permission or consent from any earlier creditor is required for security creation.
<b>Issue Timing</b> Bid Opening Bid Closing Date Issue Opening/ Closing Date Pay-in Date Deemed Date of Allotment	18 <sup>th</sup> January 2023 18 <sup>th</sup> January 2023 18 <sup>th</sup> January 2023 19 <sup>th</sup> January 2023 19 <sup>th</sup> January 2023
Date of earliest closing of the issue, if any.	Not Applicable
Issuance mode	In Demat mode only.
Trading Mode	In Demat mode only.
Settlement Mode of the Instrument	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ National Electronic Clearing Service/ RTGS/ NEFT mechanism or any other permitted method at the discretion of the Issuer. The pay-in of subscription money for the Bonds shall be made as per EBP guidelines through clearing corporation (ICCL).
Settlement Cycle for EBP	T+1 (issuance)
Depository	National Securities Depository Limited and Central Depository Services (India) Limited.
Record Date	15 calendar days prior to each Coupon Payment Date / Call Option Date or the Redemption Date (as the case may be). In the event the Record Date falls on a day which is not a Working Day, the succeeding Working Day will be considered as Record Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Other than as mentioned in this summary term sheet and Debenture Trust Deed there are no additional covenants of the Issue.
Transaction documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the issue:  1. Letter appointing IDBI Trusteeship Services Limited as Trustee to the Bondholders; 2. Debenture Trustee Agreement/ Bond Trustee Agreement / Debenture Trust Deed (as required);

	<ol style="list-style-type: none"> <li>3. Rating Letter from rating agency ICRA and IRRPL;</li> <li>4. Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>5. Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>6. Listing Agreement with BSE and NSE; and</li> <li>7. The Placement Memorandum with the application form.</li> </ol>
Conditions precedent to subscription of Bonds	<p>The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following:</p> <ol style="list-style-type: none"> <li>a) Rating Press Release from ICRA and IRRPL;</li> <li>b) Consent Letter from the Trustee to act as Trustee to the Bondholder(s);</li> <li>c) In-principle approval for listing of bonds from BSE</li> <li>d) In-principle approval for listing of bonds from NSE</li> <li>e) Consent letter from the RTA; and</li> <li>f) And any other documents customary for this transaction</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Placement Memorandum:</p> <ul style="list-style-type: none"> <li>• Making application to BSE and/or NSE within the timelines prescribed by SEBI.</li> </ul>
Events of Default  (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>The following events shall constitute an Event of Default on expiry of the cure period as mentioned in the Debenture Trust Deed:</p> <ol style="list-style-type: none"> <li>(a) Default in payment of Coupon as and when the same shall have become due and payable</li> <li>(b) Default in redemption of these Bonds as and when the same shall have become due and payable</li> </ol> <p>The Issuer or the Trustee may call for meeting of Bondholders as per the terms of the Debenture Trust Deed (to be executed). E-voting facility may be provided, if applicable subject to compliance with regulatory guidelines. In case of any decision that requires a special resolution at a meeting of the Bondholders duly convened and held in accordance with provisions contained in Debenture Trust Deed (to be executed) and applicable law, the decision shall be passed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is demanded or e-voting facility is used, by a majority representing not less than three-fourths in value of the votes cast on such poll. Notwithstanding anything contained above, if any regulations/ circular/ guidelines issued by SEBI/RBI or any other relevant regulator require the voting to be held in a particular manner, the provisions contained in such regulations/ circular/ guidelines shall prevail. The Debenture Trust Deed (to be executed) shall contain the provisions for the meetings of the Bondholders and manner of voting. Subject to applicable law and regulatory guidelines, a meeting of the Bondholders, may</p>

	consider the proposal for joining the inter creditor agreement, if applicable, and the conditions for joining such inter creditor agreement, if applicable, will be made part of the meeting agenda and the Trustee will follow the process laid down vide SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020.
Creation of recovery expense fund	The Issuer has created the Recovery Expense Fund in accordance with SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	On occurrence of an Event of Default, the Debenture Trustee shall follow the procedure mentioned in the Debenture Trust Deed. Notwithstanding anything contained in the Debenture Trust Deed, in case of an Event of Default, the Trustee shall follow the process laid down by SEBI or RBI for handling defaults as may be applicable to these Bonds.
Provisions related to Cross Default	Not Applicable
Role and Responsibilities of Trustee to the Issue	The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and all other applicable SEBI Regulations, the Debenture Trustee Agreement, Placement Memorandum and all other related Transaction Documents, with due care, diligence and loyalty.
Risk factors pertaining to the Issue	Please refer to the section on Risk Factors on page no. 27 of the Placement Memorandum for risks related to this issue of Bonds.
Re-capitalization	Nothing contained in this Summary Term Sheet or in any other Transaction Documents shall hinder re-capitalization by the Bank by any manner whatsoever.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Mumbai, Maharashtra.

\*Note: The Bank reserves its sole and absolute right to modify (pre -pone/ postpone) the above issue schedule without giving any reasons or prior notice. The Bank also reserves its sole and absolute right to change the Deemed Date of Allotment of the above issue without giving any reasons or prior notice. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Call Option Date, if any may also be changed at the sole and absolute discretion of the Issuer. The Bank reserves the right to close the issue earlier than the stipulated issue closing date and it is further clarified that the Bank need not wait for any minimum subscription amount to the Bonds before closing the issue.

## **U. UNDERTAKING BY THE ISSUER**

The Issuer undertakes that:

- (i) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the Offer including the risks involved. The Bonds have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum. Specific attention of investors is invited to the statement of 'Risk Factors' given on page no. 27 and 'General Risks' on front page.
- (ii) The Issuer having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the issue, that the information contained in this Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- (iii) The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the Bonds are listed.
- (iv) The Issuer has submitted the Permanent Account Numbers of the Issuer's directors to the stock exchanges on which the bonds are proposed to be listed.

## V. DECLARATION

### General Risk

Investment in non-convertible securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section Risk Factors of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

The Issuer confirms that:

- (i) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, State Bank of India Act, 1955 and the rules and regulations made thereunder including SEBI DLT Circular.
- (ii) The compliance with the Securities and Exchange Board of India Act, 1992 and the rules does not imply that payment of interest or coupon or repayment of the Bonds, is guaranteed by the Central Government.
- (iii) The monies received under the offer shall be used only for the purposes and objects indicated in the Placement Memorandum.
- (iv) Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained.

Signed pursuant to internal authority granted by Committee of Directors in its meeting held on 13<sup>th</sup> January 2023;

For State Bank of India

Ms. Archana Rastogi  
General Manager (Shares and Bonds)

Place: Mumbai

Date: 18<sup>th</sup> January 2023



## **ANNEXURE I**

Copy of Press Release of rating from ICRA

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January 12, 2023

## State Bank of India: [ICRA]AAA (Stable) assigned to Infrastructure bonds; ratings reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Infrastructure Bonds	-	10,000.00	[ICRA]AAA (Stable); assigned
Infrastructure Bonds	10,000.00	10,000.00	[ICRA]AAA (Stable); reaffirmed
Basel III Tier II Bonds	20,743.00	20,743.00	[ICRA]AAA (Stable); reaffirmed
Basel III Tier I Bonds	27,735.70	27,735.70	[ICRA]AA+ (Stable); reaffirmed
Fixed Deposits	-	-	[ICRA]AAA (Stable); reaffirmed
<b>Total</b>	<b>58,478.70</b>	<b>68,478.70</b>	

\*Instrument details are provided in Annexure I

### Rationale

The assigned rating continues to factor in State Bank of India's (SBI) majority sovereign ownership and its status as a domestic systemically important bank (D-SIB), given its dominant position in the Indian banking system. As on September 30, 2022, SBI had a market share of ~24% in advances and deposits, which remains the highest in the banking system. The ratings continue to reflect the bank's strong resource profile driven by the high share of current and savings account (CASA) deposits, resulting in an extremely competitive cost of funds and a granular deposit base. Given its strong resource profile, SBI's liquidity profile remains superior.

The ratings also considers SBI's healthy capital profile and strong operating profitability, which could absorb any unforeseen asset quality pressures. The bank has supported its credit growth ambitions over the past few fiscals through its internal capital accretion, which has also witnessed an improvement. ICRA believes SBI's incremental capital requirements remain limited for the targeted growth, while maintaining a buffer of at least 100 basis points (bps) over the regulatory ratios. Moreover, if required, the bank's ability to raise capital from the markets remains strong.

While the headline asset quality indicators have improved, the ratings also take note of the monitorable vulnerable book, comprising overdue and standard restructured advances. However, the additional provisions held against the restructured book remain a source of comfort. Given the high provision cover for the legacy stressed assets, ICRA expects that SBI's internal capital generation will continue to improve along with its asset quality and solvency position. The rating for the Tier – I (AT-I) bonds factors in the healthy level of distributable reserves (DRs), which can be used to service the coupon on these bonds in the unforeseeable event of a loss.

The Stable outlook on the ratings factors in ICRA's expectations that SBI remains well-placed to absorb any unanticipated asset quality shocks through its operating profit, given the high provision coverage on legacy accounts. Further, ICRA continues to expect that SBI will benefit from its dominant position in the Indian banking industry, strong ability to raise capital, robust resource profile and sovereign ownership.

### Key rating drivers and their description

#### Credit strengths

**Systemically important bank with majority sovereign ownership** - The Government of India (GoI) remains the bank's largest shareholder, accounting for 56.92% equity stake as on September 30, 2022. SBI received sizeable equity capital support from the GoI amounting to Rs. 19,874 crore during FY2016-FY2018, of which Rs. 8,800 crore was infused in FY2018. Subsequently,



SBI has not received any infusion as it has remained self-sufficient, driven by its steady internal capital generating ability to fund its growth.

Further, SBI holds a dominant position in the Indian banking landscape and given its classification as a D-SIB by the Reserve Bank of India (RBI), it is required to maintain additional capital of 0.6% of the risk-weighted assets (RWAs) over the minimum capital requirements. Going forward, ICRA expects strong internal capital generation to continue, thereby providing the requisite growth capital.

**Strong market position across retail and corporate segments** – SBI's net loan book grew by 20.80% year-on-year (YoY) to Rs. 29.51 lakh crore as on September 30, 2022 from Rs. 24.43 lakh crore as on September 30, 2021. The increase was driven by the healthy credit offtake across segments such as the retail personal segment, agriculture, small and medium enterprises (SME) and the corporate sector. SBI holds a dominant position in the home loan and auto loan segments with a market share of over 33% and 19%, respectively, and an overall market share of ~24% in the advances of the Indian banking industry.

As of September 30, 2022, SBI's loan book was dominated by retail personal advances, which constituted 35.41% of its gross advances followed by corporate advances (excluding SME) at 30.12%, SME advances at 10.44% and agriculture advances at 7.86%. The international loan book constituted 16.1% of its gross advances as on September 30, 2022.

**Strong resource profile and competitive cost of funds** – SBI maintains its dominant position in the Indian banking system with a ~25% market share in deposits as on September 30, 2022. This is supported by the bank's large network and well-developed customer franchise. Driven by its extensive branch network, the share of the top 20 depositors in overall deposits stood low at 4.0% as on March 31, 2022 (3.7% as on March 31, 2021), remaining one of the lowest among all public sector banks (PSBs).

Further, the bank's CASA deposit base stood at 44.63% of its total deposit base as on September 30, 2022, remaining one of the highest among PSBs (PSB average of ~42% as on September 30, 2022). As a result, SBI's cost of interest-bearing funds remains extremely competitive. In FY2022, the cost of interest-bearing funds stood at 3.6% against the PSB average of 3.8%, however during H1 FY2023, the differential witnessed a relative narrowing to 3.8%, although it remains broadly in line with the PSB average. Given SBI's strong branch network, steady core deposit base, and retail franchise, ICRA believes that the resource profile will remain a strong driver of the bank's credit growth ambitions while supporting its liquidity and profitability.

**Healthy capital profile with sizeable value-unlocking opportunities from non-core businesses** – The bank's standalone capitalisation profile remains comfortable (CET I of 9.53% and Tier I of 11.12%) as on September 30, 2022 against the regulatory requirement<sup>1</sup> of 8.60% and 10.10%, respectively, despite the strong 20.8% YoY growth in net advances. On a consolidated basis, the capital ratios remain even better with CET I of 9.82% and Tier I of 11.34% as on September 30, 2022, mainly because of the better capitalisation profile of most of the subsidiaries.

The bank last raised equity capital of Rs. 15,000 crore from the market in FY2018. ICRA believes SBI's capital requirements for targeted growth, while maintaining a buffer of at least 100 bps over the regulatory ratios, remain limited compared to its market capitalisation and that it is well-positioned to raise the requisite capital from the markets if needed. With the improved capital position as well as the decline in the net non-performing advances (NNPA) levels, the solvency<sup>2</sup> level improved to 9.6% as on September 30, 2022 from 11.44% as on March 31, 2022. Going forward, the solvency profile is expected to improve further even without any incremental capital raise.

SBI, through its various subsidiaries, associates and joint ventures, offers a gamut of financial services like asset management, life insurance, general insurance, credit cards, and capital markets among others, including stakes in various regional rural banks. It also has banking operations in other countries through various overseas subsidiaries. Some of these businesses have been fairly scaled over a period and are among the leading players in their industry segments. In ICRA's view, SBI has the flexibility to unlock the value of its subsidiaries, which will also help its profits and capital requirements, if any.

<sup>1</sup> Including capital conservation buffer of 2.5% of RWAs and 0.60% of RWAs for being a D-SIB

<sup>2</sup> Solvency defined as (Net NPAs + Net security receipts + Net non-performing investments) / Core capital)

**Earnings profile likely to remain healthy** – With its core operating profit being better than the PSB average and given the lower credit costs, the bank was able to report a return on assets (RoA) of 0.76% in H1FY2023 (0.67% in FY2022) despite the mark-to-market (MTM) losses on the bond portfolio due to the hardening of bond yields. Given the high provision cover on legacy stressed assets the net profitability is expected to continue to remain >0.50% over the near to medium term without considering any gain from the divestment of non-core assets.

### Credit challenges

**Uncertainty on asset quality, given the tail risk of Covid-19 and macro-economic factors** – Despite the challenges posed by the Covid-19 pandemic, the bank's slippages remained under control at 0.8% of standard advances in H1FY2023 (1.0% in FY2022). Healthy recoveries and upgrades also supported the headline asset quality metrics with the gross NPA (GNPA) and NNPA moderating to 3.52% and 0.8%, respectively, as on September 30, 2022 (4.90% and 1.52%, respectively, as on September 30, 2021). SBI had a standard restructured book of 0.93% of standard advances and the SMA<sup>3</sup>-1 and SMA-2 loan book (above Rs. 5 crore ticket size) stood at 0.28% of standard advances as on September 30, 2022. However, SBI is carrying an additional provision of 0.28% of standard advances as on September 30, 2022 against the restructured book, which is expected to mitigate any incremental stress that could emanate from this book. Recently, there has been a sharp increase in inflation levels, leading to the weakening of the Indian currency, faster monetary policy tightening and a sharp rise in the interest rates. The impact of the weakening macro-economic factors could also affect the debt-servicing ability of borrowers and remains a monitorable.

### Liquidity position: Superior

SBI's liquidity profile is superior, supported by its strong retail liability franchise, excess statutory liquidity ratio (SLR) holdings of 9.4% of total deposits as on June 30, 2022, liquidity coverage ratio of 130.58% and net stable funding ratio of 115.81% for the quarter ending September 30, 2022 against the regulatory requirement of 100%. ICRA expects SBI to maintain its liquidity profile, given the large proportion of retail deposits and the high portfolio of liquid investments. The bank can also avail liquidity support from the RBI (through repo against excess SLR investments and marginal standing facility mechanism) in case of urgent liquidity needs.

### Rating sensitivities

**Positive factors** – Not applicable as all the ratings are at the highest level for the respective instruments

**Negative factors** – Given SBI's dominant position in the Indian financial sector and its sovereign ownership, ICRA expects it to continue maintaining sufficient capitalisation over the regulatory levels. Solvency weaker than 40% on a sustained basis could be a credit negative for the bank. ICRA expects continued extraordinary support from the GoI, if required, given SBI's systemic importance and any dilution in the stance will also be a credit negative. A sharp deterioration in the profitability, leading to a weakening in the DRs eligible for the coupon payment on the AT-I bonds, will be a negative trigger for the rating on these bonds.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">ICRA's Rating Methodology for Banks and Financial Institutions</a> <a href="#">Impact of Parent or Group Support on an Issuer's Credit Rating</a>
Parent/Group support	The ratings factor in SBI's sovereign ownership and the demonstrated track record of capital infusions by the GoI. ICRA expects the GoI to support the bank with capital infusions, if required.
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the standalone financials of SBI. However, in line with ICRA's limited consolidation approach, we have factored in the capital requirement of the key subsidiaries, associates and overseas branches of the Group.

<sup>3</sup> Special mention accounts; SMA-1 is overdue by 31-60 days and SMA-2 is overdue by 61-90 days

## About the company

The origin of State Bank of India goes back to the 19th century with the establishment of the Bank of Calcutta in 1806 (redesigned as the Bank of Bengal in 1809), the Bank of Bombay (1840) and the Bank of Madras (1843). These three banks were amalgamated as the Imperial Bank of India in 1921. In 1951, when the country's first Five Year Plan was launched, the Imperial Bank of India was integrated with other state-owned and state-associated banks. An Act was passed accordingly in the Parliament in May 1955 and State Bank of India (SBI) was constituted in July 1955. Later, the State Bank of India (Subsidiary Banks) Act was passed in 1959, enabling SBI to take over seven former state-associated banks as its subsidiaries. Further, State Bank of Saurashtra was merged with SBI in 2008 and State Bank of Indore in 2010. On April 1, 2017, SBI was merged with five of its associate banks (State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) and Bharatiya Mahila Bank. The GoI held a 56.52% stake in the bank as on September 30, 2022. SBI has the largest network of 22,309 branches across India (as on September 30, 2022) and a significant overseas presence.

### Key financial indicators – Standalone

	FY2021	FY2022	H1 FY2022	H1 FY2023
Net interest income	1,10,710	1,20,708	58,822	66,379
Profit before tax	27,541	43,422	19,395	26,442
Profit after tax	20,410	31,676	14,131	19,333
Net advances (Rs. lakh crore)	24.5	27.3	24.43	29.51
Total assets* (Rs. lakh crore)	45.1	49.7	46.68	51.71
CET I	10.02%	9.94%	9.76%	9.53%
Tier I	11.44%	11.42%	11.02%	11.12%
CRAR	13.74%	13.83%	13.35%	13.51%
Net interest margin / Average total assets	2.60%	2.50%	2.56%	2.62%
Net profit / Average total assets	0.48%	0.67%	0.61%	0.76%
Return on net worth	8.90%	12.30%	11.91%	14.52%
Gross NPAs	4.98%	3.97%	4.90%	3.52%
Net NPAs	1.50%	1.02%	1.52%	0.80%
Provision coverage excl. technical write-offs	70.88%	75.04%	70.05%	77.93%
Net NPA / Core equity	16.30%	11.40%	16.45%	9.52%

\*Total assets and net worth exclude revaluation reserves; ^ Annualised; All calculations as per ICRA Research

Source: SBI, ICRA Research; Amount in Rs. crore unless mentioned otherwise

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

	Instrument	Current Rating (FY2023)								Chronology of Rating History for the Past 3 Years								
		Type	Amount Rated	Amount Outstanding	Date & Rating in FY2023					Date & Rating in FY2022	Date & Rating in FY2021						Date & Rating in FY2020	
			(Rs. crore)	(Rs. crore)	Jan-12-2023	Nov-29-2022	Sep-14-2022	Aug-23-2022	May-31-2022	Sep-30-2021	Nov-03-2020	Oct-19-2020	Sep-24-2020	Sep-16-2020	Sep-01-2020	Nov-11-2019	Aug-16-2019	
1	Certificates of Deposit Programme	ST	-	-	-	-	-	-	-	-	-	-	[ICRA]A1+; reaffirmed and withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	
2	Basel III Tier I Bonds	LT	2,500.00	2,500.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (hyb) (Stable)	-	-	-	-	-	-	
		LT	18,235.70	18,235.70	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	
		LT	7,000.00	6,872.00^	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-	-	-	-
3	Basel III Tier II Bonds	LT	16,743.00	16,743.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	
		LT	-	-	-	-	-	[ICRA]AAA (Stable); reaffirmed and withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)	[ICRA]AAA (hyb) (Stable)
		LT	4,000.00	4,000.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-	-	-	-
4	Basel II Lower Tier II Bonds	LT	500.00	-	-	-	[ICRA]AAA (Stable); reaffirmed	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	

	Instrument	Current Rating (FY2023)								Chronology of Rating History for the Past 3 Years							
		Type	Amount Rated	Amount Outstanding	Date & Rating in FY2023					Date & Rating in FY2022	Date & Rating in FY2021						Date & Rating in FY2020
			(Rs. crore)	(Rs. crore)	Jan-12-2023	Nov-29-2022	Sep-14-2022	Aug-23-2022	May-31-2022	Sep-30-2021	Nov-03-2020	Oct-19-2020	Sep-24-2020	Sep-16-2020	Sep-01-2020	Nov-11-2019	Aug-16-2019
								d and withdrawn									
5	Fixed Deposits Programme	LT	-	-	[ICRA]AA A (Stable)	[ICRA]AA A (Stable)	[ICRA]AA A (Stable)	[ICRA]AA A (Stable)	[ICRA]AA A (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)
6	Infrastructure Bonds	LT	10,000.00	10,000.00	[ICRA]AA A (Stable)	[ICRA]AA A (Stable)	-	-	-	-	-	-	-	-	-	-	-
		LT	10,000.00	-	[ICRA]AA A (Stable)	-	-	-	-	-	-	-	-	-	-	-	-

Source: SBI; ST – Short term, LT – Long term; ^ Yet to be placed

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Basel III Tier II Bonds	Highly Complex
Basel III Tier I Bonds	Highly Complex
Fixed Deposits	Very Simple
Infrastructure Bonds	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

## Annexure I: Instrument details

ISIN	Instrument Name	Issuing Bank	Date of Issuance / Sanction	Coupon Rate	Maturity Date <sup>#</sup>	Amount Rated (Rs. crore)	Current Rating and Outlook
INE062A08249	Basel III Tier I Bonds	SBI	Sep-09-2020	7.74%	Sep-09-2025	4,000.00	[ICRA]AA+ (Stable)
INE062A08223		SBI	Nov-22-2019	8.50%	Nov-22-2024	3,813.60	[ICRA]AA+ (Stable)
INE062A08199		SBI	Mar-22-2019	9.45%	Mar-22-2024	1,251.30	[ICRA]AA+ (Stable)
INE062A08173		SBI	Dec-04-2018	9.56%	Dec-04-2023	4,021.00	[ICRA]AA+ (Stable)
INE062A08181		SBI	Dec-21-2018	9.37%	Dec-21-2023	2,045.00	[ICRA]AA+ (Stable)
INE062A08215		SBI	Aug-30-2019	8.75%	Aug-30-2024	3,104.80	[ICRA]AA+ (Stable)
INE062A08272		SBI	Nov-24-2020	7.73%	Nov-24-2025	2,500.00	[ICRA]AA+ (Stable)
INE062A08314		SBI	Sep-09-2022	7.75%	Sep-09-2027	6,872.00	[ICRA]AA+ (Stable)
Unplaced		SBI	-	-	-	128.00	[ICRA]AA+ (Stable)
INE062A08264	Basel III Tier II Bonds	SBI	Oct-26-2020	5.83%	Oct-26-2030	5,000.00	[ICRA]AAA (Stable)
INE062A08256		SBI	Sep-21-2020	6.24%	Sep-21-2030	7,000.00	[ICRA]AAA (Stable)
INE062A08074		SBI	Jan-02-2014	9.69%	Jan-02-2024	2,000.00	[ICRA]AAA (Stable)
INE652A08015		SBoP	Jan-22-2015	8.29%	Jan-22-2025	950.00	[ICRA]AAA (Stable)
INE648A08013		SBBJ	Mar-20-2015	8.30%	Mar-20-2025	200.00	[ICRA]AAA (Stable)
INE649A08029		SBH	Dec-30-2015	8.40%	Dec-30-2025	500.00	[ICRA]AAA (Stable)
INE649A08037		SBH	Feb-08-2016	8.45%	Feb-08-2026	200.00	[ICRA]AAA (Stable)
INE649A09126		SBH	Mar-31-2015	8.32%	Mar-31-2025	393.00	[ICRA]AAA (Stable)
INE651A08041		SBM	Dec-31-2015	8.40%	Dec-31-2025	300.00	[ICRA]AAA (Stable)
INE651A08058		SBM	Jan-18-2016	8.45%	Jan-18-2026	200.00	[ICRA]AAA (Stable)
INE062A08322		SBI	Sep-23-2022	7.57%	Sep-23-2032	4,000.00	[ICRA]AAA (Stable)
NA	Fixed Deposits	SBI	-	-	-	-	[ICRA]AAA (Stable)
INE062A08330	Infrastructure Bonds	SBI	Dec-06-2022	7.51%	Dec-06-2032	10,000.00	[ICRA]AAA (Stable)
Unplaced		SBI	-	-	-	10,000.00	[ICRA]AAA (Stable)

Source: SBI; <sup>#</sup> First call option date

SBoP – State Bank of Patiala, SBBJ – State Bank of Bikaner and Jaipur, SBM – State Bank of Mysore, SBH – State Bank of Hyderabad

## Key features of rated debt instruments

The servicing of the Basel III Tier II bonds and certificates of deposit is not subject to any capital ratios and profitability. However, the Basel III Tier II bonds and Basel III Tier I bonds (AT-I bonds) are expected to absorb losses once the point of non-viability (PONV) trigger is invoked.

Further, the exercise of the call option on the Basel III Tier II bonds and AT-I bonds is contingent upon the prior approval of the RBI, and the bank will also need to demonstrate that the capital position is well above the minimum regulatory requirement, post the exercise of the said call option.

The rated AT-I bonds have the following loss-absorption features that make them riskier:

- Coupon payments are non-cumulative and discretionary, and the bank has full discretion at all times to cancel coupon payments. Cancellation of discretionary payments shall not be an event of default.
- Coupons can be paid out of the current year's profits. However, if the current year's profit is not sufficient or if the payment of the coupon is likely to result in a loss, the coupon payment can be made through the reserves and surpluses<sup>4</sup> created through the appropriation of profits (including statutory reserves). However, the coupon payment is subject to the bank meeting the minimum regulatory requirements for CET I, Tier I and total capital ratios (including capital conservation buffer, CCB) at all times as prescribed by the RBI under the Basel III regulations.

These Tier I bonds are expected to absorb losses through the write-down mechanism at the objective prespecified trigger point fixed at the bank's CET I ratio as prescribed by the RBI, i.e. 6.125% of the total RWAs of the bank or when the PONV trigger is breached in the RBI's opinion.

<sup>4</sup> Calculated as per the amendment in Basel III capital regulations for AT-I bonds by the RBI, vide its circular dated February 2, 2017. As per the amended definition, DRs include all reserves created through appropriation from the profit and loss account

Given the above distinguishing features of the AT-I bonds, ICRA has assigned a one notch lower rating on these than the rating on the Tier II instruments. The DRs that can be used for servicing the coupon in a situation of inadequate profit or a loss during the year, stood at a comfortable 7.8% of RWAs as on September 30, 2022.

The rating on the Tier I bonds continues to be supported by the bank's capital profile, which is likely to remain comfortable, given the outlook on SBI's profitability and its strong capital-raising ability.

#### Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Bank SBI Botswana Limited	100%	Limited Consolidation
SBI Canada Bank	100%	Limited Consolidation
State Bank of India (California)	100%	Limited Consolidation
State Bank of India (UK)	100%	Limited Consolidation
SBICAP (Singapore) Ltd.	100%	Limited Consolidation
State Bank of India Servicos Limitada, Brazil	100%	Limited Consolidation
SBI MF Trustee Co.	100%	Limited Consolidation
SBI Caps Ltd.	100%	Limited Consolidation
SBICAP Trustee Co. Ltd.	100%	Limited Consolidation
SBICAP Securities Ltd.	100%	Limited Consolidation
SBI Infra Management Solutions	100%	Limited Consolidation
PT Bank SBI Indonesia	99%	Limited Consolidation
SBI (Mauritius) Ltd.	97%	Limited Consolidation
SBI Pension Funds	93%	Limited Consolidation
SBI Global Factors Ltd.	86%	Limited Consolidation
SBI Payment Services	74%	Limited Consolidation
SBI DFHI Ltd.	72%	Limited Consolidation
SBI General Insurance Co.	70%	Limited Consolidation
SBI Cards & Payment Services Ltd.	69%	Limited Consolidation
SBI SG – Global Securities Pvt. Ltd.	65%	Limited Consolidation
SBI Funds Management (Intl.)	63%	Limited Consolidation
SBI Funds Management Pvt. Ltd.	63%	Limited Consolidation
Commercial Indo Bank LLC, Moscow	60%	Limited Consolidation
SBI Life Insurance Co.	56%	Limited Consolidation
Nepal SBI Bank Ltd.	55%	Limited Consolidation
Nepal SBI Merchant Banking	55%	Limited Consolidation
Oman India JIF Mgt.	50%	Limited Consolidation
Oman India JIF Trustee	50%	Limited Consolidation
C-Edge Technologies Ltd.	49%	Limited Consolidation
SBI Macquarie Infra Mgt.	45%	Limited Consolidation
SBI Macquarie Infra Trustee	45%	Limited Consolidation
Macquarie SBI Infra Mgt.	45%	Limited Consolidation
Macquarie SBI Infra Trustee	45%	Limited Consolidation
Andhra Pradesh Grameena Vikas Bank	35%	Limited Consolidation
Arunachal Pradesh Rural Bank	35%	Limited Consolidation
Chattisgarh Rajya Gramin Bank	35%	Limited Consolidation
Ellaquai Dehati Bank	35%	Limited Consolidation
Madhyanchal Rural Bank	35%	Limited Consolidation
Meghalaya Rural Bank	35%	Limited Consolidation
Mizoram Rural Bank	35%	Limited Consolidation
Nagaland Rural Bank	35%	Limited Consolidation

Company Name	Ownership	Consolidation Approach
Saurashtra Gramin Bank	35%	Limited Consolidation
Jharkhand Rajya Gramin Bank	35%	Limited Consolidation
Rajasthan Marudhara Gramin Bank	35%	Limited Consolidation
Telangana Grameena Bank	35%	Limited Consolidation
Utkal Grameen Bank	35%	Limited Consolidation
Uttarakhand Gramin Bank	35%	Limited Consolidation
Jio Payments Bank Ltd.	30%	Limited Consolidation
Yes Bank Ltd.	30%	Limited Consolidation
Clearing Corporation of India Ltd.	20%	Limited Consolidation
Bank of Bhutan Ltd.	20%	Limited Consolidation

Stake as on March 31, 2022

Source: SBI and ICRA Research



## ANALYST CONTACTS

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## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



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### Branches



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## **ANNEXURE II**

Copy of Press Release of rating from India Ratings and Research Private Limited

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# India Ratings Assigns State Bank of India's Infrastructure Bonds 'IND AAA'/Stable; Affirms Existing

Jan 10, 2023 | Public Sector Bank

India Ratings and Research (Ind-Ra) has taken the following rating actions on State Bank of India (SBI):

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-term issuer rating	-	-	-	-	IND AAA/Stable	Affirmed
Infrastructure bonds^	-	-	-	INR100	IND AAA/Stable	Assigned
Certificates of deposit (CDs)	-	-	1-365 days	INR300	IND A1+	Affirmed
Basel III AT1 bonds*	-	-	-	INR204.74	IND AA+/Stable	Affirmed
Basel III Tier II bonds*	-	-	-	INR141.16	IND AAA/Stable	Affirmed
Infrastructure bonds*	-	-	-	INR100	IND AAA/Stable	Affirmed

\*Details in Annexure

^Yet to be issued

The ratings continue to reflect SBI's strong franchise with a dominant market share in the Indian banking system, making it high in systemic importance, the bank's strong competitive position, experienced and deep management strength, solid funding, and adequate capitalisation with robust access to capital markets.

The rating of the infrastructure bonds is equated to the bank's Long-Term Issuer Rating. The rating of AT1 bonds reflects the bank's ability to service coupons and manage principal write-down risk on its debt capital instruments.

To arrive at the rating, Ind-Ra has considered the discretionary component, coupon omission risk and the write-down/conversion risk as key parameters. The agency recognises the unique going-concern loss absorption features that these bonds carry and differentiates them from the bank's senior debt, factoring in a higher probability of an ultimate loss for investors in these bonds. Ind-Ra envisages coupon deferrals and principal write-down risk as a remote possibility in view of the bank's adequate revenue reserve buffers.

## Key Rating Drivers

For the detailed rationale, click [here](#).

## Rating Sensitivities

**Negative:** SBI's long-term ratings are at its support floor and are unlikely to change unless there is a change in the Gol's support stance.

The rating of the AT1 bonds could be downgraded in case of a substantial deterioration in the credit profile of the bank which, among other factors, could reflect in a material decline in SBI's market share, loss of deposit franchise or a large spike in delinquencies that could result in substantial losses. The rating could also undergo a review in case of CET1 capital buffers continue to decline below 8.5%, given the bank's ability to service coupons could be impacted in Ind-Ra's opinion. This could be important in case the bank incurs losses, causing the capital ratios to fall below the minimum regulatory requirement, thereby impairing its ability to service coupons.

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on SBI, either due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

## Company Profile

SBI is India's largest bank in terms of assets, deposits, operating profit and number of branches. The bank has one of the largest branch networks in the world (22,309 branches as of September 2022). The branches are located across the country, with around 63% being in rural and semi-urban locations, furthering the Gol's initiative to increase banking footprint in the less banked regions of the country.

## FINANCIAL SUMMARY

Particulars	FY22	FY21
-------------	------	------

Total assets (INR billion)	49,876.0	45,344.3
Total equity (INR billion)	2,800.1	2,538.7
Net income (INR billion)	316.8	204.1
Return on assets (%)	0.67	0.48
CET1 (%)	9.9	10.0
Capital adequacy ratio (%)	13.8	13.7
Source: SBI		

## Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

## Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook							
	Rating Type	Rated Limits (billion)	Rating	29 November 2022	23 March 2022	3 December 2021	1 October 2021	23 August 2021	30 October 2020	19 October 2020	26 August 2020
Issuer rating	Long-term	-	-	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable
Basel III Tier II bonds	Long-term	INR141.16	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable	IND AAA/ Stable
Basel III AT1 bonds	Long-term	INR204.74	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable
CDs	Short-term	INR300	IND A1+	IND A1+	IND A1+	-	-	-	-	-	-
Infrastructure Bonds	Long-term	INR200	IND AAA/ Stable	IND AAA/ Stable							

## Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate/Interest Rate (%)	Maturity Date	Rated Amount (billion)	Rating/Outlook
Basel III Tier II bonds	INE062A08165	2 November 2018	8.9	2 November 2028	INR41.16	IND AAA/Stable
Basel III Tier II bonds	INE062A08207	28 June 2019	7.99	28 June 2029	INR50	IND AAA/Stable
Basel III AT1 bonds	iNE062A08249	9 September 2020	7.74	Perpetual	INR40	IND AA+/Stable
Basel III Tier II bonds	INE062A08264	26 October 2020	5.83	26 October 2030	INR50	IND AAA/Stable
Basel III AT1 bonds	INE062A08272	24 November 2020	7.73	Perpetual	INR25	IND AA+/Stable
Basel III AT1 bonds	INE062A08280	3 September 2021	7.72	Perpetual	INR40	IND AA+/Stable
Basel III AT1 bonds	INE062A08298	18 October 2021	7.72	Perpetual	INR60	IND AA+/Stable

Basel III AT1 bonds	INE062A08306	14 December 2021	7.55	Perpetual	INR39.74	IND AA+/Stable
Infrastructure bonds	INE062A08330	6 December 2022	7.51	6 December 2032	INR100	IND AAA/ Stable
Utilised limits (Tier 2)					<b>INR141.16</b>	
Utilised AT1 limits					<b>INR204.74</b>	
Utilised (Infrastructure Bonds)					<b>INR100.0</b>	
Utilised Limits (Infrastructure Bonds)					<b>INR100</b>	
Total limits					<b>INR545.9</b>	
Unutilised Limits					<b>INR100</b>	

## Complexity Level of Instruments

Instrument Type	Complexity Indicator
Base III AT1 bonds	High
Basel III Tier II bonds	Moderate
CDs	Low
Infrastructure bonds	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Contact

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## APPLICABLE CRITERIA

### Evaluating Corporate Governance

## **Rating Bank Subordinated and Hybrid Securities**

### **Financial Institutions Rating Criteria**

### **The Rating Process**

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### **ANNEXURE III**

Copy of consent letter from Trustee

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Ref. No. 53255-B /ITSL/OPR/CL/22-23/DEB  
January 9, 2023

**State Bank of India**  
**Shares and Bonds Department**  
Corporate Centre, 14<sup>th</sup> Floor, State Bank Bhavan,  
Madame Cama Road, Mumbai – 400 021

Dear Sir/ Madam,

**Sub.: - Consent to act as Debenture Trustee for your proposed, listed, unsecured, infrastructure Bonds in the nature of Debentures aggregating to total issue size not exceeding Rs. 10,000 crore (Rupees Ten Thousand Crore only)**

This is with reference to your email dated January 9, 2023 regarding appointment of IDBI Trusteeship Services Ltd. (ITSL) as Debenture Trustee for the Bank's proposed aforesaid listed, unsecured, infrastructure, private placed bonds aggregating to Rs. 10000 Crore.

It would indeed be our pleasure to be associated with your esteemed organization as Bond Trustee on trusteeship remuneration.

In this connection, we confirm our acceptance to act as Bond Trustee for the above referred Bonds.

We are also agreeable for inclusion of our name as trustees in the Bank's offer document / disclosure document / listing application / any other document to be filed with SEBI / ROC / the Stock Exchange(s) or any other authority as required and in all the subsequent periodical communications sent to the holders of AT1 instruments.

State Bank of India shall enter into Bond Trustee Agreement for the said issue of the Bonds. Assure you of our best services at all times.

This consent letter is subject to the Due Diligence as may be required to be done by the Debenture Trustee pursuant to SEBI (Issue and Listing of Non-Convertible Securities), Regulation, 2021 and the company agrees that the issue shall be opened only after the due diligence has been carried by the debenture trustee.

Yours faithfully,  
**For IDBI Trusteeship Services Limited**

  
**Authorised Signatory**

**Annexure A**

1. The Bank agrees & undertakes to pay to the Debenture/Bond Trustees so long as they hold the office of the Debenture Trustee, remuneration for their services as Debenture/Bond Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture/Bond Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents till the monies in respect of the Debentures have been fully paid-off.

2. The Bank hereby agree & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (listing Obligations and Disclosure Requirement) Regulations, 2015, Listing Agreement executed by the Bank with the Stock Exchange SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12th November, 2020, the Companies Act, 2013 as amended from time to time and other applicable provisions as amended from time to time and agree to furnish to Debenture Trustee such information in terms of the same on regular basis.

Yours faithfully,

**For IDBI Trusteeship Services Limited**



**Authorised Signatory**

#### **ANNEXURE IV**

Copy of letter from NSE regarding In-principle approval for listing

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**National Stock Exchange Of India Limited**

Ref. No.: NSE/LIST/5826

January 13, 2023

The Company Secretary  
State Bank of India  
State Bank Bhavan,  
Madame Cama Road,  
Mumbai- 400021

**Kind Attn.: Shri Sham K**

Dear Sir,

**Sub.: In-principle approval for listing of Non-Convertible Bonds in the nature of Debentures on private placement basis.**

This is with reference to your application dated January 13, 2023 requesting for in-principle approval for the proposed listing of unsecured, rated redeemable, non-cumulative, non-convertible, taxable, fully paid-up, long term bonds in the nature of debentures of face value of Rs. 100000/- each (under Series LTB II), aggregating to total issue size of Rs. 1000000 lakhs, to be issued by State Bank of India on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company includes the following Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/5826 dated January 13, 2023 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”**





Ref. No.: NSE/LIST/5826

January 13, 2023

Please note that the approval given by the exchange should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nse-ebp.com>

<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

Kindly ensure compliance with SEBI Circular No. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/167 dated November 30, 2022 with respect to the timelines for listing of securities issued on a private placement basis.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

Yours faithfully,  
For National Stock Exchange of India Limited

Priya Iyer  
Senior Manager



## **ANNEXURE V**

Copy of letter from BSE regarding In-principle approval for listing

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DCS/COMP/PG/IP-PPDI/567/22-23

January 13, 2023

**STATE BANK OF INDIA**

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

Dear Sir,

**Re: Private Placement Of Upto 10,00,000 Non-Convertible, Taxable, Redeemable, Unsecured, Fully Paid-Up Long-Term Bonds (In The Nature Of Debentures) Of Face Value Of Rs.1 Lakh Each And Coupon Of [●]% Payable Annually ("Bonds") At Par Aggregating To Total Issue Size Not Exceeding Rs.10,000 Crores ("Offer" Or "Issue").**

We acknowledge receipt of your application on the online portal on January 13, 2023 seeking in-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31>

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links [Electronic Issuance - Bombay Stock Exchange Limited \(bseindia.com\)](#)

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.



**9. Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.**

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, whichever is applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,

**For BSE Limited**

**Sd/-**  
**Rupal Khandelwal**  
**Assistant General Manager**

**Sd/-**  
**Raghavendra Bhat**  
**Deputy Manager**

## **ANNEXURE VI**

Audited Financial Statements on standalone and consolidated basis for a period of three completed years with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

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# 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](http://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 Regn. 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:
- 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
  - any present obligation that arises from past events but is not recognised because:
    - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - 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 (61,000.40)	79,811.62 (81,740.96)	49,407.77 (37,397.22)	66,029.77 (60,992.50)	74,518.20 (67,323.35)	62,378.97 (52,966.63)	1,69,876.16 (1,47,492.87)	9,51,227.96 (8,84,125.18)	8,88,676.97 (7,95,452.18)	4,42,764.54 (3,81,382.99)	12,01,377.92 (11,11,402.81)	40,51,534.12 (36,81,277.08)
Advances	35,455.14 (44,156.96)	17,489.88 (13,618.48)	21,462.78 (16,535.47)	45,328.82 (37,631.95)	57,802.93 (44,757.21)	59,606.96 (35,877.97)	1,53,396.53 (1,17,416.16)	2,20,131.63 (1,98,447.37)	9,63,157.51 (8,70,870.70)	3,58,491.91 (3,19,249.93)	8,01,642.50 (7,50,935.58)	27,33,966.59 (24,49,497.79)
Investments	324.55 (-)	1,146.46 (723.63)	4,577.73 (16,260.31)	3,851.73 (6,012.07)	9,930.25 (9,495.37)	21,605.55 (28,297.98)	58,778.27 (51,810.86)	96,380.18 (99,275.54)	3,88,944.97 (3,31,272.42)	2,54,458.06 (2,25,496.00)	6,41,447.72 (5,83,061.03)	14,81,445.47 (13,51,705.21)
Borrowings	58.99 (823.85)	1,50,299.24 (1,53,783.04)	7,992.20 (1,469.67)	12,734.96 (11,857.36)	18,023.76 (13,923.44)	16,628.14 (14,091.50)	27,877.17 (38,619.46)	21,910.67 (33,828.43)	86,386.10 (68,089.88)	60,331.41 (50,667.23)	23,800.74 (30,143.85)	4,26,043.38 (4,17,297.70)
Foreign Currency Assets #	10,959.11 (20,756.79)	7,939.73 (4,673.29)	12,880.42 (6,896.79)	25,295.77 (15,877.37)	31,319.50 (18,425.06)	32,758.84 (21,565.40)	60,542.17 (42,269.41)	58,350.82 (52,925.55)	1,29,602.34 (1,21,257.36)	80,642.55 (78,665.89)	63,806.67 (61,116.20)	5,14,097.92 (4,44,429.10)
Foreign Currency Liabilities \$	30,609.40 (27,955.86)	9,560.59 (8,346.94)	9,743.65 (2,687.12)	17,542.84 (16,523.04)	22,526.37 (20,318.23)	26,932.35 (21,034.39)	43,668.69 (45,402.52)	56,277.39 (63,708.64)	70,303.27 (57,863.70)	46,238.82 (39,598.84)	21,258.68 (14,511.65)	3,54,662.04 (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 2 A 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)

<b>Group Liquidity Coverage Ratio (LCR)</b>										
<b>LIQUIDITY COVERAGE RATIO</b>										
<b>State Bank of India Group</b>										
	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	
<b>GLCR COMPONENTS</b>	<b>Total Unweighted Value (Average)**</b>	<b>Total Weighted Value (Average)</b>	<b>Total Unweighted Value (Average)**</b>	<b>Total Weighted Value (Average)</b>	<b>Total Unweighted Value (Average)**</b>	<b>Total Weighted Value (Average)</b>	<b>Total Unweighted Value (Average)**</b>	<b>Total Weighted Value (Average)</b>	<b>Total Unweighted Value (Average)**</b>	<b>Total Weighted Value (Average)</b>
<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	
ASF Item						
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	Total ASF (1+4+7+10)					35,94,937.82
RSF Item						
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	Total RSF (14+15+16+24+30)					30,34,918.29
32	Net Stable Funding Ratio (%)					118.45%

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	
ASF Item						
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
RSF Item						
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	
		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
Held to Maturity													
	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
	Net	8,33,382.82	-	-	33741.28	6,202.39	1,490.06	8,74,816.55	794.14	5,028.44	133.94	5,956.52	8,80,773.07
Available for Sale													
	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
	Net	3,29,274.86	-	12,414.63	1,82,063.14	7,810.00	22,092.19	5,53,654.81	18,934.79	-	28,548.07	47,482.86	6,01,137.67
Held for Trading													
	Gross	@-475.04	-	9.77	-	-	-	-465.27	-	-	-	-	-465.27
	Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
	Net	-475.04	-	9.77	-	-	-	-465.27	-	-	-	-	-465.27
Total Investments													
	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
	Net	11,62,182.64	-	12,424.40	2,15,804.42	14,012.39	23,582.24	14,28,006.09	19,728.93	5,028.44	28,682.01	53,439.38	14,81,445.47

\* 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
Held to Maturity	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
	-	-	8.00	-	2.87	-	10.87	-	-	-	-	10.87
	7,62,084.20	-	-	33,209.70	5,665.17	929.11	8,01,888.19	643.79	4,768.16	133.93	5,545.88	8,07,434.06
Available for Sale	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
	-	-	1,717.70	4,083.56	-	4,335.10	10,136.37	13.50	-	16.84	30.34	10,166.71
	293,106.80	-	7,814.28	1,76,158.31	7,810.00	17,711.22	5,02,121.21	17,302.55	-	24,582.64	41,885.19	5,44,006.40
Held for Trading	97.89	-	169.54	-	-	-	267.43	-	-	-	-	267.43
	0.25	-	2.44	-	-	-	2.69	-	-	-	-	2.69
	97.64	-	167.10	-	-	-	264.74	-	-	-	-	264.74
Total Investments	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
	-	-	1,502.24	3,604.16	-	-	5,106.40	13.50	-	16.84	30.34	5,136.74
	-	-	225.90	479.40	2.87	4,335.11	5,043.53	-	-	-	-	5,043.53
Net	10,55,288.64	-	7,981.38	2,08,888.61	13,475.17	18,640.33	13,04,274.13	17,946.34	4,768.16	24,716.57	47,431.07	13,51,705.20

\*(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
Type of borrower					
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	-	-	-	-	-
Total	32,895	1,793	0.28	2,624	30,960

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 fulfil 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:
  - i. ₹ 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.
  - ii. ₹ 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.
  - iii. ₹ 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 (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 A</b>	<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.**  
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

# 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>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>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>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>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>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>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>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>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

**Shailesh Shah**  
Partner: M. No. 033632  
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**For SCV & Co. LLP**  
Chartered Accountants

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**For Guha Nandi & Co.**  
Chartered Accountants

**Dr. B. S. Kundu**  
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Chartered Accountants

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Chartered Accountants

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**For ASA & Associates LLP**  
Chartered Accountants

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**For M C Bhandari & Co.**  
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**For Suri & Co.**  
Chartered Accountants

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**For Umamaheswara Rao & Co.**  
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**For Prem Gupta & Co.**  
Chartered Accountants

**Prem Behari Gupta**  
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**For K C Mehta & Co.**  
Chartered Accountants

**Chirag Bakshi**  
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**For Talati & Talati LLP**  
Chartered Accountants

**Anand Sharma**  
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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**  
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Chartered Accountants**Aniruddha Sengupta**  
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UDIN:22051371AIXHWT8422**For Shah Gupta & Co.**  
Chartered Accountants**Heneel K Patel**  
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Firm Regn. No. 109574W  
UDIN:22114103AIXKLG7230**For ASA & Associates LLP**  
Chartered Accountants**Parveen Kumar**  
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UDIN:22088810AIXJER5275**For M C Bhandari & Co.**  
Chartered Accountants**M R Jain**  
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Chartered Accountants**V Natarajan**  
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Chartered Accountants**L Shyama Prasad**  
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UDIN:22080245AIXKLC5297**For K C Mehta & Co.**  
Chartered Accountants**Chirag Bakshi**  
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Chartered Accountants**Anand Sharma**  
Partner: M. No. 129033  
Firm Regn. No. 110758W/W100377  
UDIN:22129033AIXMPT2135Place – 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
<b>IX. Balance in Profit and Loss Account</b>	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	37629,90,00 67465,60,00
<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	189,61,80 2382,91,80
<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) Secured by tangible assets (includes advances against Book Debt ₹ 130915,53,15 thousands (Previous Year ₹ 134277,32,43 thousands))</b>	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	28686,49,53
	9862,90,20	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:	
- 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 :
  - a. Charges, Costs, Commission etc.
  - b. Unrealized Interest / Interest
  - c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### 4. Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for Floating Provisions separately for advances, investments and general purposes. The quantum

of Countercyclical Provisioning Buffer and Floating Provisions to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

#### 6. Derivatives:

- 6.1 The Bank enters 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/up to 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 Servicos 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:-

- 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%.
- 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%.
- 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>
						<b>(45,70,056.99)</b>

(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	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	-	-	-	-	-	-
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”:

- 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.
- 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>

- 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 no 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>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>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>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>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>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>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:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- b) On the basis of the written representations received from the directors of the Bank as on March 31, 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.
- c) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- d) As per para 1.14 of the Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks issued by ICAI, the reporting requirement as introduced by RBI regarding Internal Financial Control over Financial Reporting will apply only to standalone financial statements of Public Sector Banks (PSBs) and not to consolidated financial statements of PSBs. Accordingly, reporting is not done on the Group's Internal Financial Control over Financial Reporting with reference to the Consolidated Financial Statements as at March 31, 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 Servicos Limitada
10	SBI Payment Services Pvt. Ltd.	24	SBI (Mauritius) Ltd.
11	SBI Pension Funds Pvt Ltd.	25	PT Bank SBI Indonesia
12	SBI Life Insurance Company Ltd.	26	Nepal SBI Bank Ltd.
13	SBI General Insurance Company Ltd.	27	Nepal SBI Merchant Banking Limited
14	SBI Cards and Payment Services Limited		

Sr. No.	Name of Joint venture	Sr. No.	Name of Joint venture
1	C - Edge Technologies Ltd.	5	Macquarie SBI Infrastructure Trustee Ltd.
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	7	Oman India Joint Investment Fund – 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>Any change in the Shareholding pattern / Capital structure of an SPD shall needs prior approval of RBI.</li> <li>SPDs are required to maintain a minimum CRAR of 15 per cent on an ongoing basis.</li> <li>SPDs shall follow the following guidelines while declaring dividend distribution: <ol style="list-style-type: none"> <li>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>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>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>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>DPR shall be calculated as a percentage of dividend payable in a year (excluding dividend tax) to net profit during the year.</li> <li>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>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.</p> <p>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:
 

➤ Credit Risk	➤ Market Risk
➤ Operational Risk	➤ Credit Concentration Risk
➤ Liquidity Risk	➤ Interest Rate Risk in the Banking Book
➤ Compliance Risk	➤ Country Risk
➤ Pension Fund Obligation Risk	➤ Strategic Risk
➤ Reputation Risk	➤ Model Risk
➤ Residual Risk from Credit Risk Mitigants	➤ Contagion Risk
➤ Talent Risk	➤ Cyber Risk
➤ Other than above Risks	➤ Underwriting Risk
  - Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic / Foreign). This analysis is done for the SBI and SBI Group separately.
  - CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPS) besides Equity as and when required.
  - Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

**Quantitative Disclosures**

- (b) Capital requirements for credit risk:
- |   |                                   |
|---|-----------------------------------|
| • Portfolios subject to standardized approach | → ₹ 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
TOTAL	218959.03	126973.72	72153.59	83367.80	101930.92	107929.72	258465.65	405990.84	1433981.77	676590.90	1615534.54	5101878.48

\*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 PORTFOLIO 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

			Ref No. (with respect to DF - 12: Step 2)
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)		
<b>Notes to the Template</b>			
Row No. of the template	Particular	(₹ in Crore)	
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 & Other Reserves is taken net of Integration & 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>  | <p>All equity investment in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.</p> |
| <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> | <p>Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 in Bank's Annual Report.</p>    |

### 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

13 Unrealised gains (losses) recognized in the balance sheet but not through the profit and loss account.

14 Unrealised gains (losses) not recognized either in the balance sheet or through the profit and loss account.

**DF-17: 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.**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019]

To  
**The Members,  
State Bank of India**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by State Bank of India (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2021 according to the provisions of:

- i. The State Bank of India Act, 1955 ('the Act') and the State Bank of India General Regulations, 1955 ('the Regulations') made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the

Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client#;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- j. The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
- k. The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992;
- l. The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
- m. The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;
- n. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
- o. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;

- p. The Securities and Exchange Board of India (Custodian) Regulations, 1996; and

- q. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

# *The Regulations or Guidelines, as the case may be were not applicable for the period under review.*

The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:

- vi. The Banking Regulation Act, 1949, as amended.
- vii. Master Directions, Notifications and Guidelines issued by RBI from time to time.

We have also examined compliance with the applicable clauses of 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]'.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable except to the following:

- a) The Central Board of the Bank comprises of thirteen (13) Directors, constituting of five (05) Executive Directors (including the Chairman and four (04) Managing Directors); five (05) Independent Directors and three (03) Non-Executive & Non-Independent Directors as on March 31, 2021. Pursuant to regulation 17(1) of the Listing Regulations, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors whereas the Central Board of Bank comprises of only five (05) Independent Directors. Thus, the Bank did not have the requisite number of Independent Directors in its Central Board including Independent Woman Director. However, regulation 15 of the Listing Regulations provides that, the provisions of regulation 17 of the Listing Regulations, with respect to the constitution of the Central



Board in terms of section 19 of the State Bank of India Act, 1955 and General Rules & Regulations made thereunder, shall be applicable to the Bank to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.

- b) The Audit Committee of the Bank comprises of eight (08) Directors, of which six (06) are Non-Executive Directors including three (03) Independent Directors and two (02) are Executive Directors as on March 31, 2021. The Bank did not have requisite number of Independent Directors in its Audit Committee as required under regulation 18(1) of the Listing Regulations.

#### **We further report that -**

Subject to foregoing, the Central Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Central Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Central Board Meetings, agenda and detailed notes on agenda were sent in advance for meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and

operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Bank has undertaken following events/actions:

- i) During the audit period, the Central Board of the Bank had approved raising of capital by way of issuance of Basel III compliant debt instrument under Additional Tier 1 (AT 1) capital up to an amount of ₹9,000 Crore and Tier 2 capital up to an amount of ₹21,015 Crore by way of Private Placement Issue.
- ii) During the audit period, the Committee of Directors for Capital Raising allotted Basel III compliant debt instrument under AT 1 amounting to ₹6,500 Crore and Tier - 2 capital amounting to ₹20,931 Crore.
- iii) The Executive Committee of Central Board (ECCB) of the Bank at its meeting held on July 08, 2020 had accorded its approval for investment in the Further Public Offering (FPO) of Yes Bank Limited subsequent to which 1,46,66,66,000 equity shares of face value ₹2 each of Yes Bank Limited were allotted to the Bank.
- iv) The Executive Committee of Central Board (ECCB) of the Bank at its meeting held on July 08, 2020 accorded approval whereby SBICAP, a wholly owned subsidiary of the Bank will acquire stake in Investec Capital Services India Pvt. Ltd. to form a Joint Venture along with transfer of SBICAP Securities Limited's (SSL) Institutional Equities Broking and Research Business to such Joint Venture entity.
- v) During the financial year ended March 31, 2021, the Bank has redeemed AT 1 Bonds aggregating to ₹200 Crores and Tier 2 Bonds aggregating

to ₹16,647.83 Crores; the total bond redemptions aggregating to ₹16,847.83 Crores.

- vi) The Reserve Bank of India (RBI) had, vide its letter dated March 16, 2021, imposed a monetary penalty of ₹2 Crore on the Bank, for contravention of provisions of Section 10 (1) (b) (ii) of the Banking Regulation Act, 1949 and specific directions of RBI issued to the Bank on payment of remuneration to employees in the form of commission.

**For Bhandari & Associates**

Company Secretaries

Firm Registration No.: P1981MH043700

**S. N. Bhandari**

Partner

FCS No.: 761; C P No.: 366

Mumbai: May 21, 2021

UDIN: F000761C000349461

*This report is to be read with our letter of even date which is annexed as **Annexure 'A'** and forms an integral part of this report.*

## ANNEXURE 'A'

To  
**The Members,  
State Bank of India**

Our Secretarial Audit Report for the Financial Year ended on March 31, 2021 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**  
Company Secretaries  
Firm Registration No.: P1981MH043700

**S. N. Bhandari**  
Partner  
FCS No.: 761; C P No.: 366  
Mumbai: May 21, 2021  
UDIN: F000761C000349461

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

**The Members,  
State Bank of India**

State Bank Bhavan,  
Madame Cama Road,  
Mumbai - 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of State Bank of India (hereinafter referred to as 'the Bank') having Central Office at State Bank Bhavan, Madame Cama Road, Mumbai - 400021, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Central Board of the Bank as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1	Mr. Dinesh Kumar Khara	06737041	07/10/2020
2	Mr. Challa Sreenivasulu Setty	08335249	20/01/2020
3	Mr. Ashwani Bhatia	07423221	24/08/2020
4	Mr. Swaminathan J.	08516241	28/01/2021
5	Mr. Ashwini Kumar Tewari	08797991	28/01/2021
6	Mr. B. Venugopal	02638597	07/06/2018
7	Dr. Ganesh Natarajan	00176393	26/06/2020
8	Mr. Ketan S. Vikamsey	00282877	26/06/2020
9	Mr. Mrugank M. Paranjape	02162026	26/06/2020
10	Dr. Pushpendra Rai	07506230	28/01/2016
11	Mr. Sanjeev Maheshwari	02431173	20/12/2019
12	Mr. Debasish Panda	06479085	24/01/2020
13	Mr. Chandan Sinha	06921244	28/09/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**  
Company Secretaries

**S. N. Bhandari**  
Partner

FCS No.: 761; C P No.: 366

Mumbai: May 21, 2021

ICSI UDIN: F000761C000349483

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members,  
State Bank of India**

We, Khandelwal Jain & Co., Chartered Accountants (Firm's Registration No.: 105049W), as Statutory Auditors of STATE BANK OF INDIA ("the Bank"), having its Corporate Centre at State Bank Bhavan, Madame Cama Road, Mumbai, Maharashtra 400021, have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on March 31, 2021, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') amended from time to time as referred to in Regulation 15(2) of the Listing Regulations for the year April 1, 2020 to March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance, issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has, in all material aspects complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

**Khandelwal Jain & Co**  
Chartered Accountants  
ICAI Firm Registration No: 105049W

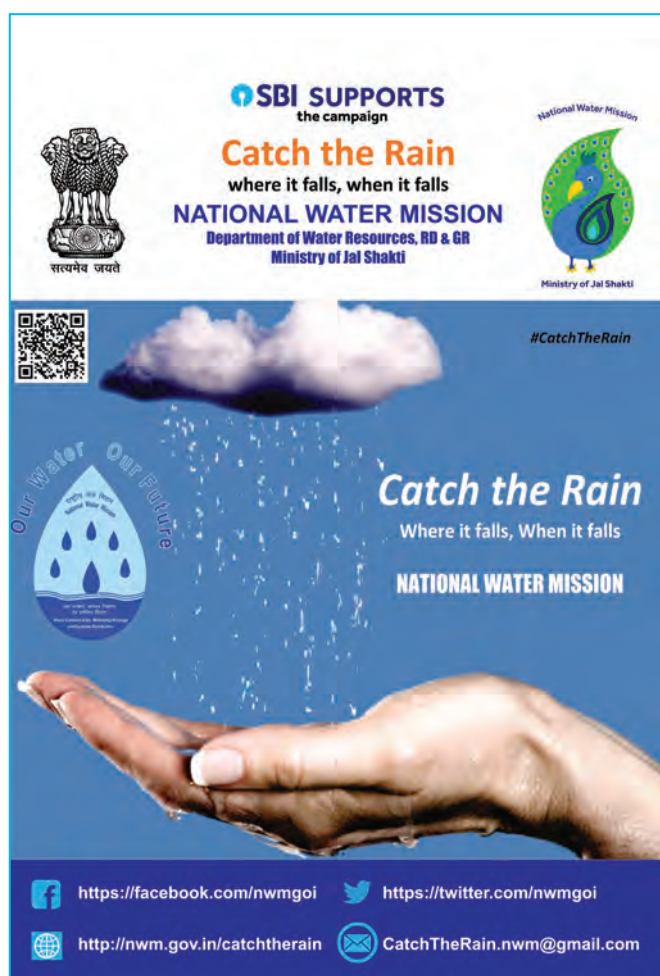
Place: Mumbai  
Date: May 21, 2021

**Alpesh Waghela**  
Partner  
Membership No.: 142058  
UDIN: 21142058AAAABH4499

# 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 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. Additionally, as per SEBI guidelines, those listed entities which have been submitting Sustainability Reports based on internationally accepted frameworks need not prepare a separate BRR but only furnish to their stakeholders the details of the framework under which their BRR has been prepared and a mapping of the principles made in their Sustainability Reports. The Bank's Sustainability Report with the requisite mapping for the financial year ended 31<sup>st</sup> March 2021 has been hosted on the Bank's website <https://www.sbi.co.in> under the link Investor Relations. 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, 9<sup>th</sup> floor, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021).



# State Bank of India

Balance Sheet as at 31<sup>st</sup> March, 2021

(000s omitted)

	Schedule No.	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	252982,72,85	231114,96,63
Deposits	3	3681277,07,96	3241620,73,43
Borrowings	4	417297,69,88	314655,65,21
Other Liabilities and Provisions	5	181979,66,31	163110,10,41
<b>TOTAL</b>		<b>4534429,63,12</b>	<b>3951393,91,80</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	213201,53,63	166735,77,90
Balances with Banks and money at call and short notice	7	129837,17,31	84361,22,64
Investments	8	1351705,20,51	1046954,51,75
Advances	9	2449497,79,11	2325289,56,07
Fixed Assets	10	38419,24,19	38439,28,18
Other Assets	11	351768,68,37	289613,55,26
<b>TOTAL</b>		<b>4534429,63,12</b>	<b>3951393,91,80</b>
Contingent Liabilities	12	1706949,91,17	1214994,60,69
Bills for Collection	-	56516,11,88	55758,16,19
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet.

**Shri Ashwini Kumar Tewari**

Managing Director  
(International Banking,  
Technology & Subsidiaries)

**Shri Swaminathan J.**

Managing Director  
(Risk, Compliance and SARG)

**Shri Ashwani Bhatia**

Managing Director  
(Corporate Banking &  
Global Markets)

**Shri Challa Sreenivasulu Setty**

Managing Director  
(Retail & Digital Banking)

**Directors:**

Shri B. Venugopal

Dr. Pushpendra Rai

Dr Ganesh Natarajan

Shri Mrugank M Paranjape

Shri Ketan S. Vikamsey

Shri Sanjeev Maheshwari

**Place:**

Mumbai

New Delhi

Pune

Mumbai

Mumbai

Mumbai

**Shri Dinesh Kumar Khara**

Chairman

**Place: Mumbai**

**Date : 21<sup>st</sup> May, 2021**



In terms of our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountant

**Alpesh Waghela**

**Partner : M. No.** 142058

**Firm Regn. No.** 105049W

Place : Mumbai

**For N.C. Rajagopal & Co.**

Chartered Accountants

**V. Chandrasekaran**

**Partner : M. No.** 024844

**Firm Regn. No.** 003398S

Place : Chennai

**For Karnavat & Co.**

Chartered Accountants

**Viral Joshi**

**Partner : M. No.** 137686

**Firm Regn. No.** 104863W

Place : Mumbai

**For Umamaheswara Rao & Co.**

Chartered Accountants

**Krishna Sai G. H.**

**Partner : M. No.** 233399

**Firm Regn. No.** 004453S

Place : Hyderabad

**For Guha Nandi & Co.**

Chartered Accountants

**Dr. B. S. Kundu**

**Partner : M. No.** 051221

**Firm Regn. No.** 302039E

Place : Kolkata

Date: May 21, 2021

**For J.C. Bhalla & Co.**

Chartered Accountants

**Rajesh Sethi**

**Partner : M. No.** 085669

**Firm Regn. No.** 001111N

Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**

Chartered Accountants

**A Gopalakrishnan**

**Partner: M. No.** 018159

**Firm Regn. No.** 004610S

Place : Kochi

**For G. P. Agrawal & Co.**

Chartered Accountants

**Pradeep Kumar Samal**

**Partner : M. No.** 061353

**Firm Regn. No.** 302082E

Place : Mumbai

**For Shah Gupta & Co.**

Chartered Accountants

**Vipul K Choksi**

**Partner : M. No.** 37606

**Firm Regn. No.** 109574W

Place : Mumbai

**For Prem Gupta & Co.**

Chartered Accountants

**Prem Behari Gupta**

**Partner : M. No.** 080245

**Firm Regn. No.** 000425N

Place : New Delhi

**For O.P. Totla & Co.**

Chartered Accountants

**S. R. Totla**

**Partner : M. No.** 071774

**Firm Regn. No.** 000734C

Place : Indore

**For S. K. Kapoor & Co.**

Chartered Accountants

**V. B. Singh**

**Partner : M. No.** 073124

**Firm Regn. No.** 000745C

Place : Kanpur

**For SCV & Co. LLP**

Chartered Accountants

**Rajiv Puri**

**Partner : M. No.** 084318

**Firm Regn. No.** 000235N/N500089

Place : New Delhi

**For ASA & Associates LLP**

Chartered Accountants

**Parveen Kumar**

**Partner : M. No.** 088810

**Firm Regn. No.** 009571N/N500006

Place : New Delhi

## Schedules

### Schedule 1 - Capital

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 shares of ₹1 each (Previous Year 5000,00,00,000 shares of ₹1 each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 Equity Shares of ₹1 each (Previous Year 892,54,05,164 Equity Shares of ₹1 each)	892,54,05	892,54,05
Subscribed and Paid-up Capital : 892,46,11,534 Equity Shares of ₹ 1 each (Previous Year 892,46,11,534 Equity Shares of ₹1 each)	892,46,12	892,46,12
[The above includes 10,97,28,170 Equity Shares of ₹1 each (Previous Year 11,03,42,880 Equity Shares of ₹1 each) represented by 1,09,72,817 (Previous Year 1,10,34,288) Global Depository Receipts]		
<b>TOTAL</b>	<b>892,46,12</b>	<b>892,46,12</b>

### Schedule 2 - Reserves & Surplus

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	69942,08,58	65595,65,26
Additions during the year	6123,14,08	4346,43,32
Deductions during the year	-	-
	76065,22,66	69942,08,58
<b>II. Capital Reserves</b>		
Opening Balance	13756,70,57	9770,86,64
Additions during the year	1465,12,42	3985,83,93
Deductions during the year	-	-
	15221,82,99	13756,70,57
<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
<b>IV. Investment Fluctuation Reserve</b>		
Opening Balance	1119,88,09	-
Additions during the year	1928,19,63	1119,88,09
Deductions during the year	-	-
	3048,07,72	1119,88,09



(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>V. Foreign Currency Translation Reserve</b>		
Opening Balance	9274,60,44	6730,96,89
Additions during the year	-	2844,98,23
Deductions during the year	202,20,77	301,34,68
	9072,39,67	9274,60,44
<b>VI. Revenue and Other Reserves*</b>		
Opening Balance	44641,85,54	49380,51,95
Additions during the year	5841,36,91	793,96,19
Deductions during the year	-	5532,62,60
	50483,22,45	44641,85,54
<b>VII. Revaluation Reserve</b>		
Opening Balance	23762,66,57	24653,94,08
Additions during the year	-	379,57,78
Deductions during the year	185,31,79	1270,85,29
	23577,34,78	23762,66,57
<b>VIII. Balance of Profit and Loss Account</b>	(3600,84,47)	(10498,30,21)
<b>TOTAL</b>	<b>252982,72,85</b>	<b>231114,96,63</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 ₹14528,51,76 thousand (Previous Year ₹14032,22,76 thousand)
- (iii) Investment Reserves Current Year ₹ Nil (Previous Year ₹ 69,58,40 thousand)

## Schedule 3 - Deposits

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	5815,51,86	5129,65,75
(ii) From Others	280881,87,39	222205,92,69
<b>II. Savings Bank Deposits</b>	1384583,88,91	1206371,98,79
<b>III. Term Deposits</b>		
(i) From Banks	5585,34,88	5973,24,84
(ii) From Others	2004410,44,92	1801939,91,36
<b>TOTAL</b>	<b>3681277,07,96</b>	<b>3241620,73,43</b>
<b>B I. Deposits of Branches in India</b>	3570164,90,88	3124615,86,05
<b>II. Deposits of Branches outside India</b>	111112,17,08	117004,87,38
<b>TOTAL</b>	<b>3681277,07,96</b>	<b>3241620,73,43</b>

## Schedule 4 - Borrowings

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	24956,00,00	33533,00,00
(ii) Other Banks	37,00,00	40,00,00
(iii) Other Institutions and Agencies	154138,69,61	6165,75,42
(iv) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	29835,70,00	23535,70,00
b. Subordinated Debt & Bonds	36289,90,00	32006,73,80
	66125,60,00	55542,43,80
<b>TOTAL</b>	<b>245257,29,61</b>	<b>95281,19,22</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	169847,10,27	217104,50,99
(ii) Capital Instruments :		
Innovative Perpetual Debt Instruments (IPDI)	2193,30,00	2269,95,00
<b>TOTAL</b>	<b>172040,40,27</b>	<b>219374,45,99</b>
<b>GRAND TOTAL</b>	<b>417297,69,88</b>	<b>314655,65,21</b>
Secured Borrowings included in I & II above	183941,81,71	42790,93,47

## Schedule 5 - Other Liabilities &amp; Provisions

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Bills payable	17685,38,79	26822,90,16
II. Inter-office adjustments (Net)	-	-
III. Interest accrued	15378,91,12	15697,16,19
IV. Deferred Tax Liabilities (Net)	2,46,48	6,16,17
V. Others (including provisions)*	148912,89,92	120583,87,89
<b>TOTAL</b>	<b>181979,66,31</b>	<b>163110,10,41</b>

\* Includes prudential provision for Standard Assets ₹ 15293,97,78 thousand (Previous Year ₹ 11544,24,43 thousand)

## Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	23403,41,73	20104,58,40
II. Balance with Reserve Bank of India		
(i) In Current Account	189798,11,90	146631,19,50
(ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>213201,53,63</b>	<b>166735,77,90</b>

## Schedule 7 - Balances with Banks and Money at Call & Short Notice

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Accounts	40,80	22,59,77
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	47369,93,31	44747,71,31
(b) With other institutions	-	-
<b>TOTAL</b>	<b>47370,34,11</b>	<b>44770,31,08</b>
<b>II. Outside India</b>		
(i) In Current Accounts	63326,17,58	28303,47,50
(ii) In Other Deposit Accounts	8311,59,05	1379,28,32
(iii) Money at call and short notice	10829,06,57	9908,15,74
<b>TOTAL</b>	<b>82466,83,20</b>	<b>39590,91,56</b>
<b>GRAND TOTAL (I and II)</b>	<b>129837,17,31</b>	<b>84361,22,64</b>

## Schedule 8 - Investments

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. Investments in India in</b>		
(i) Government Securities	1055288,64,35	803270,12,10
(ii) Other approved securities	-	-
(iii) Shares	7981,38,03	8221,43,31
(iv) Debentures and Bonds	151812,31,87	102363,82,19
(v) Subsidiaries and/ or Joint Ventures (including Associates)	13475,17,45	11744,07,18
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	75716,62,08	74057,22,82
<b>TOTAL</b>	<b>1304274,13,78</b>	<b>999656,67,60</b>
<b>II. Investments outside India in</b>		
(i) Government Securities (including local authorities)	17946,34,44	17062,82,86
(ii) Subsidiaries and/ or Joint Ventures abroad	4768,15,85	4298,49,28
(iii) Other Investments (Shares, Debentures etc.)	24716,56,44	25936,52,01
<b>TOTAL</b>	<b>47431,06,73</b>	<b>47297,84,15</b>
<b>GRAND TOTAL (I and II)</b>	<b>1351705,20,51</b>	<b>1046954,51,75</b>
<b>III. Investments in India</b>		
(i) Gross Value of Investments	1314424,07,05	1010599,04,40
(ii) Less: Aggregate of Provisions / Depreciation	10149,93,27	10942,36,80
(iii) Net Investments (vide I above) <b>TOTAL</b>	<b>1304274,13,78</b>	<b>999656,67,60</b>
<b>IV. Investments outside India</b>		
(i) Gross Value of Investments	47461,40,62	47448,66,41
(ii) Less: Aggregate of Provisions / Depreciation	30,33,89	150,82,26
(iii) Net Investments (vide II above) <b>TOTAL</b>	<b>47431,06,73</b>	<b>47297,84,15</b>
<b>GRAND TOTAL (III and IV)</b>	<b>1351705,20,51</b>	<b>1046954,51,75</b>

## Schedule 9 - Advances

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>A. I. Bills purchased and discounted</b>	95035,10,23	84017,46,96
<b>II. Cash credits, overdrafts and loans repayable on demand</b>	676439,31,40	708726,92,91
<b>III. Term loans</b>	1678023,37,48	1532545,16,20
<b>TOTAL</b>	<b>2449497,79,11</b>	<b>2325289,56,07</b>
<b>B. I. Secured by tangible assets (includes advances against Book Debts)</b>	1760153,24,52	1673925,40,51
<b>II. Covered by Bank/ Government Guarantees</b>	96522,71,33	92117,72,36
<b>III. Unsecured</b>	592821,83,26	559246,43,20
<b>TOTAL</b>	<b>2449497,79,11</b>	<b>2325289,56,07</b>

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>C. I Advances in India</b>		
(i) Priority Sector	564570,85,92	526675,87,35
(ii) Public Sector	257241,31,86	287504,28,69
(iii) Banks	4618,77,18	812,52,23
(iv) Others	1267713,73,45	1154187,79,39
<b>TOTAL</b>	<b>2094144,68,41</b>	<b>1969180,47,66</b>
<b>II. Advances outside India</b>		
(i) Due from banks	79713,82,13	80372,75,07
(ii) Due from others		
(a) Bills purchased and discounted	34993,56,29	31091,11,08
(b) Syndicated loans	170243,57,62	172482,45,21
(c) Others	70402,14,66	72162,77,05
<b>TOTAL</b>	<b>355353,10,70</b>	<b>356109,08,41</b>
<b>GRAND TOTAL [C (I) and C (II)]</b>	<b>2449497,79,11</b>	<b>2325289,56,07</b>

## Schedule 10 - Fixed Assets

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. Premises (Including Revalued Premises)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	30317,86,54	30831,77,23
Additions:		
- during the year	80,86,88	299,15,09
- for Revaluation	-	3936,14,00
Deductions:		
- during the year	25,51,07	14,17,04
- for Revaluation	10,53,59	4735,02,74
Depreciation to date		
- on cost	945,18,85	833,18,06
- on Revaluation	850,52,10	670,54,22
	<b>28566,97,81</b>	<b>28814,14,26</b>
<b>II. Other Fixed Assets (Including furniture and fixtures)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	33497,62,10	31074,77,30
Additions during the year	3359,77,85	3352,06,86
Deductions during the year	725,85,92	929,22,06
Depreciation to date	26631,11,10	24288,37,20
	<b>9500,42,93</b>	<b>9209,24,90</b>
<b>III. Assets under Construction (Including Premises)</b>	<b>351,83,45</b>	<b>415,89,02</b>
<b>TOTAL (I, II and III)</b>	<b>38419,24,19</b>	<b>38439,28,18</b>

## Schedule 11 - Other Assets

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Inter-office adjustments (Net)	20540,95,39	1936,15,88
II. Interest accrued	30034,46,90	26252,46,38
III. Tax paid in advance / tax deducted at source	26023,99,26	34450,84,01
IV. Deferred Tax Assets (Net)	6559,27,43	2933,44,38
V. Stationery and stamps	80,41,65	92,02,77
VI. Non-banking assets acquired in satisfaction of claims	56,10	56,10
VII. Others *	268529,01,64	223948,05,74
<b>TOTAL</b>	<b>351768,68,37</b>	<b>289613,55,26</b>

\*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 184093,45,48 thousand (Previous Year ₹ 163238,91,62 thousand)

## Schedule 12 - Contingent Liabilities

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	79083,37,30	71642,48,25
II. Liability for partly paid investments/ Venture Funds	1508,40,25	1682,66,59
III. Liability on account of outstanding forward exchange contracts	1027974,90,38	635813,45,45
IV. Guarantees given on behalf of constituents		
(a) In India	173090,50,78	165584,80,13
(b) Outside India	72702,50,07	70636,18,96
V. Acceptances, endorsements and other obligations	148827,19,35	132364,00,65
VI. Other items for which the bank is contingently liable*	203763,03,04	137271,00,66
<b>TOTAL</b>	<b>1706949,91,17</b>	<b>1214994,60,69</b>

\*Includes Derivatives ₹ 198094,76,48 thousand (Previous Year ₹ 132209,26,69 thousand)

# State Bank of India

Profit and Loss Account for the year ended 31<sup>st</sup> March, 2021

(000s omitted)

	Schedule No.	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
<b>I. INCOME</b>			
Interest earned	13	265150,63,38	257323,59,22
Other Income	14	43496,37,47	45221,47,80
<b>TOTAL</b>		<b>308647,00,85</b>	<b>302545,07,02</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	154440,63,33	159238,76,57
Operating expenses	16	82652,22,35	75173,69,02
Provisions and contingencies		51143,68,23	53644,50,37
<b>TOTAL</b>		<b>288236,53,91</b>	<b>288056,95,96</b>
<b>III. PROFIT</b>			
Net Profit for the year		20410,46,94	14488,11,06
Add: Profit/ (Loss) brought forward		(10498,30,21)	(15226,05,54)
<b>TOTAL</b>		<b>9912,16,73</b>	<b>(737,94,48)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		6123,14,08	4346,43,32
Transfer to Capital Reserve		1465,12,42	3985,83,93
Transfer to Investment Fluctuation Reserve		1928,19,63	1119,88,09
Transfer to Revenue and other Reserves		426,70,60	308,20,39
Dividend for the current year		3569,84,46	-
Balance carried over to Balance Sheet		(3600,84,46)	(10498,30,21)
<b>TOTAL</b>		<b>9912,16,73</b>	<b>(737,94,48)</b>
<b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b>			
Basic (in ₹)		22.87	16.23
Diluted (in ₹)		22.87	16.23
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit & Loss Account.

**Shri Ashwini Kumar Tewari**

Managing Director  
(International Banking,  
Technology & Subsidiaries)

**Shri Swaminathan J.**

Managing Director  
(Risk, Compliance and SARG)

**Shri Ashwani Bhatia**

Managing Director  
(Corporate Banking &  
Global Markets)

**Shri Challa Sreenivasulu Setty**

Managing Director  
(Retail & Digital Banking)

**Directors:**

Shri B. Venugopal

Dr. Pushpendra Rai

Dr Ganesh Natarajan

Shri Mrugank M Paranjape

Shri Ketan S. Vikamsey

Shri Sanjeev Maheshwari

**Place:**

Mumbai

New Delhi

Pune

Mumbai

Mumbai

Mumbai

**Shri Dinesh Kumar Khara**

Chairman

**Place: Mumbai**

**Date : 21<sup>st</sup> May, 2021**

In terms of our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountant

**Alpesh Waghela**  
**Partner : M. No.** 142058  
**Firm Regn. No.** 105049W  
Place : Mumbai

**For N.C. Rajagopal & Co.**  
Chartered Accountants

**V. Chandrasekaran**  
**Partner : M. No.** 024844  
**Firm Regn. No.** 003398S  
Place : Chennai

**For Karnavat & Co.**  
Chartered Accountants

**Viral Joshi**  
**Partner : M. No.** 137686  
**Firm Regn. No.** 104863W  
Place : Mumbai

**For Umamaheswara Rao & Co.**  
Chartered Accountants

**Krishna Sai G. H.**  
**Partner : M. No.** 233399  
**Firm Regn. No.** 004453S  
Place : Hyderabad

**For Guha Nandi & Co.**  
Chartered Accountants

**Dr. B. S. Kundu**  
**Partner : M. No.** 051221  
**Firm Regn. No.** 302039E  
Place : Kolkata

Date: May 21, 2021

**For J.C. Bhalla & Co.**  
Chartered Accountants

**Rajesh Sethi**  
**Partner : M. No.** 085669  
**Firm Regn. No.** 001111N  
Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**  
Chartered Accountants

**A Gopalakrishnan**  
**Partner: M. No.** 018159  
**Firm Regn. No.** 004610S  
Place : Kochi

**For G. P. Agrawal & Co.**  
Chartered Accountants

**Pradeep Kumar Samal**  
**Partner : M. No.** 061353  
**Firm Regn. No.** 302082E  
Place : Mumbai

**For Shah Gupta & Co.**  
Chartered Accountants

**Vipul K Choksi**  
**Partner : M. No.** 37606  
**Firm Regn. No.** 109574W  
Place : Mumbai

**For Prem Gupta & Co.**  
Chartered Accountants

**Prem Behari Gupta**  
**Partner : M. No.** 080245  
**Firm Regn. No.** 000425N  
Place : New Delhi

**For O.P. Totla & Co.**  
Chartered Accountants

**S. R. Totla**  
**Partner : M. No.** 071774  
**Firm Regn. No.** 000734C  
Place : Indore

**For S. K. Kapoor & Co.**  
Chartered Accountants

**V. B. Singh**  
**Partner : M. No.** 073124  
**Firm Regn. No.** 000745C  
Place : Kanpur

**For SCV & Co. LLP**  
Chartered Accountants

**Rajiv Puri**  
**Partner : M. No.** 084318  
**Firm Regn. No.** 000235N/N500089  
Place : New Delhi

**For ASA & Associates LLP**  
Chartered Accountants

**Parveen Kumar**  
**Partner : M. No.** 088810  
**Firm Regn. No.** 009571N/N500006  
Place : New Delhi



## Schedule 13 - Interest Earned

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Interest / discount on advances / bills	171429,13,89	179748,83,55
II. Income on investments	79808,09,01	68204,72,38
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4317,53,07	2920,40,56
IV. Others	9595,87,41	6449,62,73
<b>TOTAL</b>	<b>265150,63,38</b>	<b>257323,59,22</b>

## Schedule 14 - Other Income

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Commission, exchange and brokerage	23517,51,44	23725,05,94
II. Profit/ (Loss) on sale of investments (Net) <sup>1</sup>	6030,93,10	8575,65,21
III. Profit/ (Loss) on revaluation of investments (Net)	-	-
IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)	(28,58,17)	(28,37,38)
V. Profit/ (Loss) on exchange transactions (Net)	2409,63,79	2516,41,29
VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	642,86,22	212,03,35
VII. Miscellaneous Income <sup>2</sup>	10924,01,09	10220,69,39
<b>TOTAL</b>	<b>43496,37,47</b>	<b>45221,47,80</b>

<sup>1</sup> Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 1,539.73 Crore (Previous year ₹ 6,215.64 Crore).

<sup>2</sup> Miscellaneous Income includes Recoveries made in write-off accounts ₹ 10,297.21 Crore (Previous year ₹ 9,250.23 Crore).

## Schedule 15 - Interest Expended

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Interest on deposits	142435,24,72	147398,96,33
II. Interest on Reserve Bank of India/ Inter-bank borrowings	6130,13,01	6891,11,73
III. Others	5875,25,60	4948,68,51
<b>TOTAL</b>	<b>154440,63,33</b>	<b>159238,76,57</b>

## Schedule 16 - Operating Expenses

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Payments to and provisions for employees	50936,00,01	45714,96,78
II. Rent, taxes and lighting	5253,17,14	5339,11,88
III. Printing and stationery	505,24,14	526,20,36
IV. Advertisement and publicity	238,41,25	246,16,76
V. Depreciation on Bank's property	3317,55,25	3303,81,33
VI. Directors' fees, allowances and expenses	2,43,12	1,86,42
VII. Auditors' fees and expenses (including branch auditors' fees and expenses )	274,18,79	244,67,58
VIII. Law charges	215,25,31	266,66,85
IX. Postages, Telegrams, Telephones etc.	301,86,59	349,13,89
X. Repairs and maintenance	916,42,58	924,32,58
XI. Insurance	4348,00,06	3212,71,45
XII. Other expenditure	16343,68,11	15044,03,14
<b>TOTAL</b>	<b>82652,22,35</b>	<b>75173,69,02</b>

## SCHEDULE 17-

### SIGNIFICANT ACCOUNTING POLICIES

#### A. Background

State Bank of India (SBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

Following are the Significant Accounting Policies i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

#### B. Basis of Preparation

The accounting and reporting policies of the Bank conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955 and the Banking Regulations Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in the banking industry in India.

In case of foreign offices, the statutory provisions and practices of the local laws of the respective foreign country are followed if they are more prudent.

Bank's financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual unless otherwise stated.

The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

#### C. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

#### D. Significant Accounting Policies

##### 1. Revenue recognition:

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.

1.2 Interest/ Discount income is recognised in the Profit and Loss Account on realisation basis for following:

- (i) Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities),
- (ii) Income on Rupee Derivatives designated as "Trading"

1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the Held to Maturity (HTM) category and on sale of Fixed Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

- a. on interest bearing securities, it is accounted for at the time of sale/ redemption.
- b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.4 Dividend income is recognised when the right to receive the dividend is established.

1.5 Commission on Letters of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on a realisation basis.

1.6 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.

1.7 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortized over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.

1.8 The Bank derecognises its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:

- i. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
- ii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

## 2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### 2.1 Classification:

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (a) Government Securities, (b) Other Approved Securities, (c) Shares, (d) Bonds and Debentures, (e) Subsidiaries and Joint Ventures and (f) Others. The investments outside India are further classified under 3 categories (i) Government Securities (ii) Subsidiaries and Joint Ventures (iii) Other Investments

### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorised as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorised as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- i. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method except for investments under HTM category which are accounted on FIFO basis (First In First Out).
  - a) Brokerage/ commission received on subscriptions is reduced from the cost. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - b) Broken period interest paid/ received on debt instruments is treated as interest

expense/ income and is excluded from cost/ sale consideration.

### ii. Valuation of investments classified as Held to Maturity:

- a) Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition if any, is amortised over the term to maturity on a constant yield basis. Such amortisation of premium is accounted as income on investments.
- b) Investments (in India and abroad) in subsidiaries, joint ventures and associates are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
- c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

### iii. Valuation of investments classified as Available for Sale and Held for Trading :

Investments classified as Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation if any, of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored.

### iv. Valuation policy in event of inter category transfer of investments:

- a) Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b) Transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, is provided, in the Profit and Loss Account.

### v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:

- a) The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.

- b) SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- c) In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

## 2.4 Investments (NPI)

- i. In respect of domestic offices, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows :
  - a) Interest/ instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b) In the case of equity shares, in the event the investment in shares of any company is valued at Re. 1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
  - c) The Bank also classifies an Investment as a non-performing investment, in case any credit facility availed by the same borrower/ entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.
  - d) The investments in debentures/ bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.

- ii. In respect of foreign offices, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

## 2.5 Accounting for Repo/ Reverse Repo transactions

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and also with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand represent lending funds by purchasing the securities.

- a) Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.
- b) In Market Repo and Reverse Repo transaction, securities sold(purchased) and repurchased(resell) are accounted as normal outright sale(purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
- c) Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

## 3. Loans/ Advances and Provisions thereon:

3.1 Based on the guidelines/ directives issued by the RBI, Loans and Advances are classified as performing and non-performing, as follows:

- i. The term loan, is classified as a non-performing asset, if interest and/ or instalment of principal remains overdue for a period of more than 90 days;
- ii. An Overdraft or Cash Credit, is classified as a non-performing asset, if, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. The bills purchased/ discounted are classified as Non-performing Asset, if the bill remains overdue for a period of more than 90 days;

- iv. The agricultural advances are classified as a non-performing if, (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:	i.	A general provision of 15% on the total outstanding;
	ii.	Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
	iii.	Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.
Doubtful Assets:		
- Secured portion:	i.	Upto one year – 25%
	ii.	One to three years – 40%
	iii.	More than three years – 100%
- Unsecured portion		100%
Loss Assets:		100%.

3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision

for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

3.10 The Bank also makes additional provisions on specific non-performing assets.

3.11 Appropriation of recoveries in NPAs are made in order of priority as under :

- a. Charges, Costs, Commission etc.
- b. Unrealized Interest / Interest
- c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### 4. Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for floating provisions separately for advances, investments, and general purposes. The quantum of floating provisions and Countercyclical Provisioning Buffer to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".



## 6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/ liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".
- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over-the-Counter (OTC) options.
- 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

## 7. Fixed Assets, Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases

the future benefits from such assets or their functioning capability. The fixed assets in domestic offices are depreciated at straight line method based on useful life of the assets states as under:

Sl. No.	Description of Fixed Assets	Useful life for Depreciation
1	Computers	3 years
2	Computer Software forming an integral part of the Computer hardware	3 years
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	3 years
4	Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine	5 years
5	Server	4 years
6	Network Equipment	5 years
7	Other major fixed assets:	
	Premises	60 Years
	Vehicles	5 Years
	Safe Deposit Lockers	20 Years
	Furniture & Fixtures	10 Years

- 7.3 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 7.4 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## 8. Leases:

The asset classification and provisioning norms

applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

## 10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

### a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

### b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 11. Employee Benefits:

### 11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

### 11.2 Long Term Employee Benefits:

#### i. Defined Benefit Plans:

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to



receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.

b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.

i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

ii. **Defined Contribution Plan:**

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 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 a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. **Other Long Term Employee Benefits:**

a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.

b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

**12. Segment Reporting**

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

**13. Taxes on income:**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and

liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

#### 14. Earnings per Share:

14.1. The Bank reports basic and diluted earnings per share in accordance with AS 20 – "Earnings per Share" issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

#### 15. Provisions, Contingent Liabilities and Contingent Assets:

15.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

15.2 No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

15.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

15.5 Contingent Assets are not recognised in the financial statements.

#### 16. Bullion Transactions:

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

#### 17. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

#### 18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

#### 19. Cash and cash equivalents

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

**SCHEDULE – 18:****NOTES TO ACCOUNTS****18.1 Capital****1. Capital Ratio****AS PER BASEL II**

(₹ in crore)

Sr. No.	Items	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 capital ratio (%)	11.19%	10.71%
(iii)	Tier 2 capital ratio (%)	2.63%	2.42%
(iv)	Total Capital Ratio (%)	13.82%	13.13%

**AS PER BASEL III**

Sr. No.	Items	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i)	Common Equity Tier 1 Capital Ratio (%)	10.02%	9.77%
(ii)	Tier 1 capital ratio (%)	11.44%	11.00%
(iii)	Tier 2 capital ratio (%)	2.30%	2.06%
(iv)	Total Capital Ratio (%)	13.74%	13.06%
(v)	Percentage of the Shareholding of Government of India	56.92%	56.92%
(vi)	Number of Shares held by Government of India	507,97,75,288	507,97,75,288
(vii)	Amount of Equity Capital raised	-	-
(viii)	Amount of Additional Tier 1 (AT 1) capital raised of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	b) Perpetual Debt Instruments (PDI):	6,500.00	6,918.40
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments:	20,931.00	5,000.00
	b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	-	-

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

**2. Innovative Perpetual Debt Instruments (IPDI)**

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

**A. Foreign**

(₹ in crore)

Particulars	Date of Issue	Tenor	Amount	Equivalent (₹) as on 31 <sup>st</sup> March, 2021	Equivalent (₹) as on 31 <sup>st</sup> March, 2020
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	2,193.30	2,269.95

These bonds have been listed in Singapore stock exchange (SGX).

## B. Domestic

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1	2,100.00	06.09.2016	9.00
2.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II	2,500.00	27.09.2016	8.75
3.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III	2,500.00	25.10.2016	8.39
4.	SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
5.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
6.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
7.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
8.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series I	3,104.80	30.08.2019	8.75
9.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series II	3,813.60	22.11.2019	8.50
10.	SBI Basel III AT1 Bond 2020-21 Series I	4,000.00	09.09.2020	7.74
11.	SBI Non Convertible Unsecured Basel III AT1 Bonds – Series II 2020	2,500.00	24.11.2020	7.73
<b>TOTAL</b>		<b>29,835.70</b>		

## 3. Subordinated Debts

The bonds are unsecured, long term, non convertible and are redeemable at par. The details of outstanding subordinate debts are as under: -

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption*	Rate of Interest % P.A.	Maturity Period in Months
1.	e-SBBJ Lower Tier II (Series VI)	500.00	20.03.2012 20.03.2022	9.02	120
2.	SBI Non Convertible (Private placement) Bonds 2013-14 ( Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
3.	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
4.	e -SBP Tier II Basel III compliant (Series I)	950.00	22.01.2015 22.01.2025	8.29	120
5.	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
6.	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
7.	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption*	Rate of Interest % P.A.	Maturity Period in Months
8.	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
9.	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120
10.	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
11.	e- SBT Upper Tier II (Series III)	500.00	26.03.2012 26.03.2027	9.25	180
12.	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2018	4,115.90	02.11.2018 02.11.2028	8.90	120
13.	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2019-20	5,000.00	28.06.2019 28.06.2029	7.99	120
14.	SBI US Basel III T2 Bond 20-21 Series 1	8,931.00	21.08.2020 21.08.2035	6.80	180
15.	SBI Basel III Tier 2 Bond 20-21 Series 2	7,000.00	21.09.2020 21.09.2030	6.24	120
16.	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>36,289.90</b>			

## 18.2. Investments

1. The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1. Value of Investments		
i) Gross value of Investments		
(a) In India	13,14,424.07	10,10,599.04
(b) Outside India	47,461.41	47,448.66
ii) Provision for Depreciation		
(a) In India	9,167.91	9,430.13
(b) Outside India	30.34	150.82
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	982.02	1,512.24
iv) Net value of Investments		
(a) In India	13,04,274.14	9,99,656.67
(b) Outside India	47,431.07	47,297.84
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	9,580.95	9,252.41
ii) Add: Provisions made during the year	3,759.46	5,237.78
iii) Less: Provision utilised during the year	9.29	33.48
iv) Less/(Add): Foreign Exchange revaluation adjustment	(17.06)	(38.04)
v) Less: Write off/Write back of excess provision during the year	4,149.94	4,913.80
vi) Balance at the end of the year	9,198.25	9,580.95

### Notes:

- Securities amounting to ₹ 2,00,812.86 crore (Previous Year ₹ 4,225.76 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/NSCCL/MCX/ NSEIL/BSE towards Securities Settlement.
- During the year, the Bank infused additional capital in its entities viz. i) State Bank of India (California), a subsidiary ₹ 0.32 crore, ii) Madhyanchal Gramin Bank, an associate ₹ 5.31 crore. There is no change in Bank's stake after capital infusion.
- Consequent to Follow on Public Offerings in July 2020, Bank has made an investment of ₹ 1,760 crore in Yes Bank Limited. Bank's stake stands reduced to 30% as on March 31,2021 from 48.21% as on March 31,2020.
- During the year, the Bank has sold its stake in SBI Life Insurance Company Limited (a subsidiary) at a profit of ₹ 1,539.73 crore thus, the Bank stake has been reduced to 55.50% from 57.60%.
- In accordance with notification issued by Govt. of India, the following amalgamations have taken place between the Regional Rural Banks (RRBs) sponsored by SBI and RRBs sponsored by other banks.

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRB	Sponsor Bank of transferee RRB	Effective Date of Amalgamation
1. Baroda Uttar Pradesh Gramin Bank	Bank of Baroda	Baroda U.P. Bank	Bank of Baroda	1 <sup>st</sup> April ,2020
2. Kashi Gomti Samyut Gramin Bank	Union Bank of India			
3. Purvanchal Bank	State Bank of India			

## 2. Repo Transactions including Liquidity Adjustment Facility (LAF) (in face value terms)

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 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
	(-)	(1,12,595.20)	(9,166.64)	(34,576.69)
ii. Corporate Debt Securities	7,154.09	9,332.03	8,989.67	7,154.09
	(-)	(15,795.87)	(10,778.12)	(8,696.38)
<b>Securities purchased under Reverse Repo</b>				
i. Government Securities	-	2,40,000.00	1,03,424.17	46,179.93
	(-)	(1,13,000.00)	(38,332.97)	(38,000.00)
ii. Corporate Debt Securities	-	5,597.89	737.93	-
	(-)	(3,292.71)	(592.93)	(3,292.71)

(Figures in brackets are for Previous Year).

## 3. Non-SLR Investment Portfolio

### a) Issuer composition of Non SLR Investments

The issuer composition of Non-SLR investments of the Bank is given below:

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities*	Extent of "Unrated" Securities*	Extent of "Unlisted" Securities*
i	PSUs	67,194.64	49,960.71	-	-	-
		(62,047.29)	(45,135.13)	(-)	(-)	(-)
ii	FIs	1,28,609.88	99,053.50	2,753.21	-	70.00
		(86,460.61)	(74,871.30)	(2,754.24)	(-)	(1,150.00)
iii	Banks	17,146.96	8,084.82	3,294.33	23.62	23.62
		(24,856.99)	(12,624.53)	(585.10)	(23.62)	(23.62)
iv	Private Corporates	46,428.01	23,395.02	817.77	-	-
		(35,680.14)	(25,758.70)	(901.99)	(-)	(-)
v	Subsidiaries / Joint Ventures **	18,246.20	-	-	-	-
		(16,045.43)	(-)	(-)	(-)	(-)
vi	Others	28,970.89	2,223.99	2,845.99	33.03	6.65
		(29,687.12)	(2,196.19)	(3,558.08)	(46.68)	(4.84)
vii	Less: Provision held towards depreciation including LICRA	10,180.02	-	0.45	-	-
		(11,093.19)	(11.65)	(236.96)	(-)	(-)
<b>Total</b>		<b>2,96,416.56</b>	<b>1,82,718.04</b>	<b>9,710.85</b>	<b>56.65</b>	<b>100.27</b>
		<b>(2,43,684.39)</b>	<b>(1,60,574.20)</b>	<b>(7,562.45)</b>	<b>(70.30)</b>	<b>(1,178.46)</b>

(Figures in brackets are for Previous Year)

\* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\* Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

**b) Non Performing Non-SLR Investments**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Opening Balance	8,995.80	5,609.66
Additions during the year	446.39	3,686.05
Reductions during the year	4,212.67	299.91
Closing balance	5,229.52	8,995.80
<b>Total provisions held</b>	<b>5,031.49</b>	<b>7,970.83</b>

**4. Sales and Transfers Of Securities To/From HTM Category**

The value of sales and transfers of securities to/from HTM Category has not exceeded 5% of the book value of investment held in HTM category at the beginning of the year.

**5. Disclosure of Investment in Security Receipts (SRs)**

(₹ in crore)

Particulars	SRs Issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 Years	SRs issued more than 8 Years ago	Total
i Book value of SRs Backed by NPAs sold by the bank as underlying	972.03	7,355.89	23.98	8,351.90
Provision held against (i)	261.81	3,947.02	23.98	4,232.81
ii Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	-	3.42	2.69	6.11
Provision held against (ii)	-	1.14	2.69	3.83
<b>Total (i) + (ii)</b>	<b>972.03</b>	<b>7,359.31</b>	<b>26.67</b>	<b>8,358.01</b>

**6. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC)**

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book Value of Investments in Security Receipts as on 31 <sup>st</sup> March, 2021	8,351.90	8,761.31	6.11	7.14	8,358.01	8,768.45
Book Value of Investments in Security Receipts made during the year	0.61	0.06	-	-	0.61	0.06



## 18.3 Derivatives

## A. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS)

(₹ in crore)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i)	The notional principal of swap agreements#	2,75,128.10	2,98,843.36
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	4,095.38	8,063.30
iii)	Collateral required by the Bank upon entering swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	3,894.26	7,908.68

#Excludes IRS/FRA amounting to ₹ 39,189.96 crore (Previous Year ₹ 32,134.98 crore) entered with the Bank's own foreign offices.

Nature and terms of Forward Rate Agreement or Interest Rate Swaps as on 31<sup>st</sup> March, 2021 are given below:

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	336	15,424.30	LIBOR	Fixed Receivable Vs Floating Payable
IRS	Hedging	1	186.43	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	50	319.92	OTHERS	Fixed Receivable Vs Pay float
IRS	Hedging	60	38,265.93	LIBOR	Fixed Receivable Vs Floating Payable
IRS	Hedging	19	2,152.01	LIBOR	Floating Receivable Vs Fixed Payable
IRS	Trading	125	53,475.95	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	80	23,365.32	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	24	14,914.44	LIBOR	Floating Payable Vs Floating Receivable
IRS	Trading	1479	59,683.50	MIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	1612	65,147.00	MIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	1	2,193.30	LIBOR	Fixed Receivable Vs Floating Payable
<b>Total</b>		<b>3,787</b>	<b>2,75,128.10</b>		

## B. Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)		
a.	Interest Rate Futures	NIL	Nil
b.	10 Year Government of India Securities	6,400.38	63,670.92
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March 2021 (instrument-wise)		
a.	Interest Rate Futures	Nil	Nil
b.	10 Year Government of India Securities	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective". (instrument-wise)	N.A.	N.A.

## C. Risk Exposure in Derivatives

### (A) Qualitative Risk Exposure

- i. The Bank currently deals in over the counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The Bank also runs option position in USD/ INR, which is managed through various types of loss limits and Greek limits.
- ii. Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
- iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2020-21.
- v. Interest Rate Swaps are mainly used for hedging of the assets and liabilities.
- vi. Majority of the swaps were done with First class counterparty banks.
- vii. Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
- viii. Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

**(B) Quantitative Risk Exposure**

(₹ in crore)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives (Notional Principal Amount)				
(a) For hedging	18,858.30@	14,407.12@	54,869.19#	35,421.64#
(b) For trading *	10,47,976.78	6,55,991.56	2,26,304.06	2,77,804.99
(II) Marked to Market Positions				
(a) Asset (+)	9,451.37	14,629.42	4,095.38	8,063.30
(b) Liability (-)	7,574.61	14,009.98	2,926.20	6,086.78
(III) Credit Exposure	43,234.09	36,850.85	6,868.01	11,026.29
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	-0.25	1.07	-309.95	4.60
(b) on trading derivatives	538.16	86.72	0.70	146.20
(V) Maximum and Minimum of 100*PV 01 observed during the year				
(a) on hedging – Maximum Minimum	22.09 8.83	1.07 -	1,526.75 1,112.88	460.31 -
(b) on trading – Maximum Minimum	5.47 0.85	2.91 -	1.67 0.70	1.85 0.03

@Excludes swaps amounting to ₹ 2,156.47 crore (Previous Year ₹ 1,725.03 crore) entered with the Bank's own foreign offices.

#IRS/FRA amounting to ₹ 39,189.96 crore (Previous Year ₹ 32,134.98 crore) entered with the Bank's own Foreign offices are not shown here.

\*Excludes Currency Derivatives of ₹ 2167.90 crore (Previous Year ₹ 867.18 crore) and NDF ₹ 296.13 crore (Previous Year NIL) done with the Bank's Foreign offices.

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31<sup>st</sup> March, 2021 amounted to ₹ 43,810.46 crore (Previous Year ₹ 34,727.19 crore) and the derivatives done between SBI Foreign Offices as on 31<sup>st</sup> March, 2021 amounted to ₹ 10,331.69 crore (Previous Year ₹ 10,222.51 crore).
2. The outstanding notional amount of interest rate derivatives which are not marked-to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31<sup>st</sup> March, 2021 amounted to ₹ 77,741.31 crore (Previous Year ₹ 60,632.85 crore).

## 18.4. Asset Quality

## a) Non-Performing Assets

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
I) Net NPAs to Net Advances (%)	1.50%	2.23%
II) Movement of NPAs (Gross)		
(a) Opening balance	1,49,091.85	1,72,750.36
(b) Additions (Fresh NPAs) during the year	28,563.45	49,826.28
Sub-total (i)	1,77,655.30	2,22,576.64
Less:		
(c) Up-gradations	4,250.89	3,339.79
(d) Recoveries (Excluding recoveries made from upgraded accounts)	12,613.19	17,782.63
(e) Technical/ Prudential Write-offs	-	-
(f) Write-offs	34,402.20	52,362.37
Sub-total (ii)	51,266.28	73,484.79
(g) Closing balance (i-ii)	1,26,389.02	1,49,091.85
III) Movement of Net NPAs		
(a) Opening balance	51,871.30	65,894.74
(b) Additions during the year	1,293.50	6,758.88
(c) Reductions during the year	16,355.08	20,782.32
(d) Closing balance	36,809.72	51,871.30
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	97,220.55	1,06,855.62
(b) Provisions made during the year	27,269.95	43,067.40
(c) Write-off / write-back of excess provisions	34,911.20	52,702.47
(d) Closing balance	89,579.30	97,220.55

Notes:-

Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 305.54 crore (Previous Year ₹ 235.61 crore) and ₹ 283.91 crore (Previous Year ₹ 305.54 crore) respectively.

- b) As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

No separate disclosure is required to be made in respect of divergence for Financial Year 2019-20 as the same is not beyond the above mentioned thresholds.

## c) Restructured Accounts

(₹ in crore)

Sr. No.	Type of Restructuring	Under CDR Mechanism (1)					Under SME Debt Restructuring Mechanism (2)						
		Asset Classification					Mechanism (2)						
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2020 (Opening position)	No. of Borrowers	2	-	22	8	32	786	112	125	14	1037	
		Amount	(4)	(-)	(44)	(9)	(57)	(28)	(167)	(142)	(17)	(354)	
		outstanding	15.45	-	1,926.30	491.03	2,432.78	206.93	217.50	452.46	6.38	883.27	
		Provision thereon	(146.04)	(-)	(6,236.10)	(656.53)	(7,038.67)	(46.11)	(307.32)	(415.80)	(6.65)	(775.88)	
			0.91	-	-	-	0.91	8.50	-	16.26	0	24.76	
2	Fresh Restructuring during the current FY	No. of Borrowers	(0.96)	(-)	(-)	(-)	(0.96)	(10.26)	(6.43)	(24.88)	(0.27)	(41.84)	
		Amount	-	-	-	-	-	313	29	7	2	351	
		outstanding	(-)	(-)	(-)	(-)	(-)	(790)	(6)	(1)	(-)	(797)	
		Provision thereon	-	-	-	-	-	95.14	38.32	1.33	0.06	134.86	
			(26.57)	(-)	(-)	(-)	(26.57)	(154.84)	(4.44)	(1.38)	(-)	(160.66)	
3	Upgradation to restructured standard category during current FY	No. of Borrowers	-	(0.02)	(-)	(-)	(0.02)	(0.24)	(2.72)	(0.40)	(-)	(3.36)	
		Amount	-	-	-	-	-	7	-7	-	-	-	
		outstanding	(-)	(-)	(-)	(-)	(-)	(1)	(-1)	(-)	(-)	(-)	
		Provision thereon	-	-	-	-	-	2.90	-2.90	-	-	-	
			(-)	(-)	(-)	(-)	(-)	(18.11)	(-18.11)	(-)	(-)	(-)	
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	(-2)	(-)	(-2)	(-)	-	-	-	-	-1	
		Amount	-	(-155.08)	-	(-155.08)	(-)	-	-	-	-	-	-16.66
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-1	-	1	-	-	-4	-11	7	8	-	
		Amount	(-)	(-)	(-)	(-)	(-)	(-9)	(-7)	(16)	(-)	(-)	-
		outstanding	-11.67	-	11.67	-	-	-2.57	-0.37	2.69	0.25	-	-
		Provision thereon	(-)	(-)	(-)	(-)	(-)	(-2.38)	(-67.31)	(69.69)	(-)	(-)	(-)
			-	-	-	-	-	-	-0.81	0.59	0.22	-	-
6	Write-offs of restructured accounts during current FY	No. of Borrowers	(-)	(-)	(-)	(-)	(-)	(-0.05)	(-8.78)	(8.83)	(-)	(-)	
		Amount	-	-	-8	-2	-10	-453	-6	-71	-	-530	
		outstanding	(-)	(-)	(-22)	(-1)	(-23)	(-24)	(-53)	(-34)	(-3)	(-114)	
		Provision thereon	-1.32	-	-976.92	-56.51	-1034.75	-62.53	-3.10	-362.56	-	-428.19	
			(-2.08)	(-)	(-4309.80)	(-165.50)	(-4477.38)	(-9.75)	(-8.84)	(-34.41)	(-0.27)	(-53.27)	
7	Total Restructured Accounts as on 31 <sup>st</sup> March, 2021 (Closing Position)	No. of Borrowers	(-0.07)	(-)	(-)	(-)	(-0.07)	(-1.95)	(-0.37)	(-17.85)	(-0.27)	(-20.44)	
		Amount	1	-	15	6	22	648	117	68	24	857	
		outstanding	(2)	(-)	(22)	(8)	(32)	(786)	(112)	(125)	(14)	(1,037)	
		Provision thereon	2.46	-	961.05	434.53	1,398.04	223.21	249.44	93.92	6.69	573.27	
			(15.45)	(-)	(1,926.30)	(491.03)	(2,432.78)	(206.93)	(217.50)	(452.46)	(6.38)	(883.27)	

Sr. No.	Type of Restructuring Asset Classification	Particulars	Others (3)					TOTAL (1 + 2 + 3)				
			Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2020 (Opening position)	No. of Borrowers	5,104 (300)	184 (227)	682 (786)	162 (171)	6,132 (1,484)	5,892 (332)	296 (394)	829 (972)	184 (197)	7,201 (1,895)
	Amount outstanding		2,199.61 (3,909.81)	536.32 (29.83)	2,479.42 (8,004.74)	349.51 (803.16)	5,564.86 (12,747.54)	2,421.99 (4,101.96)	753.82 (337.15)	4,858.18 (14,656.64)	846.92 (1,466.34)	8,880.91 (20,562.09)
	Provision thereon		183.85 (319.57)	76.80 (0.85)	15.41 (15.23)	2.60 (4.05)	278.66 (339.70)	193.26 (30.79)	76.80 (7.28)	31.67 (40.11)	2.60 (4.32)	304.33 (382.50)
2	Fresh Restructuring during the current FY	No. of Borrowers	157 (4,813)	93 (61)	11 (21)	2 (1)	263 (4,896)	470 (5,603)	122 (67)	18 (22)	4 (1)	614 (5,693)
	Amount outstanding		299.73 (578.77)	68.67 (1.81)	322.69 (32.88)	36.04 (0.02)	727.12 (613.48)	394.87 (760.18)	106.99 (6.25)	324.02 (34.26)	36.10 (0.02)	861.98 (800.71)
	Provision thereon		71.86 (-)	0.27 (65.61)	4.11 (2.09)	1.16 (0.24)	77.40 (67.94)	71.98 (0.26)	4.57 (68.33)	5.09 (2.49)	1.23 (0.24)	82.86 (71.32)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	4 (17)	-4 (7)	- (10)	- (-)	- (-)	11 (18)	-11 (-8)	- (-10)	- (-)	- (-)
	Amount outstanding		0.21 (0.62)	-0.21 (-0.36)	- (-0.26)	- (-)	- (-)	3.10 (18.73)	-3.10 (-18.47)	- (-0.26)	- (-)	- (-)
	Provision thereon		0.15 (-)	-0.15 (-)	- (-)	- (-)	- (-)	0.20 (-)	-0.20 (-)	- (-)	- (-)	- (-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-6 (-16)	- (-)	- (-)	- (-)	-6 (-16)	-7 (-18)	- (-)	- (-)	- (-)	-7 (-18)
	Amount outstanding		-552.42 (-1,130.83)	- (-)	-552.42 (-1,130.83)	-552.42 (-1,130.83)	-552.42 (-1,130.83)	-569.08 (-1,285.91)	- (-)	- (-)	- (-)	-569.08 (-1,285.91)
	Provision thereon		-1.64 (-28.19)	- (-)	-1.64 (-28.19)	-1.64 (-28.19)	-1.64 (-28.19)	-1.64 (-28.19)	- (-)	- (-)	- (-)	-1.64 (-28.19)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-3 (-5)	-42 (73)	-59 (47)	104 (31)	- (-)	-8 (-14)	-53 (-80)	-51 (63)	112 (31)	- (-)
	Amount outstanding		-109.58 (-675.75)	-9.83 (631.60)	89.88 (43.65)	29.53 (0.50)	- (-)	-123.82 (-678.13)	-10.20 (564.29)	104.24 (113.34)	29.78 (0.50)	- (-)
	Provision thereon		-0.01 (-11.57)	-0.14 (10.62)	-0.59 (0.45)	0.73 (0.50)	- (-)	-0.01 (-11.62)	-0.95 (1.84)	- (9.28)	0.95 (0.50)	- (-)
6	Write-offs of restructured accounts during current FY	No. of Borrowers	-1238 (-5)	-31 (24)	-224 (162)	-46 (-41)	-1539 (-232)	-1691 (-29)	-37 (-77)	-303 (-218)	-48 (-45)	-2079 (-369)
	Amount outstanding		-283.33 (-483.01)	-505.22 (-126.56)	-704.65 (-5,601.59)	-1.80 (-454.17)	-1495 (-6,665.33)	-347.18 (-494.84)	-508.32 (-135.40)	-2044.13 (-9,945.80)	-58.31 (-619.94)	-2957.94 (-11,195.98)
	Provision thereon		-0.70 (-95.96)	-0.07 (-0.28)	-8.56 (-2.36)	-1.20 (-2.19)	-10.54 (-100.79)	-0.75 (-97.98)	-0.24 (-0.65)	-10.29 (-20.21)	-1.20 (-2.46)	-12.48 (-121.30)
7	Total Restructured Accounts as on 31 <sup>st</sup> March, 2021 (Closing Position)	No. of Borrowers	4,018 (5,104)	200 (184)	410 (682)	222 (162)	4,850 (6,132)	4,667 (5,892)	317 (296)	493 (829)	252 (184)	5,729 (7,201)
	Amount outstanding		1,554.21 (2,199.61)	89.74 (536.32)	2187.33 (2,479.42)	413.27 (349.51)	4,244.56 (5,564.86)	1,779.88 (2,421.99)	339.18 (753.82)	3242.31 (4,858.18)	854.49 (846.92)	6215.86 (8,880.91)
	Provision thereon		253.52 (183.85)	76.70 (76.80)	10.38 (15.41)	3.29 (2.60)	343.89 (278.66)	263.04 (193.26)	79.98 (76.80)	26.48 (31.67)	3.57 (2.60)	373.07 (304.33)

Note:

- Increase in outstanding of ₹ 44 crore (Previous Year ₹ 572 crore) included in Fresh Additions.
- Closure of ₹ 2,286 crore (Previous Year ₹ 5,616 crore) and decrease in Outstanding of ₹ 184 crore (Previous Year ₹ 597 crore) is included in Write off.
- Total Column does not include standard assets moved out of higher provisioning.

**d) As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1,2019, the details of restructured MSME accounts is as below:-** (₹ in crore)

Particulars	Current Year	Previous Year
No. of accounts restructured	93,573	60,057
Aggregate outstanding	6,035.93	2,872.49

**e) Details of Technical Write-offs and the recoveries made thereon:** (₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	Opening balance of Technical/Prudential written-off accounts as at 1 <sup>st</sup> April	-	5,139.76
ii	Add: Technical/Prudential write-offs during the year	-	-
iii	Sub-total (A)	-	5,139.76
iv	Less: Recoveries made/ Actual written off from previously technical/prudential written-off accounts during the year (B)	-	5,139.76
v	Closing balance as at 31 <sup>st</sup> March (A-B)	-	-

**f) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction** (₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	No. of Accounts	30	32
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	127.71	101.17
iii	Aggregate consideration*	712.84	1,236.62
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain /(loss) over net book value	585.13	1,135.45

\* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value as per RBI Guidelines.

**g) Excess Provision reversed to Profit & Loss Account on account of Sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC)** (₹ in crore)

Particulars	Current Year	Previous Year
Excess Provision reversed to P&L Account in case of Sale of NPAs	246.67	170.82

**h) Details of non-performing financial assets purchased** (₹ in crore)

Particulars	Current Year	Previous Year
1) (a) No. of Accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2) (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

## i) Details of non-performing financial assets sold

(₹ in crore)

Particulars	Current Year	Previous Year
1) No. of Accounts sold	12	15
2) Aggregate outstanding	770.70	551.59
3) Aggregate consideration received	363.88	271.15

## j) Provision on Standard Assets:

(₹ in crore)

Particulars	Current Year	Previous Year
Provision towards Standard Assets	15,293.98	11,544.24

## 18.5. Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	5.93%	6.45%
ii. Non-interest income as a percentage to Working Funds	0.97%	1.13%
iii. Operating Profit as a percentage to Working Funds	1.60%	1.71%
iv. Return on Assets*	0.48%	0.38%
v. Business (Deposits plus advances) per employee (₹ in crore)	23.73	21.05
vi. Profit per employee (₹ in thousands)	828.35	578.98

\* (on net-assets basis)



**18.6. Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March, 2021**

(₹ in crore)

	Day1	2-7 Days	8-14 Days	15 to 30 days	Over 31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 Year	Over 1 Year & upto 3 years	Over 3 Years & upto 5 years	Over 5 Years	Total
Deposits	61,000.40	81,740.96	37,397.22	60,992.50	67,323.35	52,966.63	1,47,492.87	8,84,125.18	7,95,452.18	3,81,382.99	11,11,402.81	36,81,277.08
	(50,412.96)	(89,018.26)	(48,210.68)	(82,393.15)	(1,26,563.94)	(1,09,843.95)	(3,16,203.23)	(6,02,960.92)	(5,92,806.58)	(3,24,913.60)	(8,98,293.46)	(32,41,620.73)
Advances	44,156.96	13,618.48	16,535.47	37,631.95	44,757.21	35,877.97	1,17,416.16	1,98,447.37	8,70,870.70	3,19,249.93	7,50,935.58	24,49,497.79
	(57,442.98)	(14,151.74)	(16,608.14)	(31,096.94)	(42,616.30)	(44,774.93)	(75,159.25)	(1,16,239.21)	(10,82,113.87)	(2,09,766.10)	(6,35,320.10)	(23,25,289.56)
Investments	-	723.63	16,260.31	6,012.07	9,495.37	28,297.98	51,810.86	99,275.54	3,31,272.42	2,25,496.00	5,83,061.03	13,51,705.21
	(188.13)	(4,423.08)	(3,965.20)	(17,133.59)	(20,404.80)	(33,033.97)	(45,189.57)	(70,272.40)	(182,741.13)	(1,55,126.51)	(5,14,476.14)	(10,46,954.52)
Borrowings	823.85	1,53,783.04	1,469.67	11,857.36	13,923.44	14,091.50	38,619.46	33,828.43	68,089.88	50,667.23	30,143.85	4,17,297.70
	(915.24)	(13,829.39)	(4,180.76)	(9,892.09)	(20,370.67)	(27,941.89)	(41,265.36)	(55,907.52)	(78,368.05)	(49,093.15)	(12,891.53)	(3,14,655.65)
Foreign Currency Assets #	20,756.79	4,673.29	6,896.79	15,877.37	18,425.06	21,565.40	42,269.41	52,925.55	1,21,257.36	78,665.89	61,116.20	4,44,429.10
	(44,464.27)	(5,354.64)	(8,137.20)	(20,603.01)	(25,000.46)	(23,193.94)	(36,944.55)	(43,842.32)	(1,12,403.17)	(83,445.52)	(47,435.08)	(4,50,824.16)
Foreign Currency Liabilities \$	27,955.86	8,346.94	2,687.12	16,523.04	20,318.23	21,034.39	45,402.52	63,708.64	57,863.70	39,598.84	14,511.65	3,17,950.91
	(25,950.88)	(15,075.64)	(8,027.84)	(18,994.07)	(29,216.63)	(35,828.10)	(54,776.09)	(62,965.89)	(64,113.98)	(46,576.87)	(13,758.15)	(3,75,284.14)

# Foreign Currency Assets represent advances and investments.

\$ Foreign Currency Liabilities represent borrowings and deposits.

 (Figures in brackets are as at 31<sup>st</sup> March, 2020).

## 18.7. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

### a) Real Estate Sector

(₹ in crore)

Particulars	Current Year	Previous Year
<b>I Direct exposure</b>		
i) Residential Mortgages	4,06,179.32	3,58,599.62
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	4,06,179.32	3,58,599.62
Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 35 lacs) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 25 lacs) in other centres for purchase/construction of dwelling unit per family.	2,09,028.90	1,50,689.19
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits.	56,343.00	31,607.67
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	9,781.26
a) Residential	-	-
b) Commercial Real Estate	-	9,781.26
<b>II Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,13,704.91	1,07,004.65
<b>Total Exposure to Real Estate Sector</b>	<b>5,76,227.23</b>	<b>5,06,993.20</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.	7,112.65	8,534.42
2) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	66.63	19.16
3) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	Nil	93.49
4) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	Nil	975.44
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	725.23	14.09
6) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	Nil	13.82
7) Bridge loans to companies against expected equity flows/issues.	Nil	Nil
8) Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9) Financing to stockbrokers for margin trading.	Nil	Nil
10) Exposures to Venture Capital Funds (both registered and unregistered)	3,463.62	3,352.74
<b>Total Exposure to Capital Market</b>	<b>11,368.13</b>	<b>13,003.16</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. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

(₹ in crore)

Risk Category	Net Funded Exposure			Provision held
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Insignificant	5,586.26	16,716.77	Nil	Nil
Very Low	2,02,094.63	1,56,986.73	148.51	145.81
Low	16,539.05	20,546.89	Nil	Nil
Medium	9,767.77	8,326.76	Nil	Nil
High	26,470.88	21,883.14	Nil	Nil
Very High	8,586.29	10,242.33	Nil	Nil
Restricted	2,426.80	318.01	Nil	Nil
<b>Total</b>	<b>2,71,471.68</b>	<b>2,35,020.63</b>	<b>148.51</b>	<b>145.81</b>

### d) Single Borrower and Group Borrower exposure limits exceeded by the Bank

The Bank had taken single borrower exposure & Group Borrower exposure within the prudential limit prescribed by RBI.

### e) Unsecured Advances

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
a) Total Unsecured Advances of the bank	5,92,821.83	5,59,246.43
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	Nil	Nil
ii) The estimated value of such intangible securities (as in (i) above).	Nil	Nil

## 18.8. Miscellaneous

### a. Disclosure of Penalties

- Reserve Bank of India has imposed an aggregate penalty of ₹ 2.00 crore (Previous Year ₹ NIL) on the Bank on payment of remuneration to employees in the form of commission.

### b. Penalty for Bouncing of SGL forms

No penalty has been levied on the Bank for bouncing of SGL Forms.

## 18.9. Disclosure Requirements as per the Accounting Standards

### a) Accounting Standard – 5 “Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies”

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended 31<sup>st</sup> March 2021 as compared to those followed in the previous financial year 2019-20.

## b) Accounting Standard – 15 “Employee Benefits”

## i. Defined Benefit Plans

## 1. Employee’s Pension Plan and Gratuity Plan

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation at 1 <sup>st</sup> April, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
Current Service Cost	970.09	953.34	440.06	447.17
Interest Cost	7,501.41	7,428.71	879.12	947.09
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	15,822.32	13,619.61	1,185.34	1,224.38
Benefits paid	(3,475.67)	(3,914.34)	(1,909.91)	(1,955.13)
Direct Payment by Bank	(4,842.15)	(3,619.10)	-	-
Closing defined benefit obligation at 31 <sup>st</sup> March, 2021	1,25,806.37	1,09,830.37	13,447.17	12,852.56
<b>Change in Plan Assets</b>				
Opening fair value of Plan Assets as at 1 <sup>st</sup> April, 2020	97,458.52	90,399.61	10,570.95	10,326.00
Expected Return on Plan Assets	6,656.42	7,015.01	723.05	803.36
Contributions by employer	2,100.68	2,407.68	1,234.77	1,146.88
Expected Contributions by the employees	-	0.28	-	-
Benefits Paid	(3,475.67)	(3,914.34)	(1,909.91)	(1,955.13)
Actuarial Gains / (Loss) on plan Assets	3,705.91	1,550.28	331.37	249.84
Closing fair value of plan assets as at 31 <sup>st</sup> March, 2021	1,06,445.86	97,458.52	10,950.23	10,570.95
<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, 2021	1,25,806.37	1,09,830.37	13,447.17	12,852.56
Fair Value of Plan assets at 31 <sup>st</sup> March, 2021	1,06,445.86	97,458.52	10,950.23	10,570.95
Deficit/(Surplus)	19,360.51	12,371.85	2,496.94	2,281.61
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	19,360.51	12,371.85	2,496.94	2,281.61
<b>Amount Recognised in the Balance Sheet</b>				

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Liabilities	1,25,806.37	1,09,830.37	13,447.17	12,852.56
Assets	1,06,445.86	97,458.52	10,950.23	10,570.95
Net Liability / (Asset) recognised in Balance Sheet	19,360.51	12,371.85	2,496.94	2,281.61
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	19,360.51	12,371.85	2,496.94	2,281.61
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	970.09	953.34	440.06	447.17
Interest Cost	7,501.41	7,428.71	879.12	947.09
Expected return on plan assets	(6,656.42)	(7,015.01)	(723.05)	(803.36)
Expected Contributions by the employees	-	(0.28)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Net actuarial losses (Gain) recognised during the year	12,116.41	12,069.33	853.97	974.54
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	13,931.49	13,436.09	1,450.10	1,565.44
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	6,656.42	7,015.01	723.05	803.36
Actuarial Gain/ (loss) on Plan Assets	3,705.91	1,550.28	331.37	249.84
Actual Return on Plan Assets	10,362.33	8,565.29	1,054.42	1,053.20
<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, 2020	12,371.85	4,962.54	2,281.61	1,863.05
Expenses as recognised in profit and loss account	13,931.49	13,436.09	1,450.10	1,565.44
Paid by Bank Directly	(4,842.15)	(3,619.10)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,100.68)	(2,407.68)	(1,234.77)	(1,146.88)
Net liability/(Asset) recognised in Balance Sheet	19,360.51	12,371.85	2,496.94	2,281.61

Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31<sup>st</sup> March, 2021 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	21.21%	18.45%
State Govt. Securities	38.68%	40.32%
Debt Securities, Money Market Securities and Bank Deposits	30.01%	30.01%
Mutual Funds	6.43%	6.90%
Insurer Managed Funds	1.85%	2.57%
Others	1.82%	1.75%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### Principal actuarial assumptions

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.90%	6.83%
Expected Rate of return on Plan Asset	6.90%	6.83%
Salary Escalation Rate	5.60%	5.40%
Pension Escalation Rate	1.20%	0.80%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

#### Principal actuarial assumptions

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.82%	6.84%
Expected Rate of return on Plan Asset	6.82%	6.84%
Salary Escalation Rate	5.60%	5.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

#### Surplus/ Deficit in the Plan

##### Gratuity Plan

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
Liability at the end of the year	7,291.02	12,872.60	12,189.05	12,852.56	13,447.17
Fair value of Plan Assets at the end of the year	7,281.18	9,140.76	10,326.00	10,570.95	10,950.23
Difference	9.84	3,731.84	1,863.05	2,281.61	2,496.94
Unrecognised Past Service Cost	-	2,707.50	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	9.84	1,024.34	1,863.05	2,281.61	2,496.94

**Experience adjustment**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
On Plan Liability (Gain) /Loss	10.62	399.62	(212.11)	382.17	1,053.04
On Plan Asset (Loss) /Gain	182.34	(25.96)	102.16	249.84	331.37

**Surplus/Deficit in the plan****Pension**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
Liability at the end of the year	67,824.90	87,786.56	95,362.15	1,09,830.37	1,25,806.37
Fair value of Plan Assets at the end of the year	64,560.42	85,249.60	90,399.61	97,458.52	1,06,445.86
Difference	3,264.48	2,536.96	4,962.54	12,371.85	19,360.51
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	3,264.48	2,536.96	4,962.54	12,371.85	19,360.51

Experience adjustment	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
On Plan Liability (Gain) /Loss	3,007.59	4,439.54	3,642.57	4,078.53	12,528.38
On Plan Asset (Loss) /Gain	2,246.60	(135.07)	109.65	1,550.28	3,705.91

The expected contribution to the Pension and Gratuity Fund for the next year is ₹ 3,190.72 crore and ₹ 1,610.61 crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

**2. Employees' Provident Fund**

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2020-21.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Provident Fund	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April, 2020	31,188.49	30,487.93
Current Service Cost	3,289.62	1,017.99
Interest Cost	2,563.49	2,455.49
Employee Contribution (including VPF)	2,562.41	1,104.84
Actuarial losses/(gains)	63.43	208.49

Particulars	Provident Fund	
	Current Year	Previous Year
Benefits paid	(4,378.30)	(4,086.25)
Closing defined benefit obligation at 31 <sup>st</sup> March, 2021	35,289.14	31,188.49
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1 <sup>st</sup> April, 2020	32,104.22	32,179.93
Expected Return on Plan Assets	2,563.49	2,455.49
Contributions	5,852.03	2,122.82
Provision for loss on maturity of non-performing investment	(60.59)	(467.66)
Benefits Paid	(4,378.30)	(4,086.25)
Actuarial Gains / (Loss) on plan Assets	284.95	(100.11)
Closing fair value of plan assets as at 31 <sup>st</sup> March, 2021	36,365.80	32,104.22
<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, 2021	35,289.14	31,188.49
Fair Value of Plan assets at 31 <sup>st</sup> March, 2021	36,365.80	32,104.22
Deficit/(Surplus)	(1,076.66)	(915.73)
Net Asset not recognised in Balance Sheet	1,076.66	915.73
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	3,289.62	1,017.99
Interest Cost	2,563.49	2,455.49
Expected return on plan assets	(2,563.49)	(2,455.49)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	3,289.62	1,017.99
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April, 2020	-	-
Expense as above	3,289.62	1,017.99
Employer's Contribution	(3,289.62)	(1,017.99)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31<sup>st</sup> March, 2021 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	30.65%
State Govt. Securities	32.48%
Debt Securities, Money Market Securities and Bank Deposits	30.76%
Mutual Funds	3.93%
Others	2.18%
<b>Total</b>	<b>100.00%</b>



**Principal actuarial assumptions**

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.82%	6.84%
Guaranteed Return	8.50%	8.50%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.60%	5.40%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- 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. 2020-21, the Bank has contributed ₹ 648.17 crore (Previous Year ₹ 541.97 crore).

**iii. Long Term Employee Benefits (Unfunded Obligation):****(A) Accumulating Compensated Absences (Privilege Leave)**

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April, 2020	7,533.04	6,870.40
Current Service Cost	311.06	284.97
Interest Cost	515.26	533.83
Actuarial losses/(gains)	1,221.15	769.88
Benefits paid	(1,398.27)	(926.04)
Closing defined benefit obligation at 31 <sup>st</sup> March, 2021	8,182.24	7,533.04
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	311.06	284.97
Interest Cost	515.26	533.83
Actuarial (Gain)/ Losses	1,221.15	769.88
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	2,047.47	1,588.68
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April, 2020	7,533.04	6,870.40
Expense as above	2,047.47	1,588.68
Employer's Contribution	-	-
Benefit paid directly by the Employer	(1,398.27)	(926.04)
Net Liability/(Asset) Recognized In the Balance Sheet	8,182.24	7,533.04

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	6.82%	6.84%
Salary Escalation	5.60%	5.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**(B) Other Long Term Employee Benefits**

Amount of ₹ 32.29 crore (Previous Year ₹ 21.71 crore) is provided towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head “Payments to and Provisions for Employees” in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employee Benefits during the year:

(₹ in crore)

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	35.84	20.00
2	Silver Jubilee Award	1.82	3.91
3	Resettlement Expenses on Superannuation	(2.89)	1.01
4	Casual Leave	-	-
5	Retirement Award	(2.48)	(3.21)
<b>Total</b>		<b>32.29</b>	<b>21.71</b>

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	6.82%	6.84%
Salary Escalation	5.60%	5.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**c) Accounting Standard – 17 “Segment Reporting”****1. Segment Identification****I. Primary (Business Segment)**

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

**i. Treasury –**

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

**ii. Corporate / Wholesale Banking –**

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

**iii. Retail Banking –**

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

**iv. Other Banking business –**

Segments not classified under (i) to (iii) above are classified under this primary segment.

**II. Secondary (Geographical Segment)**

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

**III. Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**IV. Allocation of Expenses, Assets and Liabilities**

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

**2. Segment Information****Part A: Primary (Business Segments)**

(₹ in crore)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Revenue (before exceptional items) #	91,916.79 (75,054.51)	81,782.12 (90,248.46)	1,31,783.02 (1,30,906.66)	- (-)	3,05,481.93 (2,96,209.63)
Unallocated Revenue #					1,625.34 (119.80)
Total Revenue #					3,07,107.27 (2,96,329.43)
Result (before exceptional items) #	15,561.38 (9,446.53)	5,149.19 (-3,996.75)	9,448.38 (18,058.78)	- (-)	30,158.95 (23,508.56)
Add: Exceptional Items #	1,539.73 (6,215.64)				1,539.73 (6,215.64)
Result (after exceptional items) #	17,101.11 (15,662.17)	5,149.19 (-3,996.75)	9,448.38 (18,058.78)	- (-)	31,698.68 (29,724.20)
Unallocated Income(+) / Expenses (-) - net #					-4,157.56 (-4,661.44)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Profit before tax #					27,541.12
					(25,062.76)
Tax #					7,130.65
					(10,574.65)
Extraordinary Profit #					-
					(-)
Net Profit #					20,410.47
					(14,488.11)
Other Information:					
Segment Assets *	14,53,111.55	11,97,649.91	18,15,024.48	-	44,65,785.93
	(11,34,532.91)	(11,77,636.15)	(15,80,600.47)	(-)	(38,92,769.53)
Unallocated Assets *					68,643.70
					(58,624.39)
Total Assets*					45,34,429.63
					(39,51,393.92)
Segment Liabilities *	13,26,432.08	11,68,462.70	16,82,902.21	-	41,77,796.99
	(10,18,341.71)	(11,62,918.88)	(14,60,117.68)	(-)	(36,41,378.27)
Unallocated Liabilities*					1,02,757.46
					(78,008.22)
Total Liabilities *					42,80,554.45
					(37,19,386.49)

(Figures in brackets are for previous year) .

#### Part B: Secondary (Geographic Segments)

(₹ in crore)

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	2,97,188.29	2,81,486.59	9,918.98	14,842.84	3,07,107.27	2,96,329.43
Net Profit#	17,236.17	10,332.81	3,174.30	4,155.30	20,410.47	14,488.11
Assets *	40,56,851.69	35,11,389.86	4,77,577.94	4,40,004.06	45,34,429.63	39,51,393.92
Liabilities*	38,02,976.51	32,79,382.43	4,77,577.94	4,40,004.06	42,80,554.44	37,19,386.49

# For the year ended 31<sup>st</sup> March, 2021.

\* As at 31<sup>st</sup> March, 2021.

**d) Accounting Standard – 18 “Related Party Disclosures”**

**1. Related Parties**

**A. SUBSIDIARIES**

**i. FOREIGN BANKING SUBSIDIARIES**

1. Commercial Indo Bank LLC, Moscow
2. Bank SBI Botswana Limited
3. SBI Canada Bank
4. State Bank of India (California)
5. State Bank of India (UK) Limited
6. SBI (Mauritius) Ltd.
7. PT Bank SBI Indonesia
8. Nepal SBI Bank Ltd.

**ii. DOMESTIC NON-BANKING SUBSIDIARIES**

1. SBI Life Insurance Co. Ltd.
2. SBI General Insurance Co. Ltd.
3. SBI Cards & Payment Services Ltd.
4. SBI Funds Management Pvt. Ltd. (SBIFMPL)
5. SBI Mutual Fund Trustee Co. Pvt. Ltd.
6. SBI Capital Markets Ltd. (SBICAPS)
7. SBICAP Trustee Co. Ltd.
8. SBICAP Ventures Ltd.
9. SBICAP Securities Ltd.
10. SBI Global Factors Ltd.
11. SBI SG – Global Securities Pvt. Ltd.
12. SBI DFHI Ltd.
13. SBI Pension Funds Pvt. Ltd.
14. SBI Payment Services Pvt. Ltd.
15. SBI Infra Management Solutions Pvt. Ltd.
16. SBI Foundation

**iii. FOREIGN NON-BANKING SUBSIDIARIES**

1. SBICAP (Singapore) Ltd.
2. SBI Funds Management (International) Pvt. Ltd.
3. State Bank of India Servicos Limitada, Brazil
4. Nepal SBI Merchant Banking Ltd.
5. SBICAP (UK) Ltd.

**B. JOINTLY CONTROLLED ENTITIES**

1. C-Edge Technologies Ltd.
2. Jio Payments Bank Ltd.
3. SBI Macquarie Infra. Mgt. Pvt. Ltd
4. SBI Maxquarie Infra. Trustee Ltd
5. Macquarie SBI Infra. Mgmt Pvt Lts
6. Macquarie SBI Infra. Trsuttee Ltd
7. Oman India Joint Investment Fund- Management. Company Pvt. Ltd.
8. Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.

**C. ASSOCIATES**

**i. Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Saurashtra Gramin Bank
10. Utkal Grameen Bank
11. Uttarakhand Gramin Bank
12. Jharkhand Rajya Gramin Bank
13. Rajasthan Marudhara Gramin Bank
14. Telangana Grameena Bank

**ii. Others**

1. SBI Home Finance Ltd. (under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.
4. Yes Bank Ltd.

**D. Key Management Personnel of the Bank**

1. Shri Dinesh Kumar Khara, Chairman (from 7<sup>th</sup> October, 2020)
2. Shri Rajnish Kumar, Chairman (upto 6<sup>th</sup> October, 2020)

3. Shri Dinesh Kumar Khara, Managing Director (upto 6<sup>th</sup> October, 2020)
4. Shri C.S. Setty, Managing Director (Retail & Digital Banking)
5. Shri Ashwani Bhatia, Managing Director (Corporate Banking & Global Markets) (from 24<sup>th</sup> August, 2020)
6. Shri Swaminathan Janakiraman, Managing Director (Risk, Compliance and SARG) (from 28<sup>th</sup> January, 2021)
7. Shri Ashwini Kumar Tewari, Managing Director (International Banking, Technology & Subsidiaries) (from 28<sup>th</sup> January, 2021)
8. Shri Arijit Basu, Managing Director (upto 31<sup>st</sup> October, 2020)

## 2. Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are “State-controlled Enterprises” as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

## 3. Transactions and Balances

(₹ in crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>Outstanding as at 31<sup>st</sup> March, 2021</b>			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	1,351.05	-	1,351.05
	(746.45)	(-)	(746.45)
Other Liabilities	7.83	-	7.83
	(0.06)	(-)	(0.06)
Balance with Banks and Money at call and short notice	-	-	-
	(300.00)	(-)	(300.00)
Advance	1,434.76	-	1,434.76
	(113.50)	(-)	(113.50)
Investment	12,520.51	-	12,520.51
	(11,003.36)	(-)	(11,003.36)
Other Assets	150.79	-	150.79
	(212.33)	(-)	(212.33)
Non-fund commitments (LCs/ BGs)	2,935.10	-	2,935.10
	(-)	(-)	(-)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>Maximum outstanding during the year</b>			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	1,541.27	-	1,541.27
	(767.06)	(-)	(767.06)
Other Liabilities	7.83	-	7.83
	(0.06)	(-)	(0.06)
Balance with Banks and Money at call and short notice	-	-	-
	(300.00)	(-)	(300.00)
Advance	17,763.35	-	17,763.35
	(113.50)	(-)	(113.50)
Investment	12,520.51	-	12,520.51
	(11,003.36)	(-)	(11,003.36)
Other Assets	150.79	-	150.79
	(212.33)	(-)	(212.33)
Non-fund commitments (LCs/ BGs)	2,935.10	-	2,935.10
	(-)	(-)	(-)
<b>During the year ended 31<sup>st</sup> March, 2021</b>			
Interest Income	160.52	-	160.52
	(4.89)	(-)	(4.89)
Interest expenditure	18.44	-	18.44
	(0.82)	(-)	(0.82)
Income earned by way of dividend	22.61	-	22.61
	(17.88)	(-)	(17.88)
Other Income	1.00	-	1.00
	(0.74)	(-)	(0.74)
Other expenditure	-	-	-
	(-)	(-)	(-)
Profit/(loss) on sale of land/building and other assets	-	-	-
	(-)	(-)	(-)
Management contracts	-	1.50	1.50
	(-)	(1.38)	(1.38)

Figures in brackets are for Previous Year.

There are no materially significant related party transactions during the year.

## e) Accounting Standard – 19 “Leases”

### Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

(i) Liability for Premises taken on Non-Cancellable operating lease are given below

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Not later than 1 year	61.32	116.77
Later than 1 year and not later than 5 years	109.10	399.69
Later than 5 years	10.57	104.46
<b>Total</b>	<b>180.99</b>	<b>620.92</b>

(ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹3,360.58 crore (₹ 3,338.32 crore).

**f) Accounting Standard -20 “Earnings per Share”**

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - “Earnings per Share”. “Basic earnings” per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
<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)	20,410.47	14,488.11
Basic earnings per share (₹)	22.87	16.23
Diluted earnings per share (₹)	22.87	16.23
Nominal value per share (₹)	1	1

**g) Accounting Standard – 22 “Accounting for Taxes on Income”**

**a. Current Tax :-**

During the year the Bank has debited to Profit & Loss Account ₹10,760.88 crore (Previous Year ₹ 3,063.67 crore) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

**b. Deferred Tax :-**

During the year, ₹ 3,630.23 crore has been credited to Profit and Loss Account (Previous Year debit ₹ 7,510.99 crore) on account of deferred tax.

The Bank has a net DTA of ₹ 6,556.81 crore (Previous Year net DTA of ₹ 2,927.28 crore), which comprises of DTL of ₹ 2.46 crore (Previous Year ₹ 6.16 crore) included under ‘Other Liabilities and Provisions’ and Deferred Tax Assets (DTA) of ₹ 6,559.27 crore (Previous Year ₹ 2,933.44 crore) included under ‘Other Assets’. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Deferred Tax Assets (DTA)</b>		
Provision for long term employee Benefits	7,918.85	6,425.50
Provision for advances	3,691.83	2,757.68
Provision for Other Assets/Other Liability	3,115.57	665.72
On Accumulated losses (including erstwhile ABs)	-	-
On Foreign Currency Translation Reserve	759.10	809.99
Depreciation on Fixed Assets	199.52	116.18
On account of Foreign Offices	275.67	253.17
<b>Total</b>	<b>15,960.54</b>	<b>11,028.24</b>
<b>Deferred Tax Liabilities (DTL)</b>		
Interest accrued but not due on Securities	5,744.73	4,563.17
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,656.53	3,531.63
On account of Foreign Offices	2.46	6.16
<b>Total</b>	<b>9,403.72</b>	<b>8,100.96</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>6,556.82</b>	<b>2,927.28</b>

- c) While recognising provision for income tax for the year ended 31<sup>st</sup> March 2020, the Bank had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Bank had re-measured its Deferred Tax Assets based on the tax rate prescribed in the said section and has reversed the MAT credit no longer available to it. The impact of these changes was a one-time charge of ₹ 3,392.31 crore in the year ended 31<sup>st</sup> March 2020.

**h) Accounting Standard – 27 “Financial Reporting of interests in Joint Ventures”**

Investments include ₹ 97.66 crore (Previous Year ₹ 97.66 crore) representing Bank's interest in the following jointly controlled entities.

Sr. No	Name of the Company	Amount ₹ in crore	Country of Residence	Holding %
1	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
4	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
5	Macquarie SBI Infrastructure Trustee Ltd. #	- (-)	Bermuda	45%
6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
7	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%
8	Jio Payments Bank	69.60 (69.60)	India	30%

# Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.

(Figures in brackets relate to previous year)



As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Liabilities</b>		
Capital & Reserves	227.35	242.72
Deposits	5.22	6.25
Borrowings	2.92	-
Other Liabilities & Provisions	55.51	59.47
<b>Total</b>	<b>291.00</b>	<b>308.44</b>
<b>Assets</b>		
Cash and Balances with RBI	2.15	1.28
Balances with Banks and money at call and short notice	132.12	88.68
Investments	67.77	104.74
Advances	-	-
Fixed Assets	18.77	32.19
Other Assets	70.20	81.55
<b>Total</b>	<b>291.00</b>	<b>308.44</b>
Capital Commitments	-	-
Other Contingent Liabilities	2.10	0.56
<b>Income</b>		
Interest earned	7.98	9.75
Other income	164.29	184.37
<b>Total</b>	<b>172.27</b>	<b>194.12</b>
<b>Expenditure</b>		
Interest expended	3.42	0.28
Operating expenses	153.99	133.69
Provisions & contingencies	13.16	14.70
<b>Total</b>	<b>167.19</b>	<b>148.67</b>
<b>Profit</b>	<b>5.08</b>	<b>45.45</b>

i) **Accounting Standards – 28 “Impairment of Assets”**

In the opinion of the Bank's Management, there is no indication of impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.

j) **Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”**

Description of Contingent liabilities:

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Bank is contingently liable	The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

k) **Movement of provisions against Contingent Liabilities**

The movement of provisions against contingent liabilities given in the table below:

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	628.62	525.26
Additions during the year	2,981.22	137.17
Amount utilised during the year	68.45	5.30
Unused amount reversed during the year	111.41	28.51
<b>Closing balance</b>	<b>3,429.98</b>	<b>628.62</b>

**18.10. Additional Disclosures****1. Provisions and Contingencies**

The breakup of provisions is given in the table below :

(₹ in crore)

<b>Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account</b>	<b>Current Year</b>	<b>Previous Year</b>
Provision for Taxation		
- Current Tax	10,760.88	2,803.14
- Deferred Tax	-3,630.23	7,510.99
- Write Back/Additional Provision of Income Tax	-	260.53
Provision for Depreciation on Investments	3,014.50	538.55
Provision on Non-Performing Assets	27,269.95	42,997.50
Provision on Restructured Assets	(-) 25.60	(-) 221.54
Provision on Standard Assets	3,789.78	(-) 877.40
Other Provisions	9,964.41	632.73
<b>Total</b>	<b>51,143.68</b>	<b>53,644.50</b>

**2. Floating Provisions**

(₹ in crore)

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Opening Balance	193.75	193.75
Addition during the year	-	-
Draw down during the year	-	-
Closing Balance	193.75	193.75

**3. Draw down from Reserves**

During the year, there has been no draw down from the reserves.

**4. Disclosure of complaints**

**Enhanced disclosures to be made by banks on complaints and grievance redress**

**Summary information on complaints received by the bank from customers and from the OBOs**

<b>SR. No</b>	<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
<b>Complaints received by the bank from its customers</b>			
1	Number of complaints pending at beginning of the year	1,76,057	1,39,029
2	Number of complaints received during the year	31,31,509	38,08,400
3	Number of complaints disposed during the year	31,61,286	37,71,372
3.1	Of which, number of complaints rejected by the bank	1,20,191	1,48,436
4	Number of complaints pending at the end of the year	1,46,280	1,76,057
<b>Maintainable complaints received by the bank from OBOs</b>			
5	Number of maintainable complaints received by the bank from OBOs	58,956	53,083
5.1	Of 5, number of complaints resolved in favour of the bank by Bos	54,680@	39,342
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Bos	12,024@	7,065
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	6	15
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	4

@includes 9128 complaints pending as on April 1, 2020

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.

Top five grounds of complaints received by the bank from customers					
Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year - 2020-21</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>
<b>Previous Year - 2019-20</b>					
ATM/ Debit Card	1,07,785	27,03,608	-15.31	1,14,230	69,973
INB/ MB	27,753	6,30,611	79.83	51,819	29,942
Bank Charges levied	2,166	31,871	1,225.2	667	71
Operation of accounts	672	17,931	2,796.77	585	128
Cheque Book related	274	4,546	1,056.74	73	7
Others	379	4,19,833	-37.81	8,683	55
<b>Total</b>	<b>1,39,029</b>	<b>38,08,400</b>	<b>-9.77</b>	<b>1,76,057</b>	<b>1,00,176</b>

**5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006**

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

**6. Letter of Comfort**

The Bank has not issued any letter of comfort which are not recorded as contingent liabilities during the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

**7. Provisioning Coverage Ratio (PCR):**

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

**8. Fees/remuneration received in respect of the bancassurance business**

(₹ in crore)

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	1,239.75	1,116.93
SBI General Insurance Co. Ltd.	327.39	314.52
NTUC and Manu life Financial Limited	0.83	0.86
Tokio Marine and ACE	1.52	2.31
Unit Trust and LIC	0.22	0.35
AIA Singapore	0.06	1.12
IFAST	0.17	-
<b>TOTAL</b>	<b>1,569.95</b>	<b>1,436.09</b>

## 9. Concentration of Deposits, Advances, Exposures & NPAs (computed as per directions of RBI)

### a) Concentration of Deposits

(₹ in crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	1,36,577.00	95,385.85
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.71%	2.94%

### b) Concentration of Advances

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	3,15,554.46	3,10,707.52
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	12.43%	12.82%

### c) Concentration of Exposures

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	4,35,690.45	5,25,714.23
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	10.63%	13.93%

### d) Concentration of NPAs

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	25,101.40	25,880.11

## 10. Sector – wise Advances

(₹ in crore)

Sr. No.	Sector	Current Year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture & allied activities	2,12,818.77	32,392.47	15.22	2,04,185.71	32,558.27	15.95
2	Industry (Micro & Small, Medium and Large)	92,993.76	11,206.95	12.05	1,01,080.54	18,738.88	18.54
3	Services	1,22,088.06	10,198.53	8.35	83,870.61	5,289.20	6.31
4	Personal Loans	1,71,541.16	2,352.84	1.37	1,66,800.34	3,131.18	1.88
	<b>Sub-total (A)</b>	<b>5,99,441.75</b>	<b>56,150.79</b>	<b>9.37</b>	<b>5,55,937.20</b>	<b>59,717.53</b>	<b>10.74</b>
<b>B</b>	<b>Non Priority Sector</b>						
1	Agriculture & allied activities	1,562.08	205.85	13.18	2235.29	229.81	10.28
2	Industry (Micro & Small, Medium and Large)	6,78,089.82	47,770.41	7.04	10,54,285.42	74,644.63	7.08
3	Services	5,60,186.39	17,636.56	3.15	2,21,642.21	9,686.06	4.37
4	Personal Loans	7,00,113.23	4,625.41	0.66	5,88,744.65	4,813.82	0.82
	<b>Sub-total (B)</b>	<b>19,39,951.52</b>	<b>70,238.23</b>	<b>3.62</b>	<b>18,66,907.57</b>	<b>89,374.32</b>	<b>4.79</b>
<b>C</b>	<b>Total (A+B)</b>	<b>25,39,393.27</b>	<b>1,26,389.02</b>	<b>4.98</b>	<b>24,22,844.77</b>	<b>1,49,091.85</b>	<b>6.15</b>

**11. Overseas Assets, NPAs and Revenue**

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	4,77,577.94	4,40,004.06
2	Total NPAs (Gross)	2,426.10	1,650.16
3	Total Revenue	9,918.98	14,842.84

**12. Off-balance Sheet SPVs sponsored**

Name of the SPVs Sponsored	Domestic	Overseas
Current Year	Nil	Nil
Previous Year	Nil	Nil

**13. Disclosure relating to Securitisation**

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		Number	Amount	Number	Amount
1.	No. of the SPVs sponsored by the Bank for securitization transactions	Nil	Nil	Nil	Nil
2.	Total amount of securitized assets as per the books of the SPVs sponsored by the bank	Nil	Nil	Nil	Nil
3.	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				
4.	Amount of exposures to securitisation transactions other than MMR	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
	b) On-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				

**14. Credit Default Swaps**

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
1.	No. of transactions during the year	Nil	Nil	Nil	Nil
	a) of which transactions that are/may be physically settled				
	b) cash settled				
2.	Amount of protection bought / sold during the year	Nil	Nil	Nil	Nil
	a) of which transactions which are/ may be physically settled				
	b) cash settled				
3.	No. of transactions where credit event payment was received / made during the year	Nil	Nil	Nil	Nil
	a) pertaining to current year's transactions				
	b) pertaining to previous year(s)' transactions				
4.	Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date:	Nil	Nil	Nil	Nil
	a) premium paid / received				
	b) Credit event payments:				
	• made (net of the value of assets realised)				
	• received (net of value of deliverable obligation)				
5.	Outstanding transactions as on 31 <sup>st</sup> March:	Nil	Nil	Nil	Nil
	a) No. of Transactions				
	b) Amount of protection				
6.	Highest level of outstanding transactions during the year:	Nil	Nil	Nil	Nil
	a) No. of Transactions (as on 1 <sup>st</sup> April)				
	b) Amount of protection (as on 1 <sup>st</sup> April)				

**15. Intra-Group Exposures:**

(₹ in crore)

Sr. No	Particulars	Current Year	Previous Year
i	Total amount of intra-group exposures	41,268.96	32,578.25
ii	Total amount of top-20 intra-group exposures	41,263.80	32,577.04
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	1.01%	0.86%
iv	Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

**16. Unclaimed Liabilities transferred to Depositor Education and Awareness Fund (DEA Fund)**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	3,387.65	2,852.66
Add : Amounts transferred to DEA Fund during the year	267.30	557.22
Less : Amounts reimbursed by DEA Fund towards claims	18.54	22.23
Closing balance of amounts transferred to DEA Fund	3,636.41	3,387.65

**17. Unhedged Foreign Currency Exposure**

The Bank in accordance with RBI Circular No. DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15<sup>th</sup> January 2014 on 'Capital and Provisioning Requirements for Exposure to entities has provided for Unhedged Foreign Currency Exposure'.

An amount of ₹ 116.40 crore (Previous Year ₹ 108.84 crore) was held as on 31<sup>st</sup> March 2021 towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounts to ₹ 121.71 crore (Previous Year ₹ 28.54 crore).

- 18.** In accordance with instructions contained in RBI circulars dated March 27, 2020 and May 23, 2020, the Bank has extended the moratorium to all borrowers of all segments. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, provisioning in respect of COVID -19 Regulatory Package is as below :-

(₹ in crore)

Particulars	Amount
Respective amounts, where the moratorium/deferment was extended (O/s as on August 31, 2020) [As a default option, Bank extended this moratorium benefit to all eligible customers]	8,21,163.83
Respective amount where asset classification benefits is extended (O/s as on August 31, 2020)	11,357.78
Provisions made during the Q4FY2020	1,172.00
Provisions made during the Q1FY2021	1,836.00
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil
Residual provision as on March 31, 2021 (includes ₹ 3,338.00 crore provided in Q3 and Q4 of FY 2020-21)	6,346.00

**19. Liquidity Coverage Ratio (LCR):****a) Standalone LCR**

Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR has been defined as :

$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

Liquid assets comprise of high quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively. The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.



## Quantitative Disclosure:

(₹ in crore)

LIQUIDITY COVERAGE RATIO										
State Bank of India										INR in Crs
	Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended Sept 30, 2020		Quarter ended June 30, 2020		Quarter ended March 31, 2020	
LCR COMPONENTS	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>										
1 Total High Quality Liquid Assets(HQLA)		1,165,122		1,164,328		1,125,701		1,079,947		892,622
<b>CASH OUTFLOWS</b>										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	829,333	41,467	822,785	41,139	508,658	25,433	324,280	16,214	315,743	15,787
(ii) Less Stable Deposits	1,747,243	174,724	1,700,856	170,086	1,997,360	199,736	2,158,744	215,874	2,030,618	203,062
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	781	195	821	205	828	207	788	197	757	189
(ii) Non-operational deposits (all counterparties)	883,699	541,738	830,749	504,707	806,917	490,491	820,911	492,004	727,791	442,254
(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4 Secured wholesale funding	139,993	1,372	18,524	1,290	3,687	3,252	7,036	6,987	1,652	18
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	152,989	152,989	139,059	139,059	131,847	131,847	118,168	118,168	156,235	156,235
(ii) Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0
(iii) Credit and liquidity facilities	43,125	7,326	44,632	7,105	40,845	6,639	38,630	5,837	42,467	6,050
6 Other contractual funding obligations	39,215	39,215	35,424	35,424	32,992	32,992	44,756	44,756	34,641	34,641
7 Other contingent funding obligations	610,132	22,007	597,353	21,458	587,042	21,215	554,361	20,004	556,385	19,965
8 TOTAL CASH OUTFLOWS	4,446,513	981,034	4,190,202	920,473	4,110,176	911,812	4,067,674	920,042	3,866,288	878,200
<b>CASH INFLOWS</b>										
9 Secured lending(eg. Reverse repos)	146,720	0	52,142	0	47,130	0	159,755	0	48,756	0
10 Inflows from fully performing exposures	236,691	211,019	233,920	207,843	182,108	172,677	186,218	174,736	241,553	221,788
11 Other cash inflows	41,962	35,399	33,674	29,632	37,666	31,934	34,734	30,101	42,453	34,750
12 TOTAL CASH INFLOWS	425,373	246,418	319,735	237,474	266,904	204,611	380,707	204,837	332,762	256,538
13 TOTAL HQLA		1,165,122		1,164,328		1,125,701		1,079,947		892,622
14 TOTAL NET CASH OUTFLOWS		734,616		682,999		707,201		715,205		621,662
15 LIQUIDITY COVERAGE RATIO(%)		158.60%		170.47%		159.18%		151.00%		143.59%

Note : In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1<sup>st</sup> January 2017 and taking 69 days data points for the quarter January-March 2021.

Bank's LCR comes to 158.60% based on daily average of three months (Q4 FY20-21) and is above the minimum regulatory requirement of 90% (RBI reduced the minimum benchmark temporarily from 100% to 90% to contain effect of covid threat in Banking). Average HQLA held during the quarter was ₹ 11,65,122 crore, of which, Level 1 assets constituted 95.29% of total HQLA. Government securities constituted 96.63% of Total Level 1 Assets. Level 2A Assets constitutes 4.24% of total HQLA and Level 2B assets constitutes 0.47% of total HQLA. During the quarter, the HQLA level has remained flat from previous quarter. The weighted net cash outflow position has gone up by ₹ 51,617 crore on account of increase in deposits from customers classified under retail as well as wholesale segment. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was 326.52% on average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

#### **b. Consolidated LCR**

The RBI through a supplementary guideline issued on 31<sup>st</sup> March 2015 had stipulated the implementation of LCR at a consolidated level from 1<sup>st</sup> January 2016. Accordingly, SBI Group has been computing the Consolidated LCR.

The entities covered in the Group LCR are State Bank of India and eight Overseas Banking Subsidiaries: Bank SBI Botswana Ltd, Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, SBI (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group LCR comes out to 159.06% as on 31<sup>st</sup> March, 2021 based on average of three months January, February and March, 2021.

(₹ in crore)

GROUP LCR DISCLOSURE TEMPLATE AS ON QUARTER ENDED 31.03.2021 (January-March, 2021)										
GROUP LIQUIDITY COVERAGE RATIO										
State Bank of India Group										
(INR in Crs)										
	Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended September 30, 2020		Quarter ended June 30, 2020		Quarter ended March 31, 2020	
LCR Components	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>High Quality Liquid Assets</b>										
1 Total High Quality Liquid Assets(HQLA)		1,171,796		1,169,918		1,131,835		1,085,295		897,905
<b>Cash Outflows</b>										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	837,619	41,881	830,700	41,535	514,395	25,720	331,542	16,577	323,204	16,160
(ii) Less Stable Deposits	1,758,476	175,848	1,711,877	171,188	2,005,385	200,539	2,168,538	216,854	2,039,846	203,985
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	920	230	970	242	965	241	1,049	262	882	220
(ii) Non-operational deposits(all counterparties)	886,157	543,301	832,914	506,169	809,090	492,092	822,780	493,240	729,630	443,520
(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4 Secured wholesale funding	140,383	1,428	19,026	1,423	4,360	3,555	7,828	7,401	1,721	87
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	153,055	153,055	139,060	139,060	131,849	131,849	118,217	118,217	156,243	156,243
(ii) Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0
(iii) Credit and liquidity facilities	44,886	8,251	46,850	8,571	43,131	8,122	40,442	6,931	44,002	7,007
6 Other contractual funding obligations	40,907	40,907	36,392	36,392	33,887	33,887	45,669	45,669	36,069	36,069
7 Other contingent funding obligations	612,100	22,068	599,237	21,516	588,797	21,269	556,140	20,059	558,222	20,021
8 TOTAL CASH OUTFLOWS	4,474,505	986,968	4,217,026	926,096	4,131,858	917,273	4,092,204	925,210	3,889,820	883,313
<b>Cash Inflows</b>										
9 Secured lending(eg. Reverse repos)	146,720	0	52,142	0	47,130	0	159,755	0	48,756	0
10 Inflows from fully performing exposures	242,807	214,517	239,745	210,989	187,445	175,757	191,340	177,579	246,736	224,450
11 Other cash inflows	42,301	35,739	34,012	29,970	37,980	32,247	34,965	30,325	43,430	35,712
12 Total Cash Inflows	431,828	250,255	325,899	240,959	272,555	208,005	386,059	207,904	338,922	260,162
13 TOTAL HQLA		1,171,796		1,169,918		1,131,835		1,085,295		897,905
14 TOTAL NET CASH OUTFLOWS		736,713		685,137		709,269		717,306		623,152
15 LIQUIDITY COVERAGE RATIO(%)		159.06%		170.76%		159.58%		151.30%		144.09%

\*\* Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

The Group has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

## 20. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 10,085.92 crore in 5,724 cases (Previous year ₹ 44,622.45 crore in 6,964 cases) reported during the year, an amount of ₹ 9,963.24 crore in 660 cases (Previous year ₹ 44,419.46 crore in 651 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31<sup>st</sup> March, 2021 in respect of frauds reported during the year.

## 21. Inter Office Accounts

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

## 22. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 10.50 crore (Previous Year ₹ 0.84 crore) has been fully charged in the current year.

## 23. Priority Sector Lending Certificate (PSLC)

The Bank has purchased the following PSLCs during the year:-

(₹ in crore)

Sr. No.	Category	Current Year	Previous Year
1.	PSLC Micro Enterprises	37,405.25	47,525.75
2.	PSLC Agriculture	14,883.50	-
3.	PSLC General	10,050.00	30,451.25
4.	PSLC Small and Marginal Farmers	63,442.50	9,352.00
<b>Total</b>		<b>1,25,781.25</b>	<b>87,329.00</b>

The Bank did not sell any PSLC during the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

## 24. Counter Cyclical Provisioning Buffer (CCPB)

RBIvideCircularNo.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.

## 25. As per RBI letter no. DBR No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 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 ₹ 4,479 crore (100% of total outstanding) as on 31<sup>st</sup> March, 2021 (Previous Year ₹ 5,761.46 crore {93.53% of total outstanding})

## 26. Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes:-

- ₹ 1,539.73 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd. (Previous year ₹ 3,484.30 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd. and ₹ 2,731.34 crore on sale of certain portion of investment in bank's subsidiary SBI Cards & Payment Services Limited)

## 27. Resolution of Stressed Assets

In terms of RBI circular DOR. No. BP/BC/3/21.04.048/2020-21 dated 6<sup>th</sup> August 2020, the detailed requirement as per Resolution Framework for COVID-19 related Stress during the year is :

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan (in crore)	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	13,056	2,761.74	-	-	-
Corporate persons*	42,561	2,554.53	-	64.45	1,120.57
of which, MSMEs	42,555	1,779.35	-	-	33.91
Others	-	-	-	-	-
<b>Total</b>	<b>55,617</b>	<b>5,316.27</b>	<b>-</b>	<b>64.45</b>	<b>1,120.57</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

- 28.** The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities and increase in movement in financial markets. In this situation, Bank is gearing up itself on all fronts to meet the challenges. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their obligations against the loans timely. The bank is proactively providing against the challenges of likely stress on the bank's assets. A definitive assessment of the impact of COVID-19 is dependent upon circumstances as they evolve in the subsequent period.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated March 27, 2020, subsequent notifications dated April 17, 2020 and May 23, 2020 has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, includes Rescheduling of Payments –Term Loans and Working capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc.

The bank has proactively made an additional provision towards the possible impact of COVID-19 pandemic, on the basis of the evaluation and assessment done with reference to the information now available and analysis made thereon. The said provision is in addition to the provisions held as per RBI guidelines as regards loan loss provisions. On the basis of above-mentioned assessment, Bank's management is not expecting any significant impact on Bank's liquidity or profitability.

- 29.** To ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated March 23, 2021, directed that there shall not be any charge of interest on interest / compound interest / penal interest for the period during the moratorium from March 1, 2020 to August 31, 2020 and such interest shall be refunded to the concerned borrowers to be given credit / adjusted in the next instalment of the loan amount. Accordingly, Bank has reversed interest income by ₹ 830 crore during the year ended March 31, 2021.
- 30.** In terms of RBI Circular RBI/2015-16/376 DBR. No. BP/BC.92/21.04.048/2015-16 dated April 18, 2016 during quarter ended March 31, 2020, in respect of advance account declared as fraud, the Bank had chosen to provide for the fraud over four quarters as permitted by RBI. However, the Bank has provided the entire balance amount of ₹ 5,230.37 Crore as on March 31, 2020 in the first quarter of year ended March 31, 2021.
- 31.** The Bank has revalued immovable properties on June 30, 2019 based on reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on March 31, 2021, (net of amount transferred to General Reserve) is ₹ 23,577.35 crore (Previous year ₹ 23,762.67 crore).
- 32.** During the year, the Bank has accounted for ₹ 5,353.50 crore arising out of 11<sup>th</sup> Bi-Partite Wage Settlement effective from November 1, 2017.
- 33.** The Central Board has declared a dividend of ₹4 per share @ 400% for the year ended March 31, 2021.
- 34.** Previous year figures have been regrouped/ reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

# State Bank of India

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2021

(000s omitted)

Particulars	Year ended 31.03.2021 (FY20-21) ₹	Year ended 31.03.2020 (FY19-20) ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/ (Loss) before Taxes	27541,11,61	25062,76,50
<b>Adjustments for:</b>		
Depreciation on Fixed Assets	3317,55,25	3303,81,33
(Profit)/Loss on sale of Fixed Assets (Net)	28,58,17	28,37,38
(Profit)/Loss on revaluation of Investments (Net)	-	-
(Profit)/Loss on sale of investments in Subsidiaries / Joint Ventures / Associates	(1539,73,30)	(6215,64,59)
Provision for diminution in fair value & Non Performing Assets	27244,35,02	42775,96,26
Provision on Standard Assets	3789,78,38	(877,40,17)
Provision for depreciation on investments	3014,49,66	538,55,05
Other provisions including provision for contingencies	9964,40,51	632,73,80
Income from investment in Subsidiaries / Joint Ventures / Associates	(642,86,22)	(212,03,35)
Interest paid on Capital Instruments	5782,51,98	4781,23,16
	78500,21,06	69818,35,37
<b>Adjustments for:</b>		
Increase/(Decrease) in Deposits	439656,34,53	330234,72,36
Increase/ (Decrease) in Borrowings other than Capital Instruments	92135,53,47	(96690,16,61)
(Increase)/ Decrease in Investments other than investments in Subsidiaries/Joint Ventures/Associates	(305564,41,58)	(74335,04,91)
(Increase)/ Decrease in Advances	(151452,58,06)	(182188,60,56)
Increase/ (Decrease) in Other Liabilities	16516,35,43	13206,59,82
(Increase)/ Decrease in Other Assets	(77531,38,47)	(21255,66,60)
	92260,06,38	38790,18,87
Tax refund/ (Taxes paid )	(2394,52,46)	(13102,32,71)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES A</b>	<b>89865,53,92</b>	<b>25687,86,16</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net (Increase)/ Decrease in Investments in Subsidiaries/Joint Ventures/ Associates	(2200,76,84)	(6136,07,14)
Net Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates	1539,73,30	6215,64,59
Income from investment in Subsidiaries / Joint Ventures / Associates	642,86,22	212,03,35
Net (Increase)/ Decrease in Fixed Assets	(3336,08,64)	(3268,37,96)
<b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES B</b>	<b>(3354,25,96)</b>	<b>(2976,77,16)</b>

(000s omitted)

Particulars	Year ended 31.03.2021 (FY20-21) ₹	Year ended 31.03.2020 (FY19-20) ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	-	-
Net Issue/(redemption) of Capital Instruments (NET)	10583,16,20	8133,40,00
Interest on Capital Instruments	(4950,52,99)	(4781,23,16)
Dividends paid	-	-
<b>NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES C</b>	<b>5632,63,21</b>	<b>3352,16,84</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE D</b>	<b>(202,20,77)</b>	<b>2543,63,55</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>	<b>91941,70,40</b>	<b>28606,89,39</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1<sup>ST</sup> APRIL 2020</b>	251097,00,54	222490,11,15
<b>CASH AND CASH EQUIVALENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2021</b>	343038,70,94	251097,00,54
Note:		
1 Components of Cash & Cash Equivalents as at:	<b>31.03.2021</b>	<b>31.03.2020</b>
Cash & Balance with RBI	213201,53,63	166735,77,90
Balances with Banks and money at call & short notice	129837,17,31	84361,22,64
	343038,70,94	251097,00,54
2 Cash Flow from operating activities is reported by using indirect method.		

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

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

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

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

**Directors:**

Shri B. Venugopal  
Dr. Pushpendra Rai  
Dr Ganesh Natarajan  
Shri Mrugank M Paranjape  
Shri Ketan S. Vikamsey  
Shri Sanjeev Maheshwari

**Place:**

Mumbai  
New Delhi  
Pune  
Mumbai  
Mumbai  
Mumbai

**Shri Dinesh Kumar Khara**  
Chairman

**Place: Mumbai**  
**Date : 21<sup>st</sup> May, 2021**

In terms of our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountant

**Alpesh Waghela**  
**Partner : M. No.** 142058  
**Firm Regn. No.** 105049W  
Place : Mumbai

**For N.C. Rajagopal & Co.**  
Chartered Accountants

**V. Chandrasekaran**  
**Partner : M. No.** 024844  
**Firm Regn. No.** 003398S  
Place : Chennai

**For Karnavat & Co.**  
Chartered Accountants

**Viral Joshi**  
**Partner : M. No.** 137686  
**Firm Regn. No.** 104863W  
Place : Mumbai

**For Umamaheswara Rao & Co.**  
Chartered Accountants

**Krishna Sai G. H.**  
**Partner : M. No.** 233399  
**Firm Regn. No.** 004453S  
Place : Hyderabad

**For Guha Nandi & Co.**  
Chartered Accountants

**Dr. B. S. Kundu**  
**Partner : M. No.** 051221  
**Firm Regn. No.** 302039E  
Place : Kolkata

Date: May 21, 2021

**For J.C. Bhalla & Co.**  
Chartered Accountants

**Rajesh Sethi**  
**Partner : M. No.** 085669  
**Firm Regn. No.** 001111N  
Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**  
Chartered Accountants

**A Gopalakrishnan**  
**Partner: M. No.** 018159  
**Firm Regn. No.** 004610S  
Place : Kochi

**For G. P. Agrawal & Co.**  
Chartered Accountants

**Pradeep Kumar Samal**  
**Partner : M. No.** 061353  
**Firm Regn. No.** 302082E  
Place : Mumbai

**For Shah Gupta & Co.**  
Chartered Accountants

**Vipul K Choksi**  
**Partner : M. No.** 37606  
**Firm Regn. No.** 109574W  
Place : Mumbai

**For Prem Gupta & Co.**  
Chartered Accountants

**Prem Behari Gupta**  
**Partner : M. No.** 080245  
**Firm Regn. No.** 000425N  
Place : New Delhi

**For O.P. Totla & Co.**  
Chartered Accountants

**S. R. Totla**  
**Partner : M. No.** 071774  
**Firm Regn. No.** 000734C  
Place : Indore

**For S. K. Kapoor & Co.**  
Chartered Accountants

**V. B. Singh**  
**Partner : M. No.** 073124  
**Firm Regn. No.** 000745C  
Place : Kanpur

**For SCV & Co. LLP**  
Chartered Accountants

**Rajiv Puri**  
**Partner : M. No.** 084318  
**Firm Regn. No.** 000235N/N500089  
Place : New Delhi

**For ASA & Associates LLP**  
Chartered Accountants

**Parveen Kumar**  
**Partner : M. No.** 088810  
**Firm Regn. No.** 009571N/N500006  
Place : New Delhi



# INDEPENDENT AUDITORS' REPORT

To

The President of India

## REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OF STATE BANK OF INDIA

### Opinion

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2021, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

- i. The Central offices, 17 Local Head offices, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;
- ii. 10766 Indian branches audited by respective Statutory Branch Auditors;
- iii. 34 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 13965 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 9.63% of advances, 23.89% of deposits, 11.55% of interest income and 22.72% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 in the manner so required for the Bank and are in conformity with accounting principles generally accepted in

India and give a –

- a) true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at March 31, 2021;
- b) true balance of profit in case of the Profit and Loss Account for the year ended on that date; and
- c) true and fair view of the cash flows, in case of the Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

3. We draw attention to Note No. 18.10 (28) of Schedule 18 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

**Our opinion is not modified in respect of this matter.**

### Key Audit Matters

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following</p> <p>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;</p>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Advances constitute 54.02 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non- performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non- performing.</p> <p>Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software .</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances</p>	<p>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;</p> <p>c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</p> <p>d. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof.</p> <p>e. We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</p> <p>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.</p> <p>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.</p> <p>h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</p> <p>i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</p>
ii	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 29.81 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</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> <p>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;</p> <p>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</p> <p>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;</p>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments</p>	<p>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</p> <p>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;</p> <p>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.</p>
iii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.9 (j) 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> <p>a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</p> <p>b. Understanding the current status of the litigations/tax assessments;</p> <p>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</p> <p>d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</p> <p>e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</p> <p>f. Verification of disclosures related to significant litigations and taxation matters.</p>
iv	<p>Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic:</p> <p>Due to the continuing COVID-19 pandemic, lockdown declared by some of the State Governments and travel restrictions imposed by State Governments / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/ Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, either fully or partially, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Accordingly, we modified our audit procedures for control testing and substantive testing which included the following:</p> <ol style="list-style-type: none"> <li>Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible.</li> <li>Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.</li> <li>Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</li> <li>Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.</li> </ol>

#### Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the Other Information. The Other Information comprises the Corporate Governance Report which we obtained at the time of issue of this report. The Other Information also includes Directors' Report including annexures in Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' Report, including annexures in Annual Report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above mentioned Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Standalone Financial Statements



7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider

quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

8. We did not audit the financial statements / information of 10842 branches included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹ 34,44,485 crore at March 31, 2021 and total revenue of ₹ 2,83,673 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

#### Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraphs 6 and 7 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were

necessary for the purposes of our audit and have found them to be satisfactory;

- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- c) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
- d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

Our report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls over Financial Reporting is given in Annexure – A to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31<sup>st</sup> March, 2021.

**For Khandelwal Jain & Co.**

Chartered Accountant

**Alpesh Waghela****Partner : M. No.** 142058**Firm Regn. No.** 105049W

UDIN: 21142058AAAAABE1120

Place : Mumbai

**For N.C. Rajagopal & Co.**

Chartered Accountants

**V. Chandrasekaran****Partner : M. No.** 024844**Firm Regn. No.** 003398S

UDIN: 21024844AAAAADT9538

Place : Chennai

**For Karnavat & Co.**

Chartered Accountants

**Viral Joshi****Partner : M. No.** 137686**Firm Regn. No.** 104863W

UDIN: 21137686AAAAAFM3076

Place : Mumbai

**For Umamaheswara Rao & Co.**

Chartered Accountants

**Krishna Sai G. H.****Partner : M. No.** 233399**Firm Regn. No.** 004453S

UDIN: 21233399AAAAACR3981

Place : Hyderabad

**For Guha Nandi & Co.**

Chartered Accountants

**Dr. B. S. Kundu****Partner : M. No.** 051221**Firm Regn. No.** 302039E

UDIN: 21051221AAAAAS1521

Place : Kolkata

**For J.C. Bhalla & Co.**

Chartered Accountants

**Rajesh Sethi****Partner : M. No.** 085669**Firm Regn. No.** 001111N

UDIN: 21085669AAAAACE6795

Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**

Chartered Accountants

**A Gopalakrishnan****Partner: M. No.** 018159**Firm Regn. No.** 004610S

UDIN: 21018159AAAAAF3469

Place : Kochi

**For G. P. Agrawal & Co.**

Chartered Accountants

**Pradeep Kumar Samal****Partner : M. No.** 061353**Firm Regn. No.** 302082E

UDIN: 21061353AAAAABN8991

Place : Mumbai

**For Shah Gupta & Co.**

Chartered Accountants

**Vipul K Choksi****Partner : M. No.** 37606**Firm Regn. No.** 109574W

UDIN: 21037606AAAAABQ5184

Place : Mumbai

**For Prem Gupta & Co.**

Chartered Accountants

**Prem Behari Gupta****Partner : M. No.** 080245**Firm Regn. No.** 000425N

UDIN: 21080245AAAAAH9049

Place : New Delhi

**For O.P. Totla & Co.**

Chartered Accountants

**S. R. Totla****Partner : M. No.** 071774**Firm Regn. No.** 000734C

UDIN: 21071774AAAAAAL5810

Place : Indore

**For S. K. Kapoor & Co.**

Chartered Accountants

**V. B. Singh****Partner : M. No.** 073124**Firm Regn. No.** 000745C

UDIN: 21073124AAAAACR7419

Place : Kanpur

**For SCV & Co. LLP**

Chartered Accountants

**Rajiv Puri****Partner : M. No.** 084318**Firm Regn.No.** 000235N/N500089

UDIN: 21084318AAAAABR6227

Place : New Delhi

**For ASA & Associates LLP**

Chartered Accountants

**Parveen Kumar****Partner : M. No.** 088810**Firm Regn. No.** 009571N/N500006

UDIN: 21088810AAAAABW4076

Place : New Delhi

Date: May 21, 2021

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 11(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)  
Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the “RBI”) Letter  
DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the “RBI communication”)**

We have audited the internal financial controls over financial reporting of State Bank of India (“the Bank”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank’s branches.

### **Management’s Responsibility for Internal Financial Controls**

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Bank’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on “the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI”.

### **Other Matters**

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting of 576 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.



**For Khandelwal Jain & Co.**

Chartered Accountant

**Alpesh Waghela****Partner : M. No.** 142058**Firm Regn. No.** 105049W

UDIN: 21142058AAAAABE1120

Place : Mumbai

**For N.C. Rajagopal & Co.**

Chartered Accountants

**V. Chandrasekaran****Partner : M. No.** 024844**Firm Regn. No.** 003398S

UDIN: 21024844AAAAADT9538

Place : Chennai

**For Karnavat & Co.**

Chartered Accountants

**Viral Joshi****Partner : M. No.** 137686**Firm Regn. No.** 104863W

UDIN: 21137686AAAAAFM3076

Place : Mumbai

**For Umamaheswara Rao & Co.**

Chartered Accountants

**Krishna Sai G. H.****Partner : M. No.** 233399**Firm Regn. No.** 004453S

UDIN: 21233399AAAAACR3981

Place : Hyderabad

**For Guha Nandi & Co.**

Chartered Accountants

**Dr. B. S. Kundu****Partner : M. No.** 051221**Firm Regn. No.** 302039E

UDIN: 21051221AAAAAS1521

Place : Kolkata

**For J.C. Bhalla & Co.**

Chartered Accountants

**Rajesh Sethi****Partner : M. No.** 085669**Firm Regn. No.** 001111N

UDIN: 21085669AAAAACE6795

Place : New Delhi

**For K. Venkatachalam Aiyer & Co.**

Chartered Accountants

**A Gopalakrishnan****Partner: M. No.** 018159**Firm Regn. No.** 004610S

UDIN: 21018159AAAAAF3469

Place : Kochi

**For G. P. Agrawal & Co.**

Chartered Accountants

**Pradeep Kumar Samal****Partner : M. No.** 061353**Firm Regn. No.** 302082E

UDIN: 21061353AAAAABN8991

Place : Mumbai

**For Shah Gupta & Co.**

Chartered Accountants

**Vipul K Choksi****Partner : M. No.** 37606**Firm Regn. No.** 109574W

UDIN: 21037606AAAAABQ5184

Place : Mumbai

**For Prem Gupta & Co.**

Chartered Accountants

**Prem Behari Gupta****Partner : M. No.** 080245**Firm Regn. No.** 000425N

UDIN: 21080245AAAAAH9049

Place : New Delhi

**For O.P. Totla & Co.**

Chartered Accountants

**S. R. Totla****Partner : M. No.** 071774**Firm Regn. No.** 000734C

UDIN: 21071774AAAAAAL5810

Place : Indore

**For S. K. Kapoor & Co.**

Chartered Accountants

**V. B. Singh****Partner : M. No.** 073124**Firm Regn. No.** 000745C

UDIN: 21073124AAAAACR7419

Place : Kanpur

**For SCV & Co. LLP**

Chartered Accountants

**Rajiv Puri****Partner : M. No.** 084318**Firm Regn.No.** 000235N/N500089

UDIN: 21084318AAAAABR6227

Place : New Delhi

**For ASA & Associates LLP**

Chartered Accountants

**Parveen Kumar****Partner : M. No.** 088810**Firm Regn. No.** 009571N/N500006

UDIN: 21088810AAAAABW4076

Place : New Delhi

Date: May 21, 2021

# State Bank of India

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021

(000s omitted)

	Schedule No.	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	274669,09,88	250167,66,30
Minority Interest		9625,91,66	7943,82,20
Deposits	3	3715331,24,17	3274160,62,54
Borrowings	4	433796,20,81	332900,67,03
Other Liabilities and Provisions	5	411303,62,01	331427,10,24
<b>TOTAL</b>		<b>4845618,54,65</b>	<b>4197492,34,43</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	213498,61,59	166968,46,05
Balances with Banks and Money at Call & Short Notice	7	134208,41,98	87346,80,31
Investments	8	1595100,26,64	1228284,27,77
Advances	9	2500598,98,67	2374311,18,12
Fixed Assets	10	40166,78,82	40078,16,81
Other Assets	11	362045,46,95	300503,45,37
<b>TOTAL</b>		<b>4845618,54,65</b>	<b>4197492,34,43</b>
Contingent Liabilities	12	1714239,51,59	1221083,11,09
Bills for Collection		56557,64,31	55790,69,54
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet

**Shri Ashwini Kumar Tewari**

Managing Director  
(IB, T & S)

**Shri Swaminathan J.**

Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**

Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**

Managing Director  
(R & DB)

In term of our Report of even date.

**For Khandelwal Jain & Co.**

**Chartered Accountants**

Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**

Chairman

**Shri Alpesh Waghela**

Partner

Mumbai

Dated 21<sup>st</sup> May 2021

Membership No. : 142058

## Schedules

### Schedule 1 - Capital

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 equity shares of ₹ 1/- each (Previous Year 5000,00,00,000 equity shares of ₹ 1/- each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 892,54,05,164 equity shares of ₹ 1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital : 892,46,11,534 equity shares of ₹ 1/- each (Previous Year 892,46,11,534 equity shares of ₹ 1/- each)	892,46,12	892,46,12
[The above includes 10,97,28,170 equity shares of ₹ 1/- each (Previous Year 11,03,42,880 equity shares of ₹ 1/- each) represented by 1,09,72,817 (Previous Year 1,10,34,288) Global Depository Receipts]		
<b>TOTAL</b>	<b>892,46,12</b>	<b>892,46,12</b>

### Schedule 2 - Reserves & Surplus

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	70882,27,64	66344,10,03
Additions during the year	6287,83,79	4538,17,61
Deductions during the year	-	-
	77170,11,43	70882,27,64
<b>II. Capital Reserves#</b>		
Opening Balance	13943,12,45	9957,28,52
Additions during the year	1491,56,38	3985,83,93
Deductions during the year	-	-
	15434,68,83	13943,12,45
<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
<b>IV. Investment Fluctuation Reserve</b>		
Opening Balance	1119,88,09	-
Additions during the year	1928,19,63	1119,88,09
Deductions during the year	-	-
	3048,07,72	1119,88,09

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>V. Foreign Currency Translation Reserves</b>		
Opening Balance	10224,02,47	7455,38,21
Additions during the year	268,60,67	3069,98,94
Deductions during the year	202,20,77	301,34,68
	10290,42,37	10224,02,47
<b>VI. Revenue and Other Reserves</b>		
Opening Balance	52481,96,28	54405,42,03
Additions during the year	5499,71,21	3767,84,51
Deductions during the year	45,23,90	5691,30,26
	57936,43,59	52481,96,28
<b>VII. Revaluation Reserve</b>		
Opening Balance	23762,66,57	24653,94,08
Additions during the year	-	379,57,78
Deductions during the year	185,31,79	1270,85,29
	23577,34,78	23762,66,57
<b>VIII. Balance in Profit and Loss Account</b>	8096,54,11	(1361,74,25)
<b>TOTAL</b>	<b>274669,09,88</b>	<b>250167,66,30</b>

# includes Capital Reserve on consolidation ₹ 203,02,24 thousand (Previous Year ₹ 176,58,27 thousand)

## net of consolidation adjustments

## Schedule 3 - Deposits

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	5469,19,61	4750,67,24
(ii) From Others	283808,86,05	224677,63,39
<b>II. Savings Bank Deposits</b>	1397501,44,70	1216783,00,49
<b>III. Term Deposits</b>		
(i) From Banks	5492,77,67	6071,72,75
(ii) From Others	2023058,96,14	1821877,58,67
<b>TOTAL</b>	<b>3715331,24,17</b>	<b>3274160,62,54</b>
<b>B. I. Deposits of Branches in India</b>	3567926,84,86	3122567,41,87
<b>II. Deposits of Branches outside India</b>	147404,39,31	151593,20,67
<b>TOTAL</b>	<b>3715331,24,17</b>	<b>3274160,62,54</b>

## Schedule 4 - Borrowings

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	24956,00,00	34981,75,00
(ii) Other Banks	10678,34,70	10041,13,63
(iii) Other Institutions and Agencies	159271,91,86	11419,94,71
<b>(iv) Capital Instruments :</b>		
a. Innovative Perpetual Debt Instruments (IPDI)	29835,70,00	23535,70,00
b. Subordinated Debt	37629,90,00	32929,05,15
	67465,60,00	56464,75,15
<b>TOTAL</b>	<b>262371,86,56</b>	<b>112907,58,49</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	169041,42,45	217066,00,49
(ii) Capital Instruments :		
a. Innovative Perpetual Debt Instruments(IPDI)	2193,30,00	2269,95,00
b. Subordinated Debt & Bonds	189,61,80	2382,91,80
	657,13,05	2927,08,05
<b>TOTAL</b>	<b>171424,34,25</b>	<b>219993,08,54</b>
<b>GRAND TOTAL</b>	<b>433796,20,81</b>	<b>332900,67,03</b>
Secured Borrowings included in I & II above	190279,61,10	50555,91,20

## Schedule 5 - Other Liabilities and Provisions

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Bills payable	17728,51,70	26889,76,23
II. Inter Bank Adjustments (net)	49,69,05	85,41,80
III. Inter Office adjustments (net)	1,23,54	10,35,41
IV. Interest accrued	15309,15,71	15477,09,06
V. Deferred Tax Liabilities (net)	3,70,81	6,60,61
VI. Liabilities relating to Policyholders in Insurance Business	219027,87,65	159661,49,04
VII. Provision for Standard Assets	16005,37,56	12444,21,66
VIII. Others (including provisions)	143178,05,99	116852,16,43
<b>TOTAL</b>	<b>411303,62,01</b>	<b>331427,10,24</b>

## Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	23691,32,43	20334,94,93
II. Balance with Reserve Bank of India		
(i) In Current Account	189807,29,16	146633,51,12
(ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>213498,61,59</b>	<b>166968,46,05</b>

## Schedule 7 - Balances with Banks and Money at Call & Short Notice

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Accounts	1067,90,06	638,49,62
(b) In Other Deposit Accounts	3160,05,92	1429,61,02
(ii) Money at call and short notice		
(a) With banks	47369,93,31	44747,71,31
(b) With other institutions	-	8,69,42
<b>TOTAL</b>	<b>51597,89,29</b>	<b>46824,51,37</b>
<b>II. Outside India</b>		
(i) In Current Accounts	64287,31,27	30104,93,22
(ii) In Other Deposit Accounts	8587,68,13	1672,52,29
(iii) Money at call and short notice	9735,53,29	8744,83,43
<b>TOTAL</b>	<b>82610,52,69</b>	<b>40522,28,94</b>
<b>GRAND TOTAL (I and II)</b>	<b>134208,41,98</b>	<b>87346,80,31</b>

## Schedule 8 - Investments

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
<b>I. Investments in India in :</b>		
(i) Government Securities	1139960,41,91	872769,55,20
(ii) Other Approved Securities	27743,27,21	19106,17,68
(iii) Shares	68972,62,29	42165,97,57
(iv) Debentures and Bonds	195147,76,61	145276,27,74
(v) Subsidiary and Associates #	13209,01,04	12365,01,58
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	99038,40,57	85958,98,41
<b>TOTAL</b>	<b>1544071,49,63</b>	<b>1177641,98,18</b>
<b>II. Investments outside India in :</b>		
(i) Government Securities (including local authorities)	21697,01,67	20791,80,59
(ii) Associates #	145,62,73	147,64,44
(iii) Other Investments (Shares, Debentures, etc.)	29186,12,61	29702,84,56
<b>TOTAL</b>	<b>51028,77,01</b>	<b>50642,29,59</b>
<b>GRAND TOTAL (I and II)</b>	<b>1595100,26,64</b>	<b>1228284,27,77</b>
<b>III. Investments in India :</b>		
(i) Gross Value of Investments	1554398,52,92	1190907,75,38
(ii) Less: Aggregate of Provisions / Depreciation	10327,03,29	13265,77,20
Net Investments (vide I above)	<b>1544071,49,63</b>	<b>1177641,98,18</b>
<b>IV. Investments outside India :</b>		
(i) Gross Value of Investments	51070,30,95	50809,67,49
(ii) Less: Aggregate of Provisions / Depreciation	41,53,94	167,37,90
Net Investments (vide II above)	<b>51028,77,01</b>	<b>50642,29,59</b>
<b>GRAND TOTAL (III and IV)</b>	<b>1595100,26,64</b>	<b>1228284,27,77</b>
<b># Investment in Associates (In India and Outside India)</b>		
Equity Investment in Associates	9669,58,12	8872,23,62
Add : Goodwill on acquisition of Associates	-	-
Less : Capital reserve on acquisition of Associates	981,48,87	1947,52,79
Less : Provision for diminution	-	-
Cost of Investment in Associates	<b>8688,09,25</b>	<b>6924,70,83</b>
Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	4662,54,53	5583,95,19
<b>TOTAL</b>	<b>13350,63,78</b>	<b>12508,66,02</b>

## Schedule 9 - Advances

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
A. I. Bills purchased and discounted	96263,84,05	85155,97,89
II. Cash credits, overdrafts and loans repayable on demand	697691,68,91	729647,05,50
III. Term loans	1706643,45,71	1559508,14,73
<b>TOTAL</b>	<b>2500598,98,67</b>	<b>2374311,18,12</b>
B. I. Secured by tangible assets (includes advances against Book Debts)	1784402,74,29	1697284,07,32
II. Covered by Bank/ Government Guarantees	96691,34,81	92305,71,86
III. Unsecured	619504,89,57	584721,38,94
<b>TOTAL</b>	<b>2500598,98,67</b>	<b>2374311,18,12</b>
C. I. Advances in India		
(i) Priority Sector	564570,85,92	526675,87,35
(ii) Public Sector	257246,23,86	287505,82,43
(iii) Banks	4833,33,50	975,10,49
(iv) Others	1285608,47,38	1171958,80,62
<b>TOTAL</b>	<b>2112258,90,66</b>	<b>1987115,60,89</b>
II. Advances outside India		
(i) Due from banks	80143,34,26	80561,91,32
(ii) Due from others		
(a) Bills purchased and discounted	35004,71,22	31106,22,11
(b) Syndicated loans	184413,38,38	186697,53,45
(c) Others	88778,64,15	88829,90,35
<b>TOTAL</b>	<b>388340,08,01</b>	<b>387195,57,23</b>
<b>GRAND TOTAL (C-I &amp; C-II)</b>	<b>2500598,98,67</b>	<b>2374311,18,12</b>

## Schedule 10 - Fixed Assets

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
	₹	₹
<b>I. Premises (Including Revalued Premises)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	31094,35,54	31600,97,61
Additions:		
- during the year	81,64,96	307,09,16
- for Revaluation	-	3936,14,00
Deductions:		
- during the year	35,43,48	14,82,49
- for Revaluation	10,53,59	4735,02,74
Depreciation to date		
- on cost	1043,45,83	927,92,12
- on Revaluation	850,52,10	670,54,22
	<b>29236,05,50</b>	<b>29495,89,20</b>



	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (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	36021,19,34	33185,43,15
Additions during the year	3753,83,35	3768,90,47
Deductions during the year	783,70,42	933,14,28
Depreciation to date	28686,49,53	26053,57,37
	10304,82,74	9967,61,97
<b>III. Leased Assets</b>		
At cost/revalued as on 31 <sup>st</sup> March of the preceding year	240,38,84	155,09,22
Additions during the year	74,34,19	102,00,56
Deductions during the year	25,87,40	16,70,94
Depreciation to date (including provisions)	131,13,19	95,49,35
	157,72,44	144,89,49
Less : Lease Adjustment Account	-	-
	157,72,44	144,89,49
<b>III. Assets under Construction (Including Premises)</b>	468,18,14	469,76,15
<b>TOTAL (I, II, III and IV)</b>	<b>40166,78,82</b>	<b>40078,16,81</b>

## Schedule 11 - Other Assets

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Inter Office adjustments (net)	20540,95,39	1936,15,88
II. Inter Bank Adjustments (net)	-	-
III. Interest accrued	32770,84,89	29344,58,26
IV. Tax paid in advance / tax deducted at source	26435,38,67	35004,45,14
V. Stationery and Stamps	89,60,16	105,33,37
VI. Non-banking assets acquired in satisfaction of claims	10,49,60	14,54,49
VII. Deferred tax assets (net)	7244,80,47	3500,19,46
VIII. Deposits placed with NABARD/SIDBI/NHB	184093,45,48	163238,91,62
IX. Others #	90859,92,29	67359,27,15
<b>TOTAL</b>	<b>362045,46,95</b>	<b>300503,45,37</b>

# Includes Goodwill on consolidation ₹ 1549,99,41 thousand (Previous Year ₹ 1549,98,82 thousand)

## Schedule 12 - Contingent Liabilities

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	79862,51,29	72055,46,41
II. Liability for partly paid investments/ Venture Funds	2617,80,58	2555,80,84
III. Liability on account of outstanding forward exchange contracts	1029404,66,06	637499,92,10
IV. Guarantees given on behalf of constituents		
(a) In India	173297,71,34	165739,85,02
(b) Outside India	72991,10,08	70998,07,06
V. Acceptances, endorsements and other obligations	149014,00,66	132630,74,41
VI. Other items for which the bank is contingently liable	207051,71,58	139603,25,25
<b>TOTAL</b>	<b>1714239,51,59</b>	<b>1221083,11,09</b>
<b>Bills for collection</b>	<b>56557,64,31</b>	<b>55790,69,54</b>

# State Bank of India

Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2021

(000s omitted)

	Schedule No.	Year ended 31.03.2021 (Current Year)	Year ended 31.03.2020 (Previous Year)
<b>I. INCOME</b>			
Interest earned	13	278115,47,67	269851,65,54
Other Income	14	107222,41,38	98158,99,38
<b>TOTAL</b>		<b>385337,89,05</b>	<b>368010,64,92</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	156010,16,71	161123,79,86
Operating expenses	16	150429,59,53	131781,56,30
Provisions and contingencies		54618,40,87	56928,45,91
<b>TOTAL</b>		<b>361058,17,11</b>	<b>349833,82,07</b>
<b>III. PROFIT</b>			
Net Profit/(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)		24279,71,94	18176,82,85
Add: Share in Profit of Associates		(391,90,45)	2963,14,04
Less: Minority Interest		1482,35,73	1372,16,67
Net Profit/(Loss) for the Group		22405,45,76	19767,80,22
Profit/(Loss) Brought forward		(1361,74,25)	(8328,39,99)
<b>TOTAL</b>		<b>21043,71,51</b>	<b>11439,40,23</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		6287,83,79	4538,17,61
Transfer to Capital Reserve		1465,12,42	3985,83,93
Transfer to Investment Fluctuation Reserve		1928,19,63	1119,88,09
Transfer to Reveue and Other Reserves		(307,48,07)	3149,19,33
Final Dividend for the year		3569,84,46	-
Tax on Dividend		3,65,16	8,05,52
Balance carried over to Balance Sheet		8096,54,12	(1361,74,25)
<b>TOTAL</b>		<b>21043,71,51</b>	<b>11439,40,23</b>
Basic Earnings per Share		₹ 25.11	₹ 22.15
Diluted Earnings per Share		₹ 25.11	₹ 22.15
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Profit & Loss Account

**Shri Ashwini Kumar Tewari**  
Managing Director  
(IB, T & S)

**Shri Swaminathan J.**  
Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**  
Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(R & DB)

In term of our Report of even date.

**For Khandelwal Jain & Co.**

**Chartered Accountants**

Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Alpesh Waghela**  
Partner  
Membership No. : 142058

Mumbai  
Dated 21<sup>st</sup> May 2021

## Schedule 13 - Interest Earned

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Interest / discount on advances / bills	176780,18,56	185494,19,47
II. Income on investments	87130,62,06	74812,87,02
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4541,42,58	3066,24,77
IV. Others	9663,24,47	6478,34,28
<b>TOTAL</b>	<b>278115,47,67</b>	<b>269851,65,54</b>

## Schedule 14 - Other Income

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Commission, exchange and brokerage	23566,55,62	23571,28,64
II. Profit / (Loss) on sale of investments (Net) #	7504,45,40	9202,71,19
III. Profit / (Loss) on revaluation of investments (Net)	(5,15,48)	-
IV. Profit / (Loss) on sale of land, building and other assets including leased assets (net)	(28,33,64)	(28,33,75)
V. Profit / (Loss) on exchange transactions (Net)	2457,74,75	2581,57,85
VI. Dividends from Associates in India/ abroad	3,19,50	14,66,77
VII. Income from Finance Lease	-	-
VIII. Credit Card membership/ service fees	3915,36,49	4122,14,91
IX. Insurance Premium Income (net)	53162,60,19	43176,55,90
X. Recoveries made in Write-off Accounts	10700,37,34	9568,52,52
XI. Miscellaneous Income	5945,61,21	5949,85,35
<b>TOTAL</b>	<b>107222,41,38</b>	<b>98158,99,38</b>

# Profit/(Loss) on sale of investments (Net) includes exceptional item of ₹ 1,367.27 crore (Previous year ₹ 5,781.56 crore)

## Schedule 15 - Interest Expended

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Interest on deposits	143060,44,62	148136,84,44
II. Interest on Reserve Bank of India/ Inter-bank borrowings	6237,20,49	7191,76,51
III. Others	6712,51,60	5795,18,91
<b>TOTAL</b>	<b>156010,16,71</b>	<b>161123,79,86</b>

## Schedule 16 - Operating Expenses

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Payments to and provisions for employees	54330,82,58	48850,54,27
II. Rent, taxes and lighting	5557,13,72	5630,95,83
III. Printing & Stationery	581,72,43	651,58,62
IV. Advertisement and publicity	2458,63,07	2830,69,52
V. (a) Depreciation on Fixed Assets (other than Leased Assets)	3673,42,72	3631,44,29
(b) Depreciation on Leased Assets	37,63,64	30,11,56
VI. Directors' fees, allowances and expenses	13,26,40	11,15,54
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	285,25,22	256,01,79
VIII. Law charges	401,91,78	488,83,43
IX. Postages, Telegrams, Telephones, etc.	492,69,84	571,68,38
X. Repairs and maintenance	1116,49,53	1121,27,27
XI. Insurance	4272,88,91	3235,50,89
XII. Other Operating Expenses relating to Credit Card Operations	1503,01,93	1542,56,89
XIII. Other Operating Expenses relating to Insurance Business	58397,01,70	46728,77,49
XIV. Other Expenditure	17307,66,06	16200,40,53
<b>TOTAL</b>	<b>150429,59,53</b>	<b>131781,56,30</b>

## SCHEDULE 17-

### SIGNIFICANT ACCOUNTING POLICIES

#### A. Background:

State Bank of India (SBI or the Bank) established under the State Bank of India Act, 1955, is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

State Bank of India Group (SBI Group) consists of SBI and 27 Subsidiaries, 8 Joint Ventures and 17 Associates.

Following are the Significant Accounting Policies of SBI Group i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of consolidated financial statements of SBI.

#### B. Basis of Preparation:

The consolidated financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

The accounting and reporting policies of the SBI Group conform to Generally accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India.

In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

The Bank's consolidated financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual, unless otherwise stated.

#### C. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

#### D. Basis of Consolidation:

1. Consolidated financial statements of the SBI Group have been prepared on the basis of:
  - a. Audited financial statements of State Bank of India (Parent).
  - b. Line by line aggregation of each item of asset/liability/ income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/ loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
  - c. Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
  - d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.
2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.
3. Minority interest in the net assets of the consolidated subsidiaries consists of:
  - a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and
  - b. The minority share of movements in revenue reserves/ loss (equity) since the date the parent-subsidiary relationship came into existence.

#### E. Significant Accounting Policies

##### 1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/Discount income is recognised in the Profit and Loss Account on realisation basis for following:
  - a. Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities),
  - b. Income on Rupee Derivatives designated as "Trading"
- 1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the "Held to Maturity" category and on sale of Fixed

Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount, if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

- a. on Interest bearing securities, it is accounted for at the time of sale/ redemption.
- b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

**1.4** Dividend income is recognised when the right to receive the dividend is established.

**1.5** Commission on Letter of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on their realisation.

**1.6** One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.

**1.7** Brokerage, Commission etc. paid/incurred in connection with the issue of Bonds/Deposits are amortized over the tenure of the related Bonds/Deposits and the expenses incurred in connection with the issue are charged upfront.

**1.8** In accordance with the guidelines issued by the Reserve Bank of India, when the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is derecognised on sale.

- ii. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale
- iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

## **1.9 Non-banking entities:**

### **Merchant Banking:**

- a. Issue management and advisory fees are recognised based on the stage of completion of assignments and as per the terms of the agreement with the client, net of pass-through.
- b. Fees for private placement are recognised on completion of assignment.
- c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.

d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/ receipt of information from intermediary.

e. Brokerage income relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.

f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

### **Asset Management:**

a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

b. Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Fund (AIF) are recognised on accrual basis as per the terms of the contract.

c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

d. Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

e. Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

### **Credit Card Operations:**

a. First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.

b. Interchange income is recognised on accrual basis.

c. The total unidentified receipts which could not be credited or adjusted in the customers' accounts

for lack of complete & correct information is considered as liability in Balance Sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on Balance Sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on Balance Sheet date. The liability for stale cheques aged for more than three years is written back as income.

- d. All other service income/fees are recorded at the time of occurrence of the respective events.

#### Factoring:

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1<sup>st</sup> of May is deemed as date for accrual of the FCF.

#### Life Insurance:

- a. Premium of non-linked business is recognised as income (net of service tax/ goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of Variable Insurance Products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.
- b. Top-up premiums are considered as single premium.
- c. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.
- d. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.

- e. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.
- f. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.
- g. Benefits paid:
  - Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
  - Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
  - Claims by maturity are accounted on the policy maturity date.
  - Survival and Annuity benefits claims are accounted when due.
  - Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
  - Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
  - Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.
- h. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.
- i. **Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.



Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience. The unit liability in respect of linked business has been considered as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) as on the valuation date. Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

#### **General Insurance:**

- a. Premium including reinsurance accepted (net of goods & service tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.
- b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer.
- c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.
- d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.
- e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal

insurance contracts viz. commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).

- f. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the management based on available information and past experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/ co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.
- g. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are
  - not yet reported or claimed (IBNR) or
  - not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER),

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

#### **Custody & Fund accounting services:**

The revenue (net of goods & service tax) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### **Pension Fund Operation:**

Management fee is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). The Company presents revenues net of Service Tax/ goods and service tax

#### **Trustee Operations:**

- a. Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes,

applied on the average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

- b. Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued on the basis of terms of trusteeship contracts/agreements entered into with clients.
- c. Income from online “will” services is recognised when the right to receive the fee is established, as all certainty for revenue recognition is present at the time of establishment of such right.

#### **Infrastructure and Facility Management:**

Revenue from management and consultancy fees is recognised as and when the said contractual work is awarded to the vendor and the agreed scope of work is completed by the vendor.

#### **Merchant Acquiring Business:**

- a. The revenue is measured on basis of consideration received or receivable for the services provided, excluding discounts, GST and other applicable taxes and are recognised upon performance of services.
- b. The revenue from deployment of POS is recognised either over the period during which the service is rendered or on basis of the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements
- c. Income received but not accrued on account of maintenance deployment contract are recognised as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognised on work performed but billed in subsequent period based on terms of contract.
- d. Revenue of providing services of Merchant Acquiring are recognised on fully loaded cost plus mark up on such costs
- e. Revenue is recognised to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured

## **2. Investments:**

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### **2.1 Classification:**

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories. Under each category, the investments are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

‘Investments outside India’ are classified under three categories – (i) Government Securities, (ii) Subsidiaries and/or joint Ventures abroad and (iii) Other Investments.

### **2.2 Basis of classification:**

- i. Investments that the Bank intends to hold till maturity are categorised as “Held to Maturity (HTM)”.
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as “Held for Trading (HFT)”.
- iii. Investments, which are not classified in the above two categories, are classified as “Available for Sale (AFS)”.
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in associates are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### **2.3 Valuation:**

#### **A. Banking Business:**

- i. The transactions in all securities are recorded on a Settlement Date. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
  - a. Brokerage/commission received on subscriptions is reduced from the cost. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - b. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

**ii. Valuation of investments classified as Held to Maturity:**

- a. Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition, if any, is amortised over the term to maturity on constant yield basis. Such amortisation of premium is accounted as income on investments.
- b. A provision is made for diminution, other than temporary, for each investment individually.
- c. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

**iii. Valuation of investments classified as Available for Sale and Held for Trading:**

Investments held under Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation, if any, of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and Associates; and (vi) others) is provided for and net appreciation is ignored.

**iv. Valuation policy in event of inter category transfer of investments:**

- a. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b. Transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, in the Profit and Loss Account.

**v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:**

- a. The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.
- b. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.

- c. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

## 2.4 Investments (NPI)

- i. In respect of domestic offices/ entities, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:
  - a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b. In the case of equity shares, in the event the investment in the shares of any company is valued at ₹1 per company on account of the non-availability of the latest Balance Sheet, those equity shares would be reckoned as NPI.
  - c. The Bank also classifies an Investment as a non-performing investment, in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.
  - d. The investments in debentures/bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices/entities, provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

## 2.5 Accounting for Repo/ Reverse Repo transactions

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and also with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- a. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.

- b. In Market Repo and Reverse Repo transaction, securities sold(purchased) and repurchased(resell) are accounted as normal outright sale(purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
- c. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

## B. Insurance Business:

In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.

### (i) Valuation of investment pertaining to non-linked life insurance business and general insurance business: -

- All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).

- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual fund units and AIFs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

### (ii) Valuation of investment pertaining to linked business: -

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortization of premium or accretion of discount on yield to maturity basis.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available, closing price of the BSE is considered.
- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.

- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- Unrealized gains or losses arising due to changes in the fair value are recognized in the Profit & Loss Account.

### 3. Loans /Advances and Provisions thereon:

**3.1** Based on the guidelines/directives issued by the RBI, Loans and Advances are classified as performing and non-performing as follows:

- i. The term loan is classified a non-performing asset, if interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii. An Overdraft or Cash Credit is classified a non-performing asset, if the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;

- iii. The bills purchased/discounted are classified as non-performing assets, if the bill remains overdue for a period of more than 90 days;
- iv. The agricultural advances are classified as non-performing assets, if (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

**3.2** NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

**3.3** Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:	<ol 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> </ol>
Doubtful Assets:	
-Secured portion:	<ol 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> </ol>
-Unsecured portion	100%
Loss Assets:	100%

**3.4** In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

**3.5** Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

**3.6** For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/ advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

**3.7** In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

**3.8** Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

**3.9** In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.



**3.10** Appropriation of recoveries in NPAs are made in order of priority as under :

- a. Charges, Costs, Commission etc.
- b. Unrealized Interest / Interest
- c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

**4. Floating Provisions & Countercyclical Provisioning Buffer:**

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for Floating Provisions separately for advances, investments and general purposes. The quantum of Countercyclical Provisioning Buffer and Floating Provisions to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

**5. Provision for Country Exposure for Banking Entities:**

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

**6. Derivatives:**

**6.1** The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-Balance Sheet/off-Balance Sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-Balance Sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-Balance Sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

**6.2** Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets / liabilities are also marked to market.

**6.3** Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

**6.4** Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.

**6.5** Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

**7. Fixed Assets Depreciation and Amortisation:**

**7.1** Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.

**7.2** Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices/ entities are depreciated at straight line method based on useful life of the assets states as under:

Sr. No.	Description of Fixed Assets	Useful Life
1	Computers	3 Years
2	Computer Software forming an integral part of the Computer hardware	3 Years
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	3 Years
4	Automated Teller Machine/ Cash Deposit Machine/Coin Dispenser / Coin Vending Machine	5 Years
5	Servers	4 Years
6	Network Equipment	5 Years
7	Other major fixed assets	
	Premises	60 Years
	Vehicles	5 Years
	Safe Deposit Lockers	20 Years
	Furniture & Fixtures	10 Years

**7.3** In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

**7.4** Assets costing less than ₹1,000 each are charged off in the year of purchase.

**7.5** In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.

**7.6** In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations /norms of the respective countries.

**7.7** The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## **8. Leases:**

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## **9. Impairment of Assets:**

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## **10. Effect of changes in the foreign exchange rate:**

### **10.1 Foreign Currency Transactions**

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.

vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

### **10.2 Foreign Operations:**

Foreign Branches/Subsidiaries / Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

#### **a. Non-integral Operations:**

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices/subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

#### **b. Integral Operations:**

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 11. Employee Benefits:

### 11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

### 11.2 Long Term Employee Benefits:

#### i. Defined Benefit Plans :

- a. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Provident Fund scheme. SBI contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognizes such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for on the basis of actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

- b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon

completion of five years of service. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- c. SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/losses are immediately recognised in the Profit and Loss and are not deferred.

#### ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/ employees joining SBI on or after 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 a matching contribution from SBI. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

#### iii. Other Long Term Employee benefits:

- a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.

The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss and is not deferred.



**11.3** Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

## **12. Segment Reporting**

The Group recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

## **13. Taxes on income**

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after taking into account taxes paid at the foreign offices/entities, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

## **14. Earnings per Share:**

**14.1** The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.

**14.2** Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

## **15. Provisions, Contingent Liabilities and Contingent Assets:**

**15.1** In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Group recognises provisions only when it has a present obligation as a result of a past event and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

**15.2** No provision is recognised for

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or
- ii. any present obligation that arises from past events but is not recognised because
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

**15.3** Provision for reward points in relation to the debit card holders of SBI is being provided for on actuarial estimates.

**15.4** Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

**15.5** Contingent Assets are not recognised in the financial statements.

## **16. Bullion Transactions:**

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid/received classified as interest

expense / income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet

**17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

**18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

**19. Cash and cash equivalents**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

## SCHEDULE 18 NOTES TO ACCOUNTS:

### 1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

1.1 The 27 Subsidiaries, 8 Joint Ventures and 17 Associates including 14 Regional Rural Banks from/up to respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

#### A) Subsidiaries:

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year*
1)	SBI Capital Markets Ltd.	India	100.00	100.00
2)	SBICAP Securities Ltd.	India	100.00	100.00
3)	SBICAP Trustee Company Ltd.	India	100.00	100.00
4)	SBICAP Ventures Ltd.	India	100.00	100.00
5)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00
6)	SBI DFHI Ltd.	India	72.17	72.17
7)	SBI Global Factors Ltd.	India	86.18	86.18
8)	SBI Infra Management Solutions Pvt. Ltd.	India	100.00	100.00
9)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
10)	SBI Payment Services Pvt. Ltd. @	India	74.00	74.00
11)	SBI Pension Funds Pvt Ltd.	India	92.58	92.60
12)	SBI Life Insurance Company Ltd.	India	55.50	57.60
13)	SBI General Insurance Company Ltd. @	India	70.00	70.00
14)	SBI Cards and Payment Services Ltd.	India	69.39	69.51
15)	SBI-SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
16)	SBI Funds Management Pvt. Ltd. @	India	62.88	63.00
17)	SBI Funds Management (International) Private Ltd. @	Mauritius	62.88	63.00
18)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
19)	Bank SBI Botswana Limited	Botswana	100.00	100.00
20)	SBI Canada Bank	Canada	100.00	100.00
21)	State Bank of India (California)	USA	100.00	100.00
22)	State Bank of India (UK) Limited	UK	100.00	100.00
23)	State Bank of India Servicos Limitada	Brazil	100.00	100.00
24)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
25)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
26)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
27)	Nepal SBI Merchant Banking Limited	Nepal	55.00	55.00

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

\* In the previous year, SBICAP (UK) Ltd. (a subsidiary) also consolidated, the operations of which were closed on 30.11.2019.

**B) Joint Ventures:**

S. No.	Name of the Joint Venture	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
3)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
4)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
5)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
6)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
7)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00
8)	Jio Payments Bank Ltd.	India	30.00	30.00

**C) Associates:**

S. No.	Name of the Associate	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year*
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Madhyanchal Gramin Bank	India	35.00	35.00
6)	Meghalaya Rural Bank	India	35.00	35.00
7)	Mizoram Rural Bank	India	35.00	35.00
8)	Nagaland Rural Bank	India	35.00	35.00
9)	Saurashtra Gramin Bank	India	35.00	35.00
10)	Utkal Grameen Bank	India	35.00	35.00
11)	Uttarakhand Gramin Bank	India	35.00	35.00
12)	Jharkhand Rajya Gramin Bank	India	35.00	35.00
13)	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
14)	Telangana Grameena Bank	India	35.00	35.00
15)	The Clearing Corporation of India Ltd.	India	20.05	20.05
16)	Yes Bank Ltd.	India	30.04	48.21
17)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00

\* In previous year, Purvanchal Bank also consolidated. These have been merged into RRBs not sponsored by SBI.

Please refer to Note no. 1.1.(f) below for details regarding merger of Regional Rural Banks (RRBs) sponsored by SBI.

- a) In the month of July 2020, SBI and its subsidiary have infused ₹ 3,176 crore in equity shares of Yes Bank Limited (an associate) through a Follow-on Public Offer. After Follow on Public Offer, the stake of SBI Group in Yes Bank Limited was reduced to 34.71%. As per the requirements of AS 23, the difference between the amount invested and increase in SBI Group's share in net assets of Yes Bank Limited has been adjusted in capital reserve.

Subsequently, the subsidiary of SBI has incrementally sold a certain portion of shares of Yes Bank Limited. The stake of SBI Group in Yes Bank Limited is 30.04% on March 31, 2021. The effect of sale of shares in Yes Bank Limited has been accounted for in the profit for the year ended March 31, 2021.

- b) In the month of June 2020, SBI sold its 2.10% stake in SBI Life Insurance Company Limited (a subsidiary). The stake of SBI Group in SBI Life Insurance Company Limited has reduced from 57.60% to 55.50%.

- c) Pursuant to exercise of options under the approved Employee Stock Option Plan (ESOP), following group entities have issued equity shares to their eligible employees:
- SBI Cards and Payment Services Limited has allotted 15,68,662 equity shares amounting to ₹ 1.57 crore during the year ended March 31, 2021. Consequently, the stake of SBI Group in SBI Cards and Payment Services Limited has reduced to 69.39% from 69.51 %.
  - SBI Funds Management Private Limited has allotted 9,24,692 equity shares amounting to ₹ 0.09 crore during the year ended March 31, 2021. Consequently, the stake of SBI Group in SBI Funds Management Pvt. Limited has reduced to 62.88% from 63.00%. Consequently, using indirect method, the stake of SBI Group in SBI Funds Management (International) Private Limited and SBI Pension Funds Private Limited has reduced to 62.88% and 92.58% respectively.
  - SBI Life Insurance Company Limited has allotted 44,613 equity shares amounting to ₹ 0.04 crore during the year ended March 31, 2021. Consequently, the stake of SBI Group in SBI Life Insurance Company Limited has reduced by 0.001%.
- d) During the year ended March 31, 2021, SBI has infused additional capital in the following entities:
- ₹ 0.32 crore in State Bank of India (California), a subsidiary;
  - ₹ 5.31 crore in Madhyanchal Gramin Bank, an associate.

The SBI Group's stake remains the same after the aforesaid capital infusion.

- e) During the year ended March 31, 2021, Tier-2 capital of GBP 50 Million in State Bank of India (UK) Limited was converted to equity shares.
- f) In accordance with notification issued by Govt. of India, the following amalgamation has taken place between the Regional Rural Bank (RRB) sponsored by SBI and RRBs sponsored by other banks:

Name of transferor RRB	Sponsor Bank of transferor RRB	New Name after Amalgamation of RRB	Sponsor Bank of transferee RRB	Effective Date of Amalgamation
1. Baroda Uttar Pradesh Gramin Bank	Bank of Baroda	Baroda U.P. Bank	Bank of Baroda	April 01, 2020
2. Kashi Gomti Samyut Gramin Bank	Union Bank of India			
3. Purvanchal Bank	State Bank of India			

In terms of Department of Financial Services (DFS) letter dated July 08, 2019, the transfer of stake of Sponsor Banks has taken place at face value of the shares and as a result, during the year ended March 31 2021, a loss of ₹ 254.41 crore has been recognised in the consolidated financial statements under the head "Other Income".

- g) The financials of SBICAP (Singapore) Ltd. and Bank SBI Botswana Limited have been prepared on non-going concern basis, however there is no material impact on the financials from changing the accounting basis to non-going concern basis. The details are as below: -
- On March 25, 2021, SBICAP (Singapore) Limited, a wholly owned step down subsidiary of SBI, has passed a resolution that the company would (i) surrender the Capital Market Service License (CMSL) issued by Monetary Authority of Singapore ('MAS'), and (ii) initiate the process of cessation of business by way of member's voluntary winding up after the procedure of surrender the CMSL is completed.
  - Bank SBI Botswana Limited, a wholly owned subsidiary of SBI, intends to surrender its Banking license by June 30, 2021 and cease operations. Accordingly, as at the current year ended March 31, 2021, Bank SBI Botswana Limited has substantially transferred its customer loans & advances and customer deposit liabilities on normal banking terms relating to such transfer to another local bank ultimately owned by Government of India.

The total assets, total income and Net profit/ (loss) after tax of the above subsidiaries for the year ended March 31, 2021 is as below: -

₹ in crore

Particulars	Bank SBI Botswana Limited	SBICAP (Singapore) Limited
Total Assets	60.24	81.44
Total Income	1.54	9.59
Net Profit / (Loss) after tax	(4.17)	(1.07)

- h) SBI Home Finance Ltd., an associate in which SBI is having 25.05% stake, is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21.
- i) As SBI Foundation is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.

1.2 The consolidated financial statements for the financial year 2020-21 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & one associate (Bank of Bhutan Ltd.) the results of which are not material.

## 2. Disclosures as per Accounting Standards

### 2.1 Accounting Standard 5 – “Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies “

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2021 as compared to those followed in the previous financial year 2019-20.

### 2.2 Accounting Standard- 15 “Employee Benefits”:

#### 2.2.1 Defined Benefit Plans

##### 2.2.1.1 Employee’s Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005):

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation at 1 <sup>st</sup> April 2020	1,09,830.37	95,362.15	13,090.13	12,378.30
Current Service Cost	970.09	953.34	469.35	471.10
Interest Cost	7,501.41	7,428.71	893.87	960.76
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses /(gains)	15,822.32	13,619.61	1,195.02	1,247.21
Benefits paid	(3,475.67)	(3,914.34)	(1,920.72)	(1,967.24)
Direct Payment by SBI	(4,842.15)	(3,619.10)	-	-
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2021</b>	<b>1,25,806.37</b>	<b>1,09,830.37</b>	<b>13,727.65</b>	<b>13,090.13</b>
<b>Change in Plan Assets</b>				
Opening fair value of plan assets at 1 <sup>st</sup> April 2020	97,458.52	90,399.61	10,775.10	10,493.46
Expected Return on Plan assets	6,656.42	7,015.01	735.81	815.36
Contributions by employer	2,100.68	2,407.68	1,277.03	1,183.65
Expected Contribution by the employees	-	0.28	-	-
Benefits Paid	(3,475.67)	(3,914.34)	(1,920.72)	(1,967.24)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Actuarial Gains / (Losses) on plan assets	3,705.91	1,550.28	343.62	249.87
<b>Closing fair value of plan assets at 31<sup>st</sup> March 2021</b>	<b>1,06,445.86</b>	<b>97,458.52</b>	<b>11,210.84</b>	<b>10,775.10</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 2021	1,25,806.37	1,09,830.37	13,727.65	13,090.13
Fair Value of plan assets at 31 <sup>st</sup> March 2021	106,445.86	97,458.52	11,210.84	10,775.10
Deficit/(Surplus)	19,360.51	12,371.85	2,516.81	2,315.03
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
<b>Net Liability/(Asset)</b>	<b>19,360.51</b>	<b>12,371.85</b>	<b>2,516.81</b>	<b>2,315.03</b>
<b>Amount Recognised in the Balance Sheet</b>				
Liabilities	1,25,806.37	1,09,830.37	13,727.65	13,090.13
Assets	1,06,445.86	97,458.52	11,210.84	10,775.10
Net Liability / (Asset) recognised in Balance Sheet	19,360.51	12,371.85	2,516.81	2,315.03
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
<b>Net Liability/ (Asset)</b>	<b>19,360.51</b>	<b>12,371.85</b>	<b>2,516.81</b>	<b>2,315.03</b>
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	970.09	953.34	469.35	471.10
Interest Cost	7,501.41	7,428.71	893.87	960.76
Expected return on plan assets	(6,656.42)	(7,015.01)	(735.81)	(815.36)
Expected Contributions by the employees	-	(0.28)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefits) Recognised	-	-	-	-
Net Actuarial Losses / (Gains) recognised during the year	12,116.41	12,069.33	851.40	997.34
<b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b>	<b>13,931.49</b>	<b>13,436.09</b>	<b>1,478.81</b>	<b>1,613.84</b>
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	6,656.42	7,015.01	735.81	815.36
Actuarial Gains/ (Losses) on Plan Assets	3,705.91	1,550.28	343.62	249.87
Actual Return on Plan Assets	<b>10,362.33</b>	<b>8,565.29</b>	<b>1,079.43</b>	<b>1,065.23</b>
<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 2020	<b>12,371.85</b>	<b>4,962.54</b>	<b>2,315.03</b>	<b>1,884.84</b>
Expenses as recognised in profit and loss account	13,931.49	13,436.09	1,478.81	1,613.84
Paid by SBI Directly	(4,842.15)	(3,619.10)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,100.68)	(2,407.68)	(1,277.03)	(1,183.65)
<b>Net liability/(Asset) recognised in Balance Sheet</b>	<b>19,360.51</b>	<b>12,371.85</b>	<b>2,516.81</b>	<b>2,315.03</b>



Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2021 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	21.21%	18.02%
State Govt. Securities	38.68%	39.38%
Debt Securities, Money Market Securities and Bank Deposits	30.01%	29.31%
ETF and Mutual Funds	6.43%	6.74%
Insurer Managed Funds	1.85%	4.84%
Others	1.82%	1.71%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**Principal actuarial assumptions:**

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.90%	6.83%
Expected Rate of return on Plan Asset	6.90%	6.83%
Salary Escalation Rate	5.60%	5.40%
Pension Escalation Rate	1.20%	0.80%
Attrition Rate	2.00%	2.00%

	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.82%	6.84%
Expected Rate of return on Plan Asset	6.82%	6.84%
Salary Escalation Rate	5.60%	5.40%
Attrition Rate	2.00%	2.00%

The expected contribution to the Pension and Gratuity fund for the next year is ₹ 3,190.72 crore and ₹ 1,645.28 crore respectively.

In case of SBI, as the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience/ immediate future. Empirical evidence also suggests that in the very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.



**2.2.1.2 Employees Provident Fund**

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows “Nil” liability, hence no provision is made in F.Y. 2020-21.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April 2020	<b>31,744.55</b>	<b>30,928.72</b>
Current Service Cost	3,320.40	1,045.98
Interest Cost	2,610.99	2,495.99
Employee Contribution (including VPF)	2,636.54	1,166.46
Actuarial losses/(gains)	51.85	220.06
Benefits paid	(4,418.11)	(4,112.66)
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2021</b>	<b>35,946.22</b>	<b>31,744.55</b>
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2020	<b>32,648.72</b>	<b>32,630.54</b>
Expected Return on Plan Assets	2,610.99	2,495.99
Contributions	5,956.94	2,212.43
Provision for loss on maturity of non-performing investment	(60.59)	(467.66)
Benefits Paid	(4,418.11)	(4,112.66)
Actuarial Gains / (Loss) on plan Assets	298.44	(109.92)
<b>Closing fair value of plan assets as at 31<sup>st</sup> March 2021</b>	<b>37,036.39</b>	<b>32,648.72</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 2021	35,946.22	31,744.55
Fair Value of Plan assets at 31 <sup>st</sup> March 2021	37036.39	32,648.72
Deficit/(Surplus)	(1,090.17)	(904.17)
<b>Net Asset not recognised in Balance Sheet</b>	<b>(1,090.17)</b>	<b>904.17</b>
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	3,320.40	1,045.98
Interest Cost	2,610.99	2,495.99
Expected return on plan assets	(2,610.99)	(2,495.99)
Interest shortfall reversed	(11.58)	-
<b>Total costs of defined benefit plans included in Schedule 16 “Payments to and provisions for employees”</b>	<b>3,308.82</b>	<b>1,045.98</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 2020	-	-
Expense as above	3,308.82	1045.98
Employer’s Contribution	(3,308.82)	(1045.98)
<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, 2021 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	30.53%
State Govt. Securities	32.42%
Debt Securities, Money Market Securities and Bank Deposits	30.86%
ETF and Mutual Funds	3.86%
Others	2.33%
<b>Total</b>	<b>100.00%</b>

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.82%	6.84%
Guaranteed Return	8.50%	8.50%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.60%	5.40%

- i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:
  - (a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 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 ₹ 47.48 crore (Previous Year ₹ 47.66 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 2.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

### 2.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the SBI on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2020-21, SBI has contributed ₹ 648.17 crore (Previous Year ₹ 541.97 crore).

### 2.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

₹ in crore

S I . Long Term Employees' Benefits No.	Current Year	Previous Year
1 Employee Pension Scheme under PF Act	32.54	28.33
2 National Pension System	6.94	5.78
3 Others	10.05	8.41
<b>Total</b>	<b>49.53</b>	<b>42.52</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 2020	<b>7,542.15</b>	<b>6,876.64</b>
Current Service Cost	312.55	288.00
Interest Cost	515.56	534.13
Actuarial losses/(gains)	1,225.32	772.70
Benefits paid	(1,405.73)	(929.32)
Closing defined benefit obligation at 31 <sup>st</sup> March 2021	<b>8,189.85</b>	<b>7,542.15</b>
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	312.55	288.00
Interest Cost	515.56	534.13
Actuarial (Gain)/ Losses	1,225.32	772.70
<b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b>	<b>2,053.43</b>	<b>1,594.83</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 2020	<b>7,542.15</b>	<b>6,876.64</b>
Expense as above	2,053.43	1,594.83
Employer's Contribution	-	-
Benefit paid directly by the Employer	(1,405.73)	(929.32)
Net Liability/(Asset) recognized in the Balance Sheet	<b>8,189.85</b>	<b>7,542.15</b>

**Principal actuarial assumptions:**

Particulars	Current year	Previous year
Discount Rate	6.82%	6.84%
Salary Escalation	5.60%	5.40%
Attrition Rate	2.00%	2.00%

**Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)**

An amount of ₹ 52.64 crore (Previous Year ₹ 28.85 crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

**2.2.3.2 Other Long Term Employee Benefits**

Amount of ₹ 39.58 crore (Previous Year ₹ 26.17 crore) is provided by the group towards other Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employees' Benefits during the year:

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	36.48	20.67
2	Sick Leave	(0.02)	(0.26)
3	Silver Jubilee/Long Term Service Award	8.49	7.96
4	Resettlement Expenses on Superannuation	(2.89)	1.01
5	Casual Leave	-	-
6	Retirement Award	(2.48)	(3.21)
<b>Total</b>		<b>39.58</b>	<b>26.17</b>

2.2.4 The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

## 2.3 Accounting Standard- 17 "Segment Reporting":

### 2.3.1 Segment identification

#### A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) **Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.
- c) **Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs
- d) **Insurance Business –** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) **Other Banking business–** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

#### B) Secondary (Geographical Segment):

- a) **Domestic Operations -** Branches, Subsidiaries and Joint Ventures having operations in India.

- b) **Foreign Operations** - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

**C) Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**D) Allocation of Revenue, Expenses, Assets and Liabilities**

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

**2.3.2 SEGMENT INFORMATION**

**PART A: PRIMARY (BUSINESS) SEGMENTS:**

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Revenue (before exceptional item)	91,032.50	83,073.07	132,094.86	64,569.16	14,647.06	3,85,416.65
	(75,104.23)	(91,801.08)	(1,31,232.17)	(52,947.77)	(14,272.32)	(3,65,357.57)
Unallocated Revenue						1,651.31
						(168.15)
<b>Less : Inter Segment Revenue</b>						3,097.34
						(3,296.63)
<b>Total Revenue</b>						3,83,970.62
						(3,62,229.09)
Result (before exceptional Items)	14,393.01	5,273.34	9,511.41	2,337.97	3,952.10	35,467.83
	(9,202.09)	(-3,830.03)	(18,173.66)	(2,367.02)	(3,165.05)	(29,077.79)
Add : Exceptional items	1,367.27					1,367.27
	(5,781.56)					(5,781.56)
Result (after exceptional items)	15,760.28	5,273.34	9,511.41	2,337.97	3,952.10	36,835.10
	(14,983.65)	(-3,830.03)	(18,173.66)	(2,367.02)	(3,165.05)	(34,859.35)
Unallocated Income(+)/ Expenses(-) net						(-) 4,039.14
						(-4,542.76)
<b>Profit/(Loss) Before Tax</b>						32,795.96
						(30,316.59)
<b>Taxes</b>						8,516.25
						(12,139.76)
<b>Extraordinary Profit</b>						0.00
						(0.00)
<b>Net Profit/(Loss) before share in profit in Associates and Minority Interest</b>						24,279.71
						(18,176.83)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Add: Share in Profit in Associates						(-) 391.90
						(2,963.14)
Less: Minority Interest						1,482.36
						(1,372.17)
Net Profit/(Loss) for the Group						22,405.45
						(19,767.80)
<b>Other Information:</b>						
Segment Assets	14,52,023.37	12,21,624.66	18,19,067.05	2,37,323.29	46,307.46	47,76,345.83
	(11,35,750.90)	(12,00,452.76)	(15,83,362.39)	(1,74,612.94)	(43,899.44)	(41,38,078.43)
Unallocated Assets						69,272.72
						(59,413.91)
Total Assets						48,45,618.55
						(41,97,492.34)
Segment Liabilities	13,15,938.88	11,85,545.78	16,99,537.03	2,24,101.85	32,314.42	44,57,437.96
	(10,08,550.01)	(11,77,433.80)	(14,78,049.72)	(1,63,726.93)	(32,442.25)	(38,60,202.71)
Unallocated Liabilities						1,12,619.03
						(86,229.51)
Total Liabilities						45,70,056.99
						(39,46,432.22)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2021.

(ii) Figures within brackets are for previous year

#### PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crore

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	3,72,005.60	3,44,982.70	11,965.02	17,246.39	3,83,970.62	3,62,229.09
Net Profit#	18,935.93	15,297.21	3,469.52	4,470.59	22,405.45	19,767.80
Assets *	43,16,869.48	37,09,504.22	5,28,749.07	4,87,988.12	48,45,618.55	41,97,492.34
Liabilities*	40,48,986.49	34,65,172.72	5,21,070.50	4,81,259.50	45,70,056.99	39,46,432.22

# For the year ended 31<sup>st</sup> March, 2021.

\* As at 31<sup>st</sup> March, 2021.

## 2.4 Accounting Standard-18 “Related Party Disclosures”:

### 2.4.1 Related Parties to the Group:

#### A) JOINT VENTURES:

1. C - Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Limited

#### B) ASSOCIATES:

##### i) Regional Rural Banks

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Saurashtra Gramin Bank
10. Utkal Grameen Bank
11. Uttarakhand Gramin Bank

12. Jharkhand Rajya Gramin Bank
13. Rajasthan Marudhara Gramin Bank
14. Telangana Grameena Bank

##### ii) Others

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. SBI Home Finance Ltd. (under liquidation)

#### C) Key Management Personnel of SBI:

1. Shri Rajnish Kumar, Chairman (upto 06.10.2020)
2. Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)
3. Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)
4. Shri Arijit Basu, Managing Director (upto 31.10.2020)
5. Shri Challa Sreenivasulu Setty, Managing Director
6. Shri Ashwani Bhatia, Managing Director (from 24.08.2020)
7. Shri Swaminathan Janakiraman Managing Director (from 28.01.2021)
8. Shri Ashwini Kumar Tewari Managing Director (from 28.01.2021)

### 2.4.2 Related Parties with whom transactions were entered into during the year:

No disclosure is required in respect of related parties, which are “State controlled Enterprises” as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

## 2.4.3 Transactions and Balances:

₹ in crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>Transactions during the year 2020-21</b>			
Interest Income	167.94	-	167.94
	(4.94)	(-)	(4.94)
Interest Expenditure	18.58	-	18.58
	(0.82)	(-)	(0.82)
Income earned by way of Dividend	23.29	-	23.29
	(18.56)	(-)	(18.56)
Other Income	78.51	-	78.51
	(0.97)	(-)	(0.97)
Other Expenditure	2.44	-	2.44
	(4.17)	(-)	(4.17)
Profit/(Loss) on Sale of Land/Building/Other Assets	4.04	-	4.04
	(-)	(-)	(-)
Management Contract	37.94	1.50	39.44
	(3.77)	(1.38)	(5.15)
<b>Outstanding as on March 31, 2021</b>			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	1,352.84	-	1,352.84
	(748.31)	(-)	(748.31)
Other Liabilities	8.27	-	8.27
	(28.35)	(-)	(28.35)
Balances with Banks and Money at call and short notice	-	-	-
	(300.00)	(-)	(300.00)
Investments	12,814.54	-	12,814.54
	(11,015.61)	(-)	(11,015.61)
Advances	1,434.76	-	1,434.76
	(113.50)	(-)	(113.50)
Other Assets	188.39	-	188.39
	(229.52)	(-)	(229.52)
Non-fund commitments (LCs/BGs)	2,935.10	-	2,935.10
	(-)	(-)	(-)
<b>Maximum outstanding during the year</b>			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	1,543.06	-	1,543.06
	(768.92)	(-)	(768.92)
Other Liabilities	8.27	-	8.27
	(28.35)	(-)	(28.35)
Balances with Banks and Money at call and short notice	-	-	-
	(300.00)	(-)	(300.00)
Advances	17,763.35	-	17,763.35
	(113.50)	(-)	(113.50)
Investment	14,551.41	-	14,551.41
	(11,015.61)	(-)	(11,015.61)
Other Assets	188.39	-	188.39
	(229.52)	(-)	(229.52)
Non-fund commitments (LCs/BGs)	2,935.10	-	2,935.10
	(-)	(-)	(-)

(Figures in brackets pertain to previous year)

There are no materially significant related party transactions during the year.



## 2.5 Accounting Standard-19 “Leases”:

### 2.5.1 Finance Leases

#### Assets taken on Financial Leases on or after April 01, 2001:

The details of financial leases are given below:

₹ in crore

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Total Minimum lease payments outstanding</b>		
Less than 1 year	51.02	42.59
1 to 5 years	105.91	105.50
5 years and above	31.14	28.47
<b>Total</b>	<b>188.07</b>	<b>176.56</b>
<b>Interest Cost payable</b>		
Less than 1 year	8.30	8.86
1 to 5 years	15.96	14.72
5 years and above	11.52	3.69
<b>Total</b>	<b>35.78</b>	<b>27.27</b>
<b>Present value of minimum lease payments payable</b>		
Less than 1 year	42.72	33.73
1 to 5 years	89.95	90.78
5 years and above	19.62	24.78
<b>Total</b>	<b>152.29</b>	<b>149.29</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 31.03.2021	As at 31.03.2020
Not later than 1 year	121.98	165.73
Later than 1 year and not later than 5 years	203.77	496.10
Later than 5 years	33.55	112.22
<b>Total</b>	<b>359.30</b>	<b>774.05</b>

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 4,847.29 crore (Previous Year ₹ 3,556.87 crore).

## 2.6 Accounting Standard-20 “Earnings per Share”:

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - “Earnings per Share”. “Basic earnings” per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
<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)	22,405.45	19,767.80
Basic earnings per share (₹)	25.11	22.15
Diluted earnings per share (₹)	25.11	22.15
Nominal value per share (₹)	1.00	1.00

## 2.7 Accounting Standard-22 “Accounting for Taxes on Income”:

- During the year, ₹ 3,748.99 crore has been credited to Profit and Loss Account (Previous Year ₹ 7,502.08 crore debited) on account of deferred tax.
- The breakup of deferred tax assets and liabilities into major items is given below:

₹ in crore

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
<b>Deferred Tax Assets</b>		
Provision for long term employee Benefits	7,975.13	6,468.85
Provision for advances	4,125.04	3,067.95
Provision for Other Assets/ Other Liability	3,115.56	665.72
On Accumulated Losses	36.80	105.22
On Foreign Currency Translation Reserve	759.10	809.99
Depreciation on Fixed Assets	230.35	146.56
DTAs on account of FOs of SBI	275.67	253.16
Others	171.79	180.50
<b>Total</b>	<b>16,689.44</b>	<b>11,697.95</b>
<b>Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets	38.30	96.86
Interest accrued but not due on securities	5,744.73	4,563.17
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,656.53	3,531.63
DTLs on account of FOs of SBI	2.46	6.16
Others	6.33	6.54
<b>Total</b>	<b>9,448.35</b>	<b>8,204.36</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>7,241.09</b>	<b>3,493.59</b>

- iii) While recognizing provision for income tax for the year ended March 31, 2020 SBI and certain group entities had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, SBI and certain group entities had re-measured their Deferred Tax Assets based on the tax rate prescribed in the said section and have reversed the MAT credit no longer available to them. The impact of these changes was a one-time charge of ₹ 3,166.37 crore (net of minority interest) during the year ended March 31, 2020.

## 2.8 Accounting Standard-28 “Impairment of assets”:

In the opinion of the Management, there is no impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.

## 2.9 Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”

### ➤ Provisions and contingencies recognised in Profit and Loss Account:

The breakup of provisions is given in the table below :

₹ in crore

Sr No.	Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account	Current Year	Previous Year
a)	Provision for Taxation		
	- Current Tax	12,278.08	4,372.77
	- Deferred Tax	(3,748.99)	7,502.08
	- (Write Back)/Additional Provision of Income Tax	(12.84)	264.91
b)	Provision on Non-Performing Assets	29,758.90	44,072.90
c)	Provision on Restructured Assets	(26.25)	(224.01)
d)	Provision on Standard Assets	3,601.32	(291.37)
e)	Provision for Depreciation on Investments	2,820.99	628.11
f)	Other Provisions	9,947.20	603.07
	<b>Total</b>	<b>54,618.41</b>	<b>56,928.46</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 parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, SBI generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Group is contingently liable	The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

➤ **Movement of provisions against contingent liabilities:**

The movement of provisions against contingent liabilities given in the table below:

₹ in crore

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening Balance	633.72	534.75
b)	Additions during the year	2,981.19	137.34
c)	Amount utilised during the year	68.47	7.13
d)	Unused amount reversed during the year	111.43	31.24
e)	Closing balance	<b>3,435.01</b>	<b>633.72</b>

3. Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year.

4. As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

No separate disclosure required to be made for SBI in respect of divergence for Financial Year 2019-20 as the same is not beyond the above-mentioned thresholds.

5. In accordance with instructions contained in RBI circulars dated March 27, 2020 and May 23, 2020, SBI has extended the moratorium to all borrowers of all segments. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, provisioning in respect of COVID -19 Regulatory Package is as below: -

₹ in crore

Particulars	Amount
Respective amounts, where the moratorium/deferment was extended (Outstanding as on August 31, 2020) <i>(As a default option, SBI extended this moratorium benefit to all eligible customers)</i>	8,21,163.83
Respective amount where asset classification benefits is extended (Outstanding as on August 31, 2020)	11,357.78

Provisions made during the Q4FY2020	1,172.00
Provisions made during the Q1FY2021	1,836.00
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil
Residual provision as on March 31, 2021 (includes ₹ 3,338.00 crore provided in Q3 and Q4 of FY 2020-21)	6,346.00

#### 6. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021 on 'Utilisation of Floating Provisions/ Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on December 31, 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, SBI has not utilized the CCPB for making specific provision for NPAs.

7. As per RBI letter no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), SBI is holding total provision of ₹ 4,479 crore (100% of total outstanding) as on March 31,2021 (Previous Year ₹ 5,761.46 crore {93.53% of total outstanding}).
8. Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes ₹ 1,367.27 crore on sale of certain portion of investment in SBI Life Insurance Company Limited. (Previous year ₹ 3,190.97 crore on sale of certain portion of investment in SBI Life Insurance Company Ltd. and ₹ 2,590.59 crore on sale of certain portion of investment in SBI Cards & Payment Services Limited).

## 9. Resolution of Stressed Assets

In terms of RBI circular DOR. No. BP/BC/3/21.04.048/2020-21 dated August 6, 2020, the detailed requirement as per Resolution Framework for COVID-19 related Stress during the year is :

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan (₹ in crore)	(C) of (B), aggregate amount of debt that was converted into other securities (₹ in crore)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (₹ in crore)	(E) Increase in provisions on account of the implementation of the resolution plan (₹ in crore)
Personal Loans	13,056	2,761.74	-	-	-
Corporate persons*	42,561	2,554.53	-	64.45	1,120.57
of which, MSMEs	42,555	1,779.35	-	-	33.91
Others	-	-	-	-	-
<b>Total</b>	<b>55,617</b>	<b>5,316.27</b>	<b>-</b>	<b>64.45</b>	<b>1,120.57</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

10. The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities and increase in movement in financial markets. In this situation, Bank is gearing up itself on all fronts to meet the challenges. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their obligations against the loans timely. The bank is proactively providing against the challenges of likely stress on the bank's assets. A definitive assessment of the impact of COVID-19 is dependent upon circumstances as they evolve in the subsequent period.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated March 27, 2020, subsequent notifications dated April 17, 2020 and May 23, 2020 has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, includes Rescheduling of Payments –Term Loans and Working capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc.

The bank has proactively made an additional provision towards the possible impact of COVID-19 pandemic, on the basis of the evaluation and assessment done with reference to the information now available and analysis made thereon. The said provision is in addition to the provisions held as per RBI guidelines as regards loan loss provisions. On the basis of above-mentioned assessment, Bank's management is not expecting any significant impact on Bank's liquidity or profitability.

11. To ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated March 23, 2021, directed that there shall not be any charge of interest on interest / compound interest / penal interest for the period during the moratorium from March 1, 2020 to August 31, 2020 and such interest shall be refunded to the concerned borrowers to be given credit / adjusted in the next instalment of the loan amount. Accordingly, SBI has reversed interest income by ₹ 830 crore during the year ended March 31, 2021.
12. In terms of RBI Circular RBI/2015-16/376 DBR. No. BP/BC.92/21.04.048/2015-16 dated April 18, 2016 during quarter ended March 31, 2020, in respect of advance account declared as fraud, SBI had chosen to provide for the fraud over four quarters as permitted by RBI. However, SBI has provided the entire balance amount of ₹ 5,230.37 crore as on March 31, 2020 in the first quarter of year ended March 31, 2021.
13. SBI has revalued immovable properties on June 30, 2019 based on reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on March 31, 2021, (net of amount transferred to General Reserve) is ₹ 23,577.35 crore (Previous year ₹ 23,762.67 crore).
14. During the year, SBI accounted for ₹ 5,353.50 crore arising out of 11<sup>th</sup> Bi-Partite Wage Settlement effective from November 1, 2017.
15. In respect of SBI Life Insurance Company Ltd., IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to Master policy holders vide order no. IRDA/Life/ORD/ Misc/228/10/2012 dated October 5, 2012 amounting to ₹ 84.32 crore (Previous Year ₹ 84.32 crore). The company had filed an appeal against the said order with Ministry of Finance, Government of India, who remanded the case

back to IRDAI on November 04, 2015. IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The company has filed an appeal against the said directions /orders with Securities Appellate Tribunal (SAT), which was dismissed by SAT vide order dated April 7, 2021. The company is in the process of filing an appeal before the Hon'ble Supreme Court challenging the said SAT order in consultation with the legal counsel.

In the above-mentioned matter, SBI Life Insurance Company Ltd. has shown a requisite amount as contingent liability in the financials of the company.

16. The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 14.13% (Previous Year 13.34%) of the total investments as on March 31, 2021.
17. The Central Board of SBI has declared a dividend of ₹ 4 per share @ 400% for the year ended March 31, 2021.
18. In accordance with RBI circular DBOD NO.BP. BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.
19. In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.
20. Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

**Shri Ashwini Kumar Tewari**  
Managing Director  
(IB, T & S)

**Shri Swaminathan J.**  
Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**  
Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(R & DB)

In term of our Report of even date.

**For Khandelwal Jain & Co.**

**Chartered Accountants**

Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Alpesh Waghela**  
Partner  
Membership No. : 142058

Mumbai  
Dated 21<sup>st</sup> May 2021

# State Bank of India

Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2021

( 000s omitted)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	30921,70,78	31907,55,94
<b>Adjustments for :</b>		
Depreciation on Fixed Assets	3711,06,36	3661,55,85
(Profit)/Loss on sale of Fixed Assets (Net)	28,33,64	28,33,75
(Profit)/Loss on revaluation of Investments (Net)	5,15,48	-
(Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates	(1323,43,00)	(5573,62,96)
Provision for diminution in fair value & Non Performing Assets	29732,65,29	43848,89,01
Provision on Standard Assets	3601,32,26	(291,36,52)
Provision for depreciation on Investments	2820,98,83	626,52,21
Other Provisions including provision for contingencies	9947,19,49	604,65,49
Share in Profit of Associates	391,90,45	(2963,14,04)
Dividend from Associates	(3,19,50)	(14,66,77)
Interest charged to P&L on Capital Instruments	5900,31,21	4908,09,07
	<b>85734,01,29</b>	<b>76742,81,03</b>
<b>Adjustments for :</b>		
Increase/(Decrease) in Deposits	441170,61,63	333619,56,43
Increase/(Decrease) in Borrowings other than Capital Instruments	90438,85,18	(89342,80,87)
(Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates	(368800,15,43)	(100670,42,40)
(Increase)/Decrease in Advances	(156020,45,83)	(191306,40,41)
Increase/(Decrease) in Other Liabilities	67465,50,14	31602,72,76
(Increase)/Decrease in Other Assets	(66249,94,63)	(21857,44,26)
	<b>93738,42,35</b>	<b>38788,02,28</b>
Tax refund / (Taxes paid)	(3819,49,34)	(14859,49,11)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>89918,93,01</b>	<b>23928,53,17</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in Investments in Subsidiaries/Joint Ventures/ Associates	(1234,82,60)	(6031,06,06)
Profit/ (Loss) on sale of Investments in Subsidiaries/Joint Ventures/ Associates	1323,43,00	5573,62,96
Dividend from Associates	3,19,50	14,66,77
(Increase)/Decrease in Fixed Assets	(3828,02,03)	(3065,01,13)
(Increase)/Decrease in Goodwill on Consolidation	(59)	184,08,19
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(3736,22,72)</b>	<b>(3323,69,27)</b>



( 000s omitted)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity shares including share premium (Net of share issue expenses)	-	-
Issue/(redemption) of Capital Instruments (Net)	10533,33,60	8495,81,80
Interest paid on Capital Instruments	(5069,10,88)	(4908,09,07)
Dividend paid including tax thereon	-	-
Dividend tax paid by Subsidiaries/Joint Ventures	(3,65,16)	(65,04,00)
Increase/(Decrease) in Minority Interest	1682,09,46	1906,83,07
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>7142,67,02</b>	<b>5429,51,80</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>	<b>66,39,90</b>	<b>2768,64,27</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)</b>	<b>93391,77,21</b>	<b>28802,99,97</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1<sup>ST</sup> APRIL</b>	<b>254315,26,36</b>	<b>225512,26,39</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>347707,03,57</b>	<b>254315,26,36</b>
<b>Note:</b>		
<b>1. Components of Cash &amp; Cash Equivalents as at:</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Cash & Balances with Reserve Bank of India	213498,61,59	166968,46,05
Balances with Banks and Money at Call & Short Notice	134208,41,98	87346,80,31
<b>Total</b>	<b>347707,03,57</b>	<b>254315,26,36</b>
<b>2. Cash Flow from operating activities is reported by using indirect method.</b>		

**Shri Ashwini Kumar Tewari**  
Managing Director  
(IB, T & S)

**Shri Swaminathan J.**  
Managing Director  
(R, C & SARG)

**Shri Ashwani Bhatia**  
Managing Director  
(CB & GM)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(R & DB)

In term of our Report of even date.

**For Khandelwal Jain & Co.**

**Chartered Accountants**

Firm Registration No. 105049W

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Alpesh Waghela**  
Partner  
Membership No. : 142058

Mumbai  
Dated 21<sup>st</sup> May 2021

# INDEPENDENT AUDITORS' REPORT

To,  
**The Board of Directors,**  
**State Bank of India,**  
 State Bank Bhavan,  
 Madam Cama Road,  
 Mumbai.

## Report on Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:

- a) Audited Standalone Financial Statements of the Bank which have been Audited by all the fourteen Statutory Central Auditors including us;
- b) Audited Financial Statements of 26 Subsidiaries, 8 Jointly Controlled Entities and 16 Associates (including 14 Regional Rural Banks) audited by other Auditors; and (listed in Annexure A)
- c) Un-audited Financial Statements of 1 Subsidiary and 1 Associate (listed in Annexure A).

The above entities together with the Bank are referred to as the 'Group'.

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of subsidiaries, jointly controlled entities and associates, the unaudited financial statements and the other financial information of subsidiaries as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2021;
- b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and
- c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

3. We draw attention to Note No. 10 of Schedule 18 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
<b>Key Audit matters reported in standalone financial statements of the Bank:</b>		
I	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 51.61 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per Note 3 of Schedule 17.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances</p>	<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 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 aforesaid RBI Circular/directions.</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>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 32.90 percent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</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>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>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>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>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>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>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>
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 2.9 of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>	<p>Our audit approach involved:</p> <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>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	<p>Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic:</p> <p>Due to the continuing COVID-19 pandemic, lockdown declared by some of the State Governments and travel restrictions imposed by State Governments / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank.</p> <p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, either fully or partially, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/ Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> <li>Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible.</li> <li>Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.</li> <li>Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</li> <li>Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.</li> </ol>
<b>Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:</b>		
v	<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>



### Information Other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon), which will be obtained at the time of issue of this auditors' report, and the Directors' Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard 21- "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standards 27 - Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 and applicable laws for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group Entities or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity's financial reporting process.

### Auditors' Responsibility for the Audit of Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may

cause the Group Entity to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates and Jointly Controlled Entities of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

8. Incorporated in these consolidated financial statements are the:
  - a) We did not audit the financial statements/ information of 10842 branches included in the Standalone Financial Statements of the Bank whose financial statements / financial information reflect total assets of ₹ 34,44,485 crore at March 31, 2021 and total revenue of ₹ 2,83,673 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors;
  - b) We did not audit the financial statements of 26 Subsidiaries, 8 Jointly Controlled Entities whose financial statements reflect total assets of ₹ 328,891.56 crore as at March 31, 2021, total revenues of ₹ 81,067.73 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of ₹ 664.98 crore for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of 16 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors
  - c) We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of ₹ 7,604.08 crore as at March 31, 2021, total revenues of ₹ 236.33 crore, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of ₹ 2.02 crore for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of 1 associate, whose financial statements / financial information have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report relates to the aforesaid subsidiaries, jointly controlled entities and associates, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

9. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, subsidiaries of the Group, have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

#### Report on Other Legal and Regulatory Requirements

10. The Consolidated Balance Sheet and the Consolidated Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
11. We further report that:
    - a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
    - b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

12. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- b) On the basis of the written representations received from the directors of the Bank as on March 31, 2021 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- c) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- d) As per para 1.14 of the Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks issued by ICAI, the reporting requirement as introduced by RBI regarding Internal Financial Control over Financial Reporting will apply only to standalone financial statements of Public Sector Banks (PSBs) and not to consolidated financial statements of PSBs. Accordingly, reporting is not done on the Group's Internal Financial Control over Financial Reporting with reference to the Consolidated Financial Statements as at March 31, 2021.

#### KHANDELWAL JAIN & CO.

#### CHARTERED ACCOUNTANTS

ICAI Firm Registration No. 105049W

#### ALPESH WAGHELA

#### PARTNER

Membership No. 142058

UDIN: 21142058AAAABG3977

Place – Mumbai

Date – May 21, 2021



**Annexure A: List of entities consolidated as at 31 March 2021**

<b>S r. No.</b>	<b>Name of Subsidiary</b>	<b>S r. No.</b>	<b>Name of Subsidiary</b>
1	SBI Capital Markets Ltd.	15	SBI-SG Global Securities Services Pvt. Ltd.
2	SBICAP Securities Ltd.	16	SBI Funds Management Pvt. Ltd.
3	SBICAP Trustee Company Ltd.	17	SBI Funds Management (International) Private Ltd.
4	SBICAP Ventures Ltd.	18	Commercial Indo Bank Llc, Moscow
5	SBICAP (Singapore) Ltd.	19	Bank SBI Botswana Limited
6	SBI DFHI Ltd.	20	SBI Canada Bank
7	SBI Global Factors Ltd.	21	State Bank of India (California)
8	SBI Infra Management Solutions Pvt. Ltd.	22	State Bank of India (UK) Limited
9	SBI Mutual Fund Trustee Company Pvt Ltd.	23	State Bank of India 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		

<b>Sr. No.</b>	<b>Name of Joint venture</b>	<b>Sr. No.</b>	<b>Name of Joint venture</b>
1	C - Edge Technologies Ltd.	5	Macquarie SBI Infrastructure Trustee Ltd.
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	7	Oman India Joint Investment Fund – Management Company Pvt. Ltd.
4	Macquarie SBI Infrastructure Management Pte. Ltd.	8	Jio Payments Bank Ltd.

<b>S r. No.</b>	<b>Name of Associates</b>	<b>S r. No.</b>	<b>Name of Associates</b>
1	Andhra Pradesh Grameena Vikas Bank	10	Uttarakhand Gramin Bank
2	Arunachal Pradesh Rural Bank	11	Jharkhand Rajya Gramin Bank
3	Chhattisgarh Rajya Gramin Bank	12	Saurashtra Gramin Bank
4	EllaquaiDehati Bank	13	Rajasthan Marudhara Gramin Bank
5	Meghalaya Rural Bank	14	Telangana Grameena Bank
6	Madhyanchal Gramin Bank	15	The Clearing Corporation of India Ltd.
7	Mizoram Rural Bank	16	Yes Bank Limited
8	Nagaland Rural Bank	17	Bank of Bhutan Ltd.
9	Utkal Grameen Bank		

# PILLAR 3 DISCLOSURES (CONSOLIDATED)

as on 31.03.2021

## DF-1: SCOPE OF APPLICATION

State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India which comprises the statutory provisions, Regulatory/Reserve Bank of India (RBI) guidelines, Accounting Standards/guidance notes issued by the ICAI.

### (i) Qualitative Disclosures:

#### a) List of group entities considered for consolidation for the period ended 31.03.2021

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
1	SBI Capital Markets Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
2	SBICAP Securities Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
3	SBICAP Ventures Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
4	SBICAP Trustee Company Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
5	SBICAP (Singapore) Ltd.	Singapore	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
6	SBI DFHI Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
7	SBI Payment Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
8	SBI Global Factors Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
9	SBI Pension Funds Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
10	SBI –SG Global Securities Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
11	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
12	SBI Funds Management Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
13	SBI Funds Management (International) Private Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
14	SBI Cards and Payment Services Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
15	State Bank of India (California)	USA	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
16	SBI Canada Bank	Canada	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
17	Commercial Indo Bank Llc, Moscow	Russia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
18	SBI (Mauritius) Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
19	PT Bank SBI Indonesia	Indonesia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
20	Nepal SBI Bank Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
21	Nepal SBI Merchant Banking Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
22	Bank SBI Botswana Ltd.	Botswana	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
23	State Bank of India Servicos Limitada	Brazil	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
24	State Bank of India (UK) Limited	UK	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
25	SBI Infra Management Solutions Private Limited	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Non-financial Subsidiary: Not under scope of Regulatory Consolidation
26	SBI Life Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Insurance Joint Venture: Not under scope of Regulatory Consolidation
27	SBI General Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Insurance Joint Venture: Not under scope of Regulatory Consolidation
28	C - Edge Technologies Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Non-financial Joint Venture: Not under scope of Regulatory Consolidation
29	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
30	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Non-financial Joint Venture: Not under scope of Regulatory Consolidation
31	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
32	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
33	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
34	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
35	Jio Payments Bank Limited	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
36	Andhra Pradesh Grameena Vikas Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
37	Arunachal Pradesh Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
38	Chhattisgarh Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
39	Ellaquai Dehati Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
40	Meghalaya Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
41	Madhyanchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
42	Mizoram Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
43	Nagaland Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
44	Utkal Grameen Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
45	Uttarakhand Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
46	Jharkhand Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
47	Saurashtra Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
48	Rajasthan Marudhara Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
49	Telangana Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
50	The Clearing Corporation of India Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
51	Yes Bank Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
52	Bank of Bhutan Ltd.	Bhutan	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation

**b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2021**

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
1	SBI Foundation	India	A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities	82.22	99.72%	Deducted from the Regulatory Capital	82.48
2	SBI Home Finance Ltd.	India	Under winding up	N.A.	25.05%		N.A.

## (ii) Quantitative Disclosures:

### c. List of group entities considered for regulatory consolidation as on 31.03.2021

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$#	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)#
1	SBI Capital Markets Ltd	India	Merchant Banking and Advisory Services	2,172.66	2,247.42
2	SBICAP Securities Ltd	India	Securities Broking & its allied services and third party distribution of financial products	567.78	942.19
3	SBICAP Trustee Company Ltd	India	Corporate Trusteeship Activities	131.52	138.56
4	SBICAPS Ventures Ltd	India	Asset Management Company for Venture Capital Fund	111.20	119.49
5	SBICAP (Singapore) Ltd	Singapore	Business & management Consultancy Services	59.41	60.24
6	SBI DFHI Ltd	India	Primary Dealer in Govt. Securities	1,232.88	9,807.69
7	SBI Mutual Fund Trustee Co. Pvt Ltd	India	Trusteeship Services to schemes floated by SBI Mutual Fund	34.92	35.02
8	SBI Global Factors Ltd	India	Factoring Activities	345.50	1317.13
9	SBI Pension Funds Pvt Ltd	India	Management of assets of NPS Trust allocated to them	44.14	45.70
10	SBI Payments Services Pvt Ltd	India	Payment Solution Services	1,435.16	1,596.15
11	SBI Funds Management Pvt Ltd	India	Asset Management Services to schemes floated by SBI Mutual Fund	2,403.23	2,573.31
12	SBI Funds Mgt. (International) Ltd	Mauritius	Investment Management Services	1.00	2.57
13	SBI Cards and Payment Services Ltd	India	Credit Cards Business	5,799.43	26,815.50
14	SBI-SG Global Securities Services P. Ltd.	India	Custody and Fund accounting services	287.24	1,183.26
15	State Bank of India (California)	USA	Banking Services	1,085.28	6,484.90
16	SBI Canada Bank	Canada	Banking Services	937.40	7,604.08
17	Commercial Indo Bank Llc, Moscow	Russia	Banking Services	219.48	683.10
18	SBI (Mauritius) Ltd	Mauritius	Banking Services	1,100.69	6,926.68
19	PT Bank SBI Indonesia	Indonesia	Banking Services	736.99	2,760.29
20	Nepal SBI Bank Ltd	Nepal	Banking Services	969.20	8,781.55
21	State Bank of India (UK) Limited	UK	Banking Services	2,461.04	17,750.59
22	Bank SBI Botswana Ltd.	Botswana	Banking Services	75.69	81.44

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) <sup>§</sup>	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) <sup>#</sup>
23	State Bank of Servicos Limitada, Brazil	Brazil	Representative Office Services	1.58	1.65
24	Nepal SBI Merchant Banking Ltd.	Nepal	Merchant Banking and Advisory Services	15.66	16.63

<sup>§</sup> Comprises of Equity Capital and Reserve & Surplus

<sup>#</sup> In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

**(d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:**

Name of the Subsidiaries/ Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Capital Deficiency
NIL				

**(e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted:**

Name of the Insurance entities/Country of incorporation	Face Value	Book Value	Market Value	RWA	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method
GENERAL INSURANCE CORPORATION OF INDIA	3.94	358.35	157.25	-	Insurance	877.20	0.45%	Insignificant impact with either method
HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	0.43	29.22	29.74	75.27	Insurance	2020.94	0.02%	Insignificant impact with either method
ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED	0.27	39.78	38.49	97.38	Insurance	454.59	0.06%	Insignificant impact with either method
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1.08	50.67	48.17	121.93	Insurance	1435.96	0.08%	Insignificant impact with either method

**(f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:**  
**Overseas Banking Subsidiaries**

SBI California	As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares or capital repatriation to parent bank.
SBI Canada	Prior permission from the regulatory (OSFI) before transferring any type of capital (equity or debt) to parent bank.
SBI Canada	Prior permission from the regulatory (OSFI) before transferring any type of capital (equity or debt) to parent bank.

Subsidiaries	Restrictions
Bank SBI Botswana Ltd.	Only after permission of the Bank of Botswana the transfer of regulatory capital within the banking group/ Group company is allowed. The same to be approved by the Board with Statutory Auditor certificate for the capital maintained by the bank on date.
SBI Mauritius Ltd.	<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 the liquidity ratio 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 or not less than MUR 400 million rupees of 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.
CIBL	There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group.
State Bank of India (UK) Limited	Excess capital beyond the regulatory minimum can be paid back to the parent (via dividends or reduced capital) along with the approval of SBI UK Board and PRA. This will be based on the projected growth plans of SBI UK Limited and its capital requirements.

### Non-Banking Subsidiaries

Subsidiaries	Restrictions
SBI Life Insurance Ltd.	As per regulations, the only way to transfer capital to parent bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.
SBI General Insurance Co. Ltd.	Solvency ratio of 1.7 to be always maintained by the company, as mandated by Company board. Capital transfer will not be allowed if this limit is breached.
SBI Cards & Payment Services Ltd.	SBI Card can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act, SEBI and RBI regulations.
SBI Funds Mgmt. Pvt. Ltd.	<p>Any action of the Company in terms of dividend, capital changes, share buy-back, issuances or allotments, etc are covered in the JV agreement either directly or indirectly. The JV agreement provides that for all such action affirmative vote of at least one associate director of Amundi and SBI on the Board will be required.</p> <p>In terms of Companies Act too approval from the Board and shareholders will be a pre-requisite.</p>
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 Network 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> </ol> <p>All of the above would be subject, of course, to the Approval of the Board of SBICAP.</p>



Subsidiaries	Restrictions
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 INR100million (as on 31.03.21) 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>
SBI DFHI Ltd.	<p>The capital can be transferred to the parent bank by way of dividends or buyback shares. The RBI instructions for Standalone Primary Dealers (SPD) in this regard are as under:</p> <ul style="list-style-type: none"> <li>Any change in the shareholding pattern / capital structure of a SPD shall need prior approval of RBI.</li> <li>SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis.</li> </ul> <p>SPDs shall follow the following guidelines while declaring dividend distribution:</p> <ul style="list-style-type: none"> <li>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>SPDs having CRAR below the regulatory minimum of 15 per cent in any of the previous four quarters shall not declare any dividend. For SPDs having CRAR at or above the regulatory minimum of 15 per cent during all the four quarters of the previous year, but lower than 20 per cent in any of the four quarters, the dividend pay-out ratio (DPR) shall not exceed 33.3 per cent. For SPDs having CRAR at 20 per cent or above during all the four quarters of the previous year, the DPR shall not exceed 50 per cent. DPR shall be calculated as a percentage of dividend payable in a year (excluding dividend tax) to net profit during the year.</li> <li>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>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> <li>In case there are special reasons or difficulties for any SPD in strictly adhering to the guidelines, it shall approach RBI in advance for an appropriate adhoc dispensation in this regard.</li> </ul>

Subsidiaries	Restrictions
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 buyback shares or capital repatriation to parent bank.</p> <p>The Only criteria is that the Company should maintain minimum net worth of ₹25/ 50 crores and shall fulfil the minimum eligibility criteria of the Pension Fund i.e. Reg 8 (d) the sponsor shall have profits after tax in at least three of the preceding five financial years and further that there shall be no cash loss in the last preceding five years.</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>The clause in the Subscription and Shareholders' Agreement w.r.t. 'lock-in' has been extracted and mentioned below: (CLAUSE 22.1.2)</p> <p>"Subject to Clause 22.2 (Transfer to Associated Companies), SBI may not Transfer any of its Shares or any interest in any of its Shares to any person prior to the fifth year anniversary from the date of application to the RBI for the grant of the final license for the "Payment Bank" or such other date as may be allowed by the RBI on an application made to the RBI as required under clause 7.5.2 (Commencement of Business), Clause 7.8.1 (Development of business), Clause 10.4.2 (Business Plan Deadlock) and Clause 22.3 (Transfer to a third party) and Clause 23.7.2 (ii) (Other breaches of the Agreement) (the "SBI Lock-in Period")."</p>

## DF-2 – CAPITAL ADEQUACY

As on 31.03.2021

### Qualitative Disclosures

- |  |   |
|--|---|
| <p>(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities</p> | <ul style="list-style-type: none"> <li>• 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> <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> </li> <li>• 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.</li> <li>• 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.</li> </ul> |
|--|---|

- Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

## Quantitative Disclosures

(b)	Capital requirements for credit risk:	
	• Portfolios subject to standardized approach	₹1,66,252.02 crores
	• Securitization exposures	Nil
		<b>Total ₹1,66,252.02 crores</b>
(c)	Capital requirements for market risk:	
	• Standardized duration approach;	
	» Interest Rate Risk	₹13,789.64 crores
	» Foreign Exchange Risk (including gold)	₹171.23 crores
	» Equity Risk	₹7,514.91 crores
		<b>Total ₹21,475.78 crores</b>
(d)	Capital requirements for operational risk:	
	• Basic Indicator Approach	₹21,366.36 crores
	• The Standardized Approach (if applicable)	NA
		<b>Total ₹21,366.36 crores</b>
(e)	Common Equity Tier 1, Tier 1 and Total Capital Ratios:	<b>CAPITAL ADEQUACY RATIOS AS ON 31.03.2021</b>
	• For the top consolidated group; and	
	• For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)	
	</	

## DF-3: CREDIT RISK: GENERAL DISCLOSURES

As on 31.03.2021

### General Disclosures

#### a. Qualitative Disclosures

- **Definitions of past due and impaired assets (for accounting purposes)**

#### Non-performing assets

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31<sup>st</sup> March 2006, a non-performing Asset (NPA) is an advance where

- (i) Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan
- (ii) The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC)
- (iii) The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted
- (iv) Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts
- (v) A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season
- (vi) An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- (vii) The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitization transactions undertaken in accordance with the RBI guidelines on securitization dated February 1, 2006.
- (viii) In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

#### 'Out of Order' status

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

#### 'Overdue'

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

#### • Resolution of Stressed Assets

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default\*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

\* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

#### • Discussion of the Bank's Credit Risk Management Policy

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines. Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

- (i) Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorized broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.
- (ii) Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with exposure of ₹20 cr. and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

### DF-3: Quantitative Disclosures as on 31.03.2021

General Disclosures:			₹ in crores
Quantitative Disclosures	Fund Based	Non-Fund Based	Total
b. Total Gross Credit Risk Exposures	2591605.54	471140.72	3062746.26
c. Geographic Distribution of Exposures: FB / NFB			
Overseas	375153.85	63425.29	438579.14
Domestic	2216451.69	407715.43	2624167.12
d. Industry Type Distribution of Exposures Fund based / Non-Fund Based separately	Please refer to Table "A"		
e. Residual Contractual Maturity Breakdown of Assets	Please refer to Table "B"		
f. Amount of NPAs (Gross) i.e. Sum of (i to v)			128168.54
i. Substandard			20152.60
ii. Doubtful 1			31628.02
iii. Doubtful 2			26732.43
iv. Doubtful 3			24486.76
v. Loss			25168.73
g. Net NPAs			37119.10
h. NPA Ratios			
i. Gross NPAs to gross advances			4.95%
ii. Net NPAs to net advances			1.48%
i. Movement of NPAs (Gross)			
i. Opening balance			150130.72
ii. Additions			30717.40
iii. Reductions			52679.58
iv. Closing balance			128168.54
j. Movement of provisions for NPAs			
i) Opening balance			98004.01
ii) Provisions made during the period			29241.85
iii) Write-off/Write-back of excess provisions			36196.42
iv) Closing balance			91049.44
k. Amount of Non-Performing Investments			5474.38
l. Amount of Provisions held for Non-Performing Investments			4706.83
m. Movement of Provisions for Depreciation on Investments			
Opening balance			9580.95
Provisions made during the period			4615.48
Write-off			3404.63
Write-back of excess provisions			1593.55
Closing balance			9198.25

n.	By major industry or counter party type	
	Amt. of NPA and if available, past due loans, provided separately	63683.09
	Specific & general provisions; and	-
	Specific provisions and write-offs during the current period	-
o.	Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions	-
	Provisions	-

**Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2021**

(₹ in Crores)

Code	Industry	Fund Based [Outstanding-O/s]			Non-Fund Based(O/s)
		Standard	NPA	Total	
1	Coal	8131.50	701.79	8833.29	5612.45
2	Mining	6019.31	139.60	6158.91	1641.72
3	Iron & Steel	59824.70	3215.94	63040.64	38985.90
4	Metal Products	36557.97	1176.44	37734.41	9962.72
5	All Engineering	33255.27	4994.74	38250.01	72079.91
5.1	Of which Electronics	4150.56	98.49	4249.05	6492.56
6	Electricity	5415.98	0.00	5415.98	0.00
7	Cotton Textiles	22180.05	1792.10	23972.15	1451.87
8	Jute Textiles	997.90	49.23	1047.13	42.15
9	Other Textiles	11589.37	1635.79	13225.16	2831.00
10	Sugar	5850.94	566.02	6416.96	962.06
11	Tea	828.98	82.68	911.66	44.58
12	Food Processing	83494.03	5215.16	88709.19	3010.52
13	Vegetable Oils & Vanaspati	5131.54	590.99	5722.53	2950.86
14	Tobacco / Tobacco Products	162.15	17.49	179.64	192.08
15	Paper / Paper Products	5046.68	634.69	5681.37	1015.62
16	Rubber / Rubber Products	7550.64	903.94	8454.58	2042.90
17	Chemicals / Dyes / Paints etc.	83261.39	3202.67	86464.06	57375.42
17.1	Of which Fertilizers	17024.17	1015.50	18039.67	7503.33
17.2	Of which Petrochemicals	42891.81	146.11	43037.92	38445.74
17.3	Of which Drugs & Pharma	11992.73	627.17	12619.90	2379.99
18	Cement	11719.63	754.90	12474.53	4289.38
19	Leather & Leather Products	3063.77	381.42	3445.19	376.54
20	Gems & Jewellery	11979.86	532.75	12512.61	1098.87
21	Construction	45623.80	1331.58	46955.38	16247.42
22	Petroleum	44073.69	342.68	44416.37	24784.78
23	Automobiles & Trucks	16298.32	911.67	17210.00	8397.26
24	Computer Software	6779.93	4.70	6784.63	1611.85
25	Infrastructure	327512.30	31999.85	359512.15	92979.33
25.1	Of which Power	179004.07	12436.73	191440.80	32604.46
25.2	Of which Telecommunication	21929.49	5914.26	27843.75	14548.54
25.3	Of which Roads & Ports	79310.86	7248.57	86559.43	19832.89
26	Other Industries	200414.42	33035.25	233449.67	33386.55
27	NBFCs & Trading	361934.88	18411.71	380346.58	52323.83
28	Residual Advances	1058738.00	15542.76	1074280.76	35443.15
<b>Total</b>		<b>2463437.00</b>	<b>128168.54</b>	<b>2591605.54</b>	<b>471140.72</b>

**Table- B**  
**DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on**  
**31.03.2021\***

INFLOWS	(₹ in crores)										TOTAL
	1 days	2-7 days	8-14 days	15-30 days	31 days & upto 2 months	More than 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	
1 Cash	23598.56	3.29	0.00	2.00	0.00	2.22	0.00	0.00	0.00	19.02	23627.09
2 Balances with RBI	62832.73	2756.14	1263.32	2016.48	2323.35	1732.80	5129.08	30509.76	28253.15	39618.61	189812.38
3 Balances with other Banks	76285.29	49038.23	444.84	733.22	838.30	934.71	2602.32	3945.74	3832.81	70.62	138748.70
4 Investments	8405.02	878.84	16407.50	7794.45	10398.79	28797.20	52797.44	100994.96	336561.13	585233.27	1375644.55
5 Advances	45083.24	17039.40	19280.77	42041.74	49861.36	39755.67	123530.07	204529.89	882447.88	758199.46	2508770.48
6 Fixed Assets	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.03	14.72	39132.00	39168.13
7 Other Assets	22282.07	52940.44	56240.28	19663.21	17506.43	14874.54	23230.28	35430.24	17083.64	71759.75	354978.47
<b>TOTAL</b>	<b>238486.91</b>	<b>122656.34</b>	<b>92636.70</b>	<b>72251.10</b>	<b>80930.24</b>	<b>86097.15</b>	<b>207289.18</b>	<b>375410.63</b>	<b>1268193.33</b>	<b>592765.48</b>	<b>4630749.80</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 31.03.2021

### Disclosures for Portfolios subject to Standardised Approach

#### Qualitative Disclosures

- Definitions of past due and impaired assets (for accounting purposes)**

(a) As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, Brickwork, ACUITE Ratings and Research and INFOMERICS (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

- Types of exposures for which each Agency is used**

- (i) For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
- (ii) For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.

- Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book**

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

Long-term Issue Specific Ratings (For the Bank's own exposures or other issuance of debt by the same borrower-constituent/counter-party) or Issuer (borrower-constituents/counter-party) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases :

- If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari passu or junior to the rated exposure in all respects.
- In cases where the borrower-constituent/counter-party has issued a debt (which is not a borrowing from the Bank), the rating given to that debt is applied to the Bank's unrated exposures, if the Bank's exposure ranks pari passu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than the maturity of the rated debt.

(₹ 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.	<b>Amount</b>	
	Below 100% Risk Weight	20,70,436.98
	100% Risk Weight	7,48,475.63
	More than 100% Risk Weight	2,43,833.65
	Deducted	0.00
	<b>Total</b>	<b>30,62,746.26</b>



## DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31.03.2021

### Credit Risk Mitigation: Disclosures for Standardised Approach

#### (a) Qualitative Disclosures

- **Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting**

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

Where bank,

- 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.

- 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 31.03.2021**

(Amt. ₹ in Crs.)

(b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	1,66,449.51
(c) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	96,391.87

## DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

As on 31.03.2021

**Qualitative Disclosures**

<b>(a)</b> The general qualitative disclosure requirement with respect to securitisation including a discussion of:	
The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.	Nil
The nature of other risks (e.g. liquidity risk) inherent in securitised assets;	Not Applicable
The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them;	Not Applicable
<p>@ 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.</p> <p># 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.</p>	
A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012).	Not Applicable
A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;	Not Applicable
<b>(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
<b>Quantitative Disclosures: Banking Book</b>	
<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	
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
<b>Quantitative Disclosures: Trading Book</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
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:	
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 31.03.2021

### (a) QUALITATIVE DISCLOSURES:

- (1) The Bank follows Standardised Measurement Method (SMM) for computing capital requirement for Market Risk.
- (2) Market Risk Management Department (MRMD) is functioning as a part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- (3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
- (4) The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:
  - (a) Market Risk Management Policy
  - (b) Market Risk Limits
  - (c) Investment Policy
  - (d) Trading Policy
  - (e) Stress Test Policy for Market Risk
- (5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (6) Risk management and reporting is based on parameters such as Modified Duration, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Lower and upper management Action Triggers, in line with global best practices.
- (7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (8) Value at Risk (VaR) is computed on a daily basis. Back-Testing of VaR number is carried out on daily basis. Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (9) Respective Foreign offices monitor risk of their investment portfolio, as per the local regulatory and RBI stipulations. Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.
- (10) Bank has submitted Letter of Intent (LOI) to RBI to migrate to advanced approach i.e. Internal Models Approach for calculating capital charge for market risk and.

**(b) QUANTITATIVE DISCLOSURES:****CAPITAL CHARGE ON MARKET RISK**

Bank maintains Capital Charge for Market Risk under the Standardised measurement method as under.

(₹ in Crores)

Category	31.03.2021
Interest rate Risk (including Derivatives)	13,789.64
Equity Position Risk	7,514.91
Foreign Exchange Risk	171.23
<b>Total</b>	<b>21,475.78</b>

**DF-8: OPERATIONAL RISK**

As on 31.03.2021

**Qualitative Disclosures****A. The structure and organization of Operational Risk Management function**

- The Operational Risk Management Department functions in SBI as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer. In SBI, Chief Risk Officer reports to Risk Management Committee of the Board (RMCB)
- The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.

**B. Policies for control and mitigation of Operational Risk in SBI****Domestic Banking Entities (SBI)**

The following Policies, Framework Documents and Manuals are in place in SBI:

**Policies and Framework Documents**

- Operational Risk Management policy encompasses Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks.
- Loss Data Management Policy;
- External Loss Data Management Policy;
- IS Policy;
- IT Policy;
- Cyber Security Policy
- Group Cyber Security Policy
- Business Continuity Planning (BCP) Policy;
- Business Continuity Management System (BCMS) Policy;
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures;
- Policy on Fraud Risk Management;
- Bank's Outsourcing Policy;
- Policy on Insurance;

**Manuals**

- Operational Risk Management Manual
- Loss Data Management Manual
- Business Continuity Planning (BCP) Manual
- Business Continuity Management System (BCMS) Manual
- External Loss Data Manual

**Domestic Non-Banking and Overseas Banking entities**

Policies and Manuals, as relevant to the business model of Non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc.

## C. Strategies and Processes

### Domestic Banking entities (SBI)

#### Advanced Measurement Approach

- To successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at Circles like RMCAOs, RMCCs, and RMCs at the Business and Support Groups (RMC-R & DB, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events and external losses are also captured to improve risk management practices.
- Risk and Control Self-Assessment (RCSA) is a proactive exercise conducted in workshop-based manner to identify gaps, if any, in the existing controls and suggestions are invited for improvement of System & Controls to mitigate the Risks. RCSA also helps in generating risk awareness among staff members. RCSA exercise is carried out across Bank Branches, CPCs & Offices on a yearly basis. Bank also conducts theme based RCSA for Products /Processes. During FY 21, year, Bank has conducted 24 theme based RCSA exercises based on the RCSA exercise, Mitigation plans are prepared and implemented for activities rated as High & Critical Risks. Feasibility study is carried out by Business owners for suggestions received during RCSA exercise for further improvement of System & Controls in the Bank.
- Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism. KIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB. Top 10 KIs have been identified during current financial year for close follow up.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II guidelines is in place.
- The Bank had earlier received approval for the parallel run for AMA. However, due to recent revision in Basel III framework by the Basel Committee on Banking Supervision (BCBS), RBI has advised to discontinue submission of AMA Capital Computation.

#### Others

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- "Book of Instructions" (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank's Apex Training Institutes and State Bank Institute of Learning and Development.
- Insurance cover is obtained for most of the potential operational risks excluding frauds as per Bank's policy on insurance.
- Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity Management Policy and Manuals in place.
- Stringent Implementation of vacation policy.
- Conduct of RCSA-Abridged at remaining Branches where RCSA is not proposed.

### Domestic Non-Banking and Overseas Banking entities

Adequate measures by way of systems and procedures and reporting have been put in place in the Domestic Non-Banking and Overseas Banking entities.

**D. The scope and nature of Risk Reporting and Measurement Systems**

- A system of prompt submission of reports on Frauds is in place in all the Group entities.
- A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- Significant risks thrown up in RCSA/RCSA-Abridged exercise at all Branches, Scenario Analysis and loss data/NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31<sup>st</sup> March 2021.

## DF-9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31.03.2021

### 1. Qualitative disclosures

#### INTEREST RATE RISK IN BANKING BOOK (IRRBB)

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive. The Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from both a short-term and long-term perspective.

#### 1.1 Structure and organization

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through ALM Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by ALCO for managing interest rate risk.

#### 1.2 Scope and nature of risk reporting and measurement systems

RBI has stipulated monitoring of Interest Rate Risk at monthly intervals through a Statement of Interest Rate Sensitivity under Traditional Gap Analysis (IRS-TGA). Accordingly, ALCO reviews IRS-TGA on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRS-DGA), which Bank carries out on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through

IRS-DGA by recognizing the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

**EaR:** The immediate impact of changes in interest rates is on Bank's earnings through changes in its Net Interest Income (NII). EaR is useful in calculating the impact of the change in interest rate on the NII for a shorter period of time (impact over a one-year period). The EaR computations include the banking book as well as the trading book.

**MVE:** A long-term impact of changes in interest rates is on Bank's Market Value of Equity (MVE) or Net Worth through changes in the economic value of its liabilities and off-balance sheet positions. Although these changes in value do not pass through earnings, they have a bearing on Bank's capital position.

The Bank uses MVE approach as part of a framework to manage IRRBB for its domestic and foreign operations. Impact on MVE is assessed for the overall Bank and Banking Book separately. In order to effectively monitor and manage IRRBB, the ALM Policy stipulates separate MVE limits for overall Bank and Banking Book.

#### 1.3 Policies for hedging and mitigating risk

The Bank has a policy for undertaking hedge transactions. Depending on the underlying and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. Derivative instruments like Interest Rate Swaps, OIS, Forward Rate Agreements and Cross Currency Swaps are used as a hedging technique by the Bank.

## 2. Quantitative Disclosures

**2.1** The following table sets forth, estimated impact on NII due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2021, assuming a parallel shift in the yield curve.

#### Earnings at Risk (EaR)

	(₹ in Crs.)
	Impact on NII
Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	5,996.29
Impact of 200 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	11,992.58



**2.2** The following table sets forth, estimated impact on MVE due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2021, assuming a parallel shift in the yield curve.

#### Market Value of Equity (MVE)

	(₹ in Crs.)
	Impact on MVE
Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book	16,003.19
Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book	32,006.38

## DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

As on 31.03.2021

### Qualitative Disclosure:

Credit Risk Management Department of the Bank uses scoring models for setting limits for amounts of counterparty exposure for Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Small Finance Banks & Payment Banks.

Credit Risk Management Department allocates the exposure limits to all business units, viz., CAG, CCG, R&DB, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.

### Classification and recognition of collaterals

The Bank will accept, recognize and attribute value to collateral, both for internal sanctioning and/or regulatory capital relief purposes, only when the following conditions are fulfilled:

- There is a legal certainty of enforceability and effectiveness of collateral in all relevant jurisdictions
- All contractual and statutory requirements with respect to the loan and collateral documentation are fulfilled.
- The Bank has obtained a legal charge to the said collateral (including second/subordinate or paripassu charges, in addition to first legal charge).
- The legal mechanism by which the collateral is pledged or transferred ensures that the Bank has the right to liquidate or take possession of it in a timely manner, in the event of a default, insolvency or bankruptcy on the part of the counterparty or any third party.
- The Bank has clear and robust procedures for the timely liquidation of collateral to ensure that any legal conditions required for declaring the default of the counterparty and liquidating the collateral are fulfilled and collateral can be liquidated promptly.

For the purposes of eligibility for IRB capital computation, collaterals are required to satisfy all operational criteria outlined in RBI IRB guidelines.

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limits for banks are assessed using internal models considering a number of financial parameters like networth, capital adequacy ratio, rating etc. For corporates, the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

### Quantitative Disclosure:

	(₹ in Crores)		
Distribution of Notional and Current Credit Exposure	Notional	Current credit exposure	Exposure under Current Exposure Method (CEM)
a) Interest rate Swaps	2,32,557.48	3,235.42	5,628.06
b) Cross Currency Swaps	49,326.97	759.25	1,233.14
c) Currency Options	65,027.90	1,097.70	7,251.11
d) Foreign Exchange Contracts	9,18,403.76	9,277.85	33,510.60
e) Currency Futures			
f) Forward Rate Agreements	361.14	0.00	0.00
g) Others (please specify product name) - NDF	2,394.83	0.27	48.16
<b>Total</b>	<b>12,68,072.08</b>	<b>14,370.49</b>	<b>47,671.07</b>
<b>Credit Derivative transactions</b>		<b>NIL</b>	

## DF-11: COMPOSITION OF CAPITAL

As on 31.03.2021

(₹ in Crore)

Basel III common disclosure template to be used from March 31, 2017

Common Equity Tier 1 capital: instruments and reserves			Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	80007.93	A1 + B3
2	Retained earnings	147376.81	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18326.35	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1358.53	
6	Common Equity Tier 1 capital before regulatory adjustments	247069.61	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	597.62	
8	Goodwill (net of related tax liability)	1549.99	D
9	Intangibles (net of related tax liability)	31.96	
10	Deferred Tax Assets	2.19	
11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined-benefit pension fund net assets		
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	95.47	
17	Reciprocal cross-holdings in common equity	318.58	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		
23	of which: significant investments in the common stock of financial entities		
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments (26a+26b+26c+26d)	1331.49	
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	1319.68	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	11.81	



(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017****Ref No. (with  
respect to DF  
- 12: Step 2)**

26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
26d	of which: Unamortised pension funds expenditures	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	3927.30
29	<b>Common Equity Tier 1 capital (CET1)</b>	243142.32
<b>Additional Tier 1 capital: instruments</b>		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	32029.00
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	32029.00
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	254.72
35	of which: instruments issued by subsidiaries subject to phase out	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>32283.72</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>		
37	Investments in own Additional Tier 1 instruments	88.84
38	Reciprocal cross-holdings in Additional Tier 1 instruments	11.23
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a+41b)	0.00
41a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	100.07
44	<b>Additional Tier 1 capital (AT1)</b>	<b>32183.65</b>
45	<b>Tier 1 capital (T1 = CET1 + AT1) (29 + 44)</b>	<b>275325.97</b>
<b>Tier 2 capital: instruments and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	33111.30
47	Directly issued capital instruments subject to phase out from Tier 2	951.04
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	785.95
49	of which: instruments issued by subsidiaries subject to phase out	

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

		<b>Ref No. (with respect to DF - 12: Step 2)</b>
50	Provisions	18938.55
51	<b>Tier 2 capital before regulatory adjustments</b>	53786.84
<b>Tier 2 capital: regulatory adjustments</b>		
52	Investments in own Tier 2 instruments	386.15
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	0.00
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	386.15
58	<b>Tier 2 capital (T2)</b>	53400.69
59	<b>Total capital (TC = T1 + T2) (45 + 58)</b>	<b>328726.65</b>
60	<b>Total risk weighted assets (60a + 60b + 60c)</b>	<b>2353096.02</b>
60a	of which: total credit risk weighted assets	1847244.71
60b	of which: total market risk weighted assets	268447.28
60c	of which: total operational risk weighted assets	237404.03
<b>Capital ratios and buffers</b>		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.33
62	Tier 1 (as a percentage of risk weighted assets)	11.70
63	Total capital (as a percentage of risk weighted assets)	13.97
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.98
65	of which: capital conservation buffer requirement	1.88
66	of which: bank specific countercyclical buffer requirement	
67	of which: D-SIB buffer requirement	0.60
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	4.83
<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	
73	Significant investments in the common stock of financial entities	567.62
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	7195.35

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017****Ref No. (with  
respect to DF  
- 12: Step 2)**

<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)	18938.55	0.00
77	Cap on inclusion of provisions in Tier 2 under standardised approach	23090.56	0.00
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0.00	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0.00	
<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	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0.00	
82	Current cap on AT1 instruments subject to phase out arrangements	10%	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements	10%	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

**Notes to the Template**

<b>Row No. of the template</b>	<b>Particular</b>	<b>(₹ in Crore)</b>	
10	Deferred tax assets associated with accumulated losses	2.19	0
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	7195.35	0.00
	Total as indicated in row 10	2.19	0
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	0.00	
	of which: Increase in Common Equity Tier 1 capital	0.00	
	of which: Increase in Additional Tier 1 capital	0.00	
	of which: Increase in Tier 2 capital	0.00	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:		
	(i) Increase in Common Equity Tier 1 capital		
	(ii) Increase in risk weighted assets		
50	Eligible Provisions included in Tier 2 capital	18938.55	0.00
	Eligible Revaluation Reserves included in Tier 2 capital		
	Total of row 50	18938.55	0.00

# B7: Revenue &amp; Other Reserves is taken net of Integration &amp; Development Fund (₹5 Crore)

## DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT

As on 31.03.2021

(₹ in Crores)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
<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	274669.11	263411.43	B
	of which: Statutory Reserve	77170.12	77170.08	B1
	of which: Capital Reserves	15434.69	15433.33	B2
	of which: Share Premium	79115.47	79115.47	B3
	of which: Investment Reserve	-	-	B4
	of which: Investment Revaluation Reserve	3048.08	3048.08	
	of which: Foreign Currency Translation Reserve	10290.42	10288.72	B5
	of which: Revaluation Reserve on Fixed Assets	23577.35	23577.35	B6
	of which: Revenue and Other Reserves	43407.92	38146.09	B7
	of which: Reserves under Sec. 36(1) (viii) of Income Tax Act, 1961	14528.52	14528.52	B8
	of which: Balance in Profit & Loss Account	8096.54	2103.79	B8
	Minority Interest	9625.92	4154.18	
	<b>Total Capital</b>	<b>285187.49</b>	<b>268458.07</b>	
ii	<b>Deposits</b>	<b>3715331.23</b>	<b>3716470.18</b>	
	of which: Deposits from banks	10961.97	10961.97	
	of which: Customer deposits	3704369.26	3705508.21	
	of which: Other deposits (pl. specify)			
iii	Borrowings	433796.21	434018.28	
	of which: From RBI	24956.00	24956.00	
	of which: From banks	127811.60	127811.60	
	of which: From other institutions & agencies	211180.09	211402.16	
	of which: Others (pl. specify)	-	-	
	of which: Capital instruments	69848.52	69848.52	
iv	<b>Other liabilities &amp; provisions</b>	<b>411303.62</b>	<b>187575.36</b>	
	of which: DTLs related to goodwill			
	of which: DTLs related to intangible assets			
	<b>Total</b>	<b>4845618.55</b>	<b>4606521.89</b>	
<b>B</b>	<b>Assets</b>			
i	<b>Cash and balances with Reserve Bank of India</b>	<b>213498.62</b>	<b>213419.76</b>	
	<b>Balance with banks and money at call and short notice</b>	<b>134208.42</b>	<b>131727.33</b>	

(₹ in Crores)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
ii	<b>Investments</b>	<b>1595100.26</b>	<b>1365305.75</b>	
	of which: Government securities	1161657.44	1084854.62	
	of which: Other approved securities	27970.45	227.18	
	of which: Shares	69005.39	8027.90	
	of which: Debentures & Bonds	223935.09	182941.85	
	of which: Subsidiaries / Joint Ventures / Associates	13354.64	10149.43	
	of which: Others (Commercial Papers, Mutual Funds etc.)	99177.25	79104.77	
iii	<b>Loans and advances</b>	<b>2500598.99</b>	<b>2500239.93</b>	
	of which: Loans and advances to banks	84976.68	84976.68	
	of which: Loans and advances to customers	2415622.31	2415263.25	
iv	<b>Fixed assets</b>	<b>40166.79</b>	<b>39311.45</b>	
v	<b>Other assets</b>	<b>360495.48</b>	<b>354967.68</b>	
	of which: Goodwill	-	-	
	of which: Other intangibles (excluding MSRs)	2.00	2.00	
	of which: Deferred tax assets	7244.80	7226.42	
vi	<b>Goodwill on consolidation</b>	<b>1549.99</b>	<b>1549.99</b>	
vii	<b>Debit balance in Profit &amp; Loss account</b>			
	<b>Total Assets</b>	<b>4845618.55</b>	<b>4606521.89</b>	

Common Equity Tier 1 capital: instruments and reserves		Component of regulatory capital reported by bank	Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus	80007.93	A1 + B3
2	Retained earnings	147376.81	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18326.35	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1358.53	
6	Common Equity Tier 1 capital before regulatory adjustments	247069.61	
7	Prudential valuation adjustments	597.62	
8	Goodwill (net of related tax liability)	1549.99	D

# B7: Revenue &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 31.03.2021

### Qualitative Disclosures

1. The general qualitative disclosure with respect to equity risk, including:

- Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;
- 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

All equity investment in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.

Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 in Bank's Annual Report.

### Quantitative Disclosures

1. Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value. ₹828.09 Crores

2. The types and nature of investments, including the amount that can be classified as:

Particulars	Type	Book Value (In Crores)
Publicly traded	Subsidiaries	HTM 2497.27
	Associate	AFS 7810.00
Privately held	Associates, Subsidiaries, JVs & RRBs	HTM 2309.63

3. The cumulative realized gains (losses) arising from sales and liquidations in the reporting period 1,550.96 cores (Gain)

4. Total unrealized gains (losses)<sup>13</sup> 11.24 crores (Unrealized loss)

5. Total latent revaluation gains (losses)<sup>14</sup> ₹3916 crores (MTM Gain)

6. Any amounts of the above included in Tier 1 and/or Tier 2 capital ₹8.44 crores

7. Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements Nil

<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: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

As on 31.03.2021

ITEM	₹ (In millions)
1 Total consolidated assets as per published financial statements	48456185.00
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-2390967.00
3 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	62857.00
4 Adjustments for derivative financial instruments	460792.00
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	4622696
7 Other adjustments	-117903.00
<b>8 Leverage ratio exposure (State Bank Group)</b>	<b>51093660</b>

## DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

As on 31.03.2021

ITEM	₹ (In millions)
<b>On balance sheet exposures</b>	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	46065218.00
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	-117903.00
<b>3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>45947315.00</b>
<b>Derivatives exposures</b>	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	144086.00
5 Add-on amounts for PFE associated with all derivatives transactions	316706.00
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8 (Exempted CCP leg of client-cleared trade exposures)	0
9 Adjusted effective notional amount of written credit derivatives	0
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
<b>11 Total derivative exposures (sum of lines 4 to 10)</b>	<b>460792.00</b>
<b>Securities financing transaction exposure</b>	
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	62857.00
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14 CCR exposure for SFT assets	0
15 Agent transaction exposures	0
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>62857.00</b>
<b>Other off balance sheet exposures</b>	
17 Off-balance sheet exposure at gross notional amount	10783417.00
18 (Adjustments for conversion to credit equivalent amounts)	-6160721.00
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>4622696.00</b>

ITEM	₹ (In millions)
<b>Capital and total exposures</b>	
20 <b>Tier 1 capital</b>	<b>2753260.00</b>
21 <b>Total exposures (sum of lines 3,11,16 and 19)</b>	<b>51093660.00</b>
<b>Leverage ratio</b>	
22 <b>Basel III leverage ratio (%) (State Bank Group)</b>	<b>5.39%</b>

## DF- GR: ADDITIONAL DISCLOSURES ON GROUP RISK

As on 31.03.2021

### Qualitative Disclosure

#### In respect of Group entities \*

#### [Overseas Banking entities and Non-Banking entities]

#### General Description on

Corporate Governance Practices	All Group entities adhere to good Corporate Governance practices.
Disclosure Practices	All Group entities adhere to / follow good disclosure practices.
Arm's Length Policy in respect of Intra Group Transactions	All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security.
Common marketing, branding and use of SBI's Symbol	No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.
Details of Financial Support, <sup>#</sup> if any	No Group entity has provided / received Financial Support from any other entity in the Group.
Adherence to all other covenants of Group Risk Management policy	All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support' #:

- inappropriate transfer of capital or income from one entity to the other in the Group;
- violation of the Arm's Length Policy within which the Group entities are expected to operate;
- adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;
- evasion of capital or other regulatory requirements;
- operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

\*Entities covered:

BANKING - OVERSEAS	NON - BANKING
State Bank of India (Canada)	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards and Payment Services Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Pvt. Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI Global Factors Ltd.
State Bank of India (Botswana) Ltd.	SBI Life Insurance Co. Ltd.
State Bank of India (UK)	SBI Pension Funds Pvt. Ltd.
	SBI-SG Global Securities Services Pvt. Ltd.

**Disclosures on indicators for identification of Global Systemically Important Banks (G-SIBs) as on 31<sup>st</sup> March, 2021 have been disclosed separately on the Bank's website [www.sbi.co.in](http://www.sbi.co.in) under the link Corporate Governance.**



# SECRETARIAL AUDIT REPORT

For the Financial year ended 31<sup>st</sup> March, 2020 [Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated 08th February, 2019]

To,  
The Members,  
State Bank of India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by State Bank of India (hereinafter called “the Bank”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The State Bank of India Act, 1955 ('the Act') and the State Bank of India General Regulations, 1955 ('the Regulations') made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client#;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
- j. The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
- k. The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;
- l. The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
- m. The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- n. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
- o. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
- p. The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996; and

- q. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

# The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:

- vi. The Banking Regulation Act, 1949, as amended.
- vii. Master Directions, Notifications and Guidelines issued by RBI from time to time.

We have also examined compliance with the applicable clauses of 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]'.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable except to the following:

- a) The Central Board of the Bank comprises of fourteen (14) Directors, constituting of five (05) Executive Directors (including the Chairman & Managing Director); six (06) Independent Directors and three (03) Non-executive & Non-Independent Director. Pursuant to regulation 17(1) of the Listing Regulations, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors, whereas the Central Board of Bank comprises of only six (06) Independent Directors. However, regulation 15 of the Listing Regulations provides that, the provisions of regulation 17 of the Listing Regulations, with respect to the constitution of the Central Board in terms of section 19 of the State Bank of India Act, 1955 and General Rules & Regulations made thereunder, shall be applicable to the Bank to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.

- b) The Audit Committee of the Bank comprises of nine (09) Directors, constituting seven (07) Non-Executive Directors including four (04) Independent Directors and two (02) Executive Director as on March 31, 2020. The Bank did not have requisite number of Independent Director in its Audit Committee during the period under review as required under regulation 18(1) of the Listing Regulations.
- c) The Nomination and Remuneration Committee ("NRC") of the Bank is duly constituted and has complied with the guidelines issued by the Reserve Bank of India (RBI), however there was no meeting of the NRC of the Bank held during the period under review as required under regulation 19 of the Listing Regulations. The NRC of the Bank has approved the framework/ criteria for performance evaluation of the Board, Board Committees and Directors for financial year 2019-20 through circular resolution dated January 23, 2020;
- d) During the financial year ended March 31, 2020, the Reserve Bank of India (RBI) has levied an aggregate penalty of ₹ 7,00,00,000/- (Rupees Seven Crores only) for violation of the directions issued on Income Recognition and Asset Classification norms and ₹ 50,00,000/- (Rupees Fifty Lacs only) for non-compliance of its directions issued with respect to the reporting of frauds.

**We further report that -**

Subject to foregoing, the Central Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Central Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice was given to all Directors to schedule the Central Board Meetings, agenda and detailed notes on agenda were sent in advance for meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has undertaken following events/actions:

- i) The Executive Committee of the Central Board of Directors of the Bank had at its meeting held on April 24, 2019 had approved for raising of Long Term Fund in single/multiple tranches up to \$2.5 Billion under Rule 144A/Regulation - S of Securities Contract Act, 1956. The Bank issued the Bonds through their London Branch and the Bonds are listed on the Singapore Stock Exchange and India International Exchange, Gift City.
- ii) The Executive Committee of the Central Board of Directors of the Bank had at its meeting held on May 29, 2019, had approved the issue of Non-Convertible, Unsecured, Basel – III compliant, Additional Tier - II Bonds in the nature of Debentures aggregating to ₹ 50,00,00,00,000/- (Rupees Five Thousand Crores Only) by way of Private Placement Issue.
- iii) The Central Board of the Bank had at its meeting held on July 01, 2019 had approved issue of Non-Convertible, Unsecured, Basel – III compliant, Additional Tier - 1 Bonds in the nature of Debentures of ₹ 70,00,00,00,000/- (Rupees Seven Thousand Crores) by way of Private Placement Issue.

- iv) In accordance with the Central Government notification no. CGDL-E-13032020-218653 dated March 13, 2020 and Yes Bank Limited Reconstruction Scheme, 2020 as issued by the Reserve Bank of India, the Bank has acquired 6,05,00,00,000 (Six Hundred and Five Crores) equity shares of Yes Bank Limited of ₹ 2/- each at a premium of ₹ 8/- per equity shares for a total consideration of ₹ 60,50,00,00,000/- (Rupees Six Thousand and Fifty Crores only). Pursuant to the said acquisition on March 14, 2020, the Bank has acquired a total stake of 48.21% in Yes Bank Limited.

**For Bhandari & Associates**  
Company Secretaries

**S. N. Bhandari**  
Partner  
FCS No.: 761; C P No.: 366  
Mumbai: June 05, 2020  
ICSI UDIN: F000761B000318441

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

# ANNEXURE 'A'

To,  
The Members,  
State Bank of India

Our Secretarial Audit Report for the Financial Year ended on March 31, 2020 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

**For Bhandari & Associates**  
Company Secretaries

**S. N. Bhandari**  
Partner  
FCS No: 761; C P No. : 366  
Mumbai: June 05, 2020  
ICSI UDIN: F000761B000318441

# CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members,  
State Bank of India  
State Bank Bhavan,  
Madame Cama Road,  
Mumbai - 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of State Bank of India (hereinafter referred to as 'the Bank') having Central Office at State Bank Bhavan, Madame Cama Road, Mumbai - 400021, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the directors on the Central Board of the Bank as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1.	Mr. Rajnish Kumar	05328267	26/05/2015
2.	Mr. P. K. Gupta	02895343	02/11/2015
3.	Mr. Dinesh Kumar Khara	06737041	09/08/2016
4.	Mr. Arijit Basu	06907779	25/06/2018
5.	Mr. Challa Sreenivasulu Setty	08335249	20/01/2020
6.	Mr. Sanjiv Malhotra	03435955	26/06/2014
7.	Mr. Bhaskar Pramanik	00316650	26/06/2017
8.	Mr. Basant Seth	02798529	26/06/2017
9.	Mr. B. Venugopal	02638597	07/06/2018
10.	Mr. Pushpendra Rai	07506230	28/01/2016
11.	Ms. Purnima Gupta*	-----	01/02/2018
12.	Mr. Sanjeev Maheshwari	02431173	20/12/2019
13.	Mr. Debasish Panda	06479085	20/01/2020
14.	Mr. Chandan Sinha	06921244	28/09/2016

\*Ms. Purnima Gupta has not been allotted Director Identification Number (DIN) as the Ministry of Corporate Affairs had vide its letter File No. 17/02/2015-CL V-Pt-II dated September 05, 2019 informed that provisions of Companies Act, 2013 does not provide for allotment of DIN to persons associated with entities which do not have a Corporate Identification Number (CIN).

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion n these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Bhandari & Associates**  
Company Secretaries

**S. N. Bhandari**  
Partner

FCS No: 761; C P No.: 366  
Mumbai : May 30, 2020  
ICSI UDIN: F000761B000303844

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The members,  
**State Bank of India**

We, J C Bhalla & Co, Chartered Accountants (Firm's Registration No. 001111N), as Statutory Auditors of STATE BANK OF INDIA ("the Bank"), having its Corporate Centre at State Bank Bhavan, Madame Cama road, Mumbai, Maharashtra 400 0021, have examined the compliance of conditions of Corporate governance by the Bank, for the year ended on March 31, 2020, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') amended from time to time as referred to in Regulation 15 (2) of the Listing Regulations for the year April, 2019 to March 31, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance, issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has, in all material aspects complied with the conditions of Corporate governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

**For and on behalf of**  
**J. C BHALLA & CO**  
Chartered Accountants  
Firm Registration No. 001111N

**Rajesh Sethi**  
Partner  
Membership No. 085669  
UDIN: 20085669AAAABA7352

Place: New Delhi  
Date: June 5, 2020



# BUSINESS RESPONSIBILITY REPORT

## About the Business Responsibility Report:

Business Responsibility Report of the Bank, is published on an annual basis since FY2012-13.

Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 4<sup>th</sup> November, 2015 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. The Bank's Sustainability Report which contains the Business Responsibility Report for the financial year ended 31<sup>st</sup> March, 2020 has been hosted on the Bank's website [www.sbi.co.in](http://www.sbi.co.in) under the link Investors Relations. Any shareholder interested in obtaining a physical copy of the same may write to the Bank (email Id: [dgm.sustainability@sbi.co.in](mailto:dgm.sustainability@sbi.co.in) and postal address: Deputy General Manager, Sustainability Department, State Bank of India, 9th floor, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021).



Green Marathon

# State Bank of India

Balance Sheet as at 31<sup>st</sup> March, 2020

(000s omitted)

	Schedule No.	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	231114,96,63	220021,36,33
Deposits	3	3241620,73,43	2911386,01,07
Borrowings	4	314655,65,21	403017,11,82
Other Liabilities and Provisions	5	163110,10,41	145597,29,55
<b>TOTAL</b>		<b>3951393,91,80</b>	<b>3680914,24,89</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	166735,77,90	176932,41,75
Balances with Banks and money at call and short notice	7	84361,22,64	45557,69,40
Investments	8	1046954,51,75	967021,94,75
Advances	9	2325289,56,07	2185876,91,77
Fixed Assets	10	38439,28,18	39197,56,94
Other Assets	11	289613,55,26	266327,70,28
<b>TOTAL</b>		<b>3951393,91,80</b>	<b>3680914,24,89</b>
Contingent Liabilities	12	1214994,60,69	1116081,45,94
Bills for Collection	-	55758,16,19	70022,53,97
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet.

**Shri Challa Sreenivasulu Setty**

Managing Director  
(Retail & Digital Banking)

**Shri Arijit Basu**

Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**

Managing Director  
(Global Banking & Subsidiaries)

**Directors:**

Shri Sanjiv Malhotra  
Shri Bhaskar Pramanik  
Shri Basant Seth  
Dr. Pushpendra Rai  
Dr. Purnima Gupta  
Shri B. Venugopal  
Shri Chandan Sinha  
Shri Debasish Panda  
Shri Sanjeev Maheshwari

**Place:**

Udagamandalam  
New Delhi  
Kanpur  
New Delhi  
New Delhi  
Mumbai  
Mumbai  
New Delhi  
Mumbai

**Shri Rajnish Kumar**  
Chairman

**Place: Mumbai**

**Date : 5<sup>th</sup> June 2020**

In terms of our report of even date

**FOR J.C. BHALLA & CO.**

Chartered Accountants

**RAJESH SETHI**

**Partner:** M. No. 085669

**Firm Regn. No.** 001111 N

Place: New Delhi

**FOR RAY & RAY**

Chartered Accountants

**ARVIND NARAYAN YENNEMADI**

**Partner:** M. No. 031004

**Firm Regn. No.** 301072 E

Place: Mumbai

**FOR K. VENKATACHALAM  
AIYER & CO.**

Chartered Accountants

**A GOPALAKRISHNAN**

**Partner:** M. No. 018159

**Firm Regn. No.** 004610 S

Place: Ernakulam

**FOR G. P. AGRAWAL & CO.**

Chartered Accountants

**SUNITA KEDIA**

**Partner:** M. No. 60162

**Firm Regn. No.** 302082 E

Place: Kolkata

**FOR UMAMAHESWARA  
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA PRASAD**

**Partner:** M. No. 024860

**Firm Regn. No.** 004453 S

Place: Hyderabad

**FOR CHATURVEDI & SHAH LLP**

Chartered Accountants

**VITESH D. GANDHI**

**Partner:** M. No. 110248

**Firm Reg. No.** 101720W/W100355

Place: Mumbai

**FOR O.P. TOTLA & CO.**

Chartered Accountants

**S. R. TOTLA**

**Partner:** M. No. 071774

**Firm Regn. No.** 000734 C

Place: Indore

**FOR S. K. KAPOOR & CO.**

Chartered Accountants

**V. B. SINGH**

**Partner:** M. No. 073124

**Firm Regn. No.** 000745 C

Place: Kanpur

**FOR SCV & CO. LLP**

Chartered Accountants

**SANJAY VASUDEVA**

**Partner:** M. No. 090989

**Firm Regn. No.** 000235N/N500089

Place: New Delhi

**FOR KHANDELWAL JAIN & CO.**

Chartered Accountants

**PANKAJ JAIN**

**Partner:** M. No. 48850

**Firm Regn. No.** 105049 W

Place: Mumbai

**FOR S K MITTAL & CO.**

Chartered Accountants

**S MURTHY**

**Partner:** M. No. 072290

**Firm Regn. No.** 001135 N

Place: New Delhi

**FOR N.C. RAJAGOPAL & CO.**

Chartered Accountants

**V. CHANDRASEKARAN**

**Partner:** M. No. 024844

**Firm Regn. No.** 003398 S

Place: Chennai

**FOR KARNAVAT & CO.**

Chartered Accountants

**VIRAL JOSHI**

**Partner:** M. No. 137686

**Firm Regn. No.** 104863 W

Place: Mumbai

**FOR SHAH GUPTA & CO.**

Chartered Accountants

**VIPUL K CHOKSI**

**Partner:** M. No. 37606

**Firm Regn. No.** 109574 W

Place: Mumbai

Date : June 05, 2020



## Schedule 1 - Capital

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 shares of ₹ 1 each (Previous Year 5000,00,00,000 shares of ₹ 1 each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 892,54,05,164 equity shares of ₹ 1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital : 892,46,11,534 equity shares of ₹ 1/- each (Previous Year 892,46,11,534 equity shares of ₹ 1/- each)	892,46,12	892,46,12
[The above includes 11,03,42,880 equity shares of ₹ 1/- each (Previous Year 12,10,71,350 equity shares of ₹ 1/- each) represented by 1,10,34,288 (Previous Year 1,21,07,135) Global Depository Receipts]		
<b>TOTAL</b>	<b>892,46,12</b>	<b>892,46,12</b>

## Schedule 2 - Reserves &amp; Surplus

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	65595,65,26	65336,98,37
Additions during the year	4346,43,32	258,66,89
Deductions during the year	-	-
	69942,08,58	65595,65,26
<b>II. Capital Reserves</b>		
Opening Balance	9770,86,64	9391,65,88
Additions during the year	3985,83,93	379,20,76
Deductions during the year	-	-
	13756,70,57	9770,86,64
<b>III. Share Premium</b>		
Opening Balance	79115,47,05	79124,21,51
Additions during the year	-	37,92
Deductions during the year	-	9,12,38
	79115,47,05	79115,47,05
<b>IV. Investment Fluctuation Reserve</b>		
Opening Balance	-	-
Additions during the year	1119,88,09	-
Deductions during the year	-	-
	1119,88,09	-

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>V. Foreign Currency Translation Reserves</b>		
Opening Balance	6730,96,89	5720,58,73
Additions during the year	2844,98,23	1077,13,19
Deductions during the year	301,34,68	66,75,03
	9274,60,44	6730,96,89
<b>VI. Revenue and Other Reserves*</b>		
Opening Balance	49380,51,95	48893,23,87
Additions during the year	793,96,19	563,88,56
Deductions during the year	5532,62,60	76,60,48
	44641,85,54	49380,51,95
<b>VII. Revaluation Reserve</b>		
Opening Balance	24653,94,08	24847,98,65
Additions during the year	379,57,78	-
Deductions during the year	1270,85,29	194,04,57
	23762,66,57	24653,94,08
<b>VIII. Balance in Profit and Loss Account</b>	(10498,30,21)	(15226,05,54)
<b>TOTAL</b>	<b>231114,96,63</b>	<b>220021,36,33</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 ₹ 14032,22,76 thousand (Previous Year ₹ 13421,76,76 thousand)
- (iii) Investment Reserves Current Year ₹ 69,58,40 (Previous Year ₹ 371,84,01)

### Schedule 3 - Deposits

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	5129,65,75	6894,62,06
(ii) From Others	222205,92,69	198980,62,74
<b>II. Savings Bank Deposits</b>	1206371,98,79	1091751,97,36
<b>III. Term Deposits</b>		
(i) From Banks	5973,24,84	8234,15,28
(ii) From Others	1801939,91,36	1605524,63,63
<b>TOTAL</b>	<b>3241620,73,43</b>	<b>2911386,01,07</b>
<b>B. (i) Deposits of Branches in India</b>	3124615,86,05	2814243,42,48
<b>(ii) Deposits of Branches outside India</b>	117004,87,38	97142,58,59
<b>TOTAL</b>	<b>3241620,73,43</b>	<b>2911386,01,07</b>

## Schedule 4 - Borrowings

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	33533,00,00	94319,00,00
(ii) Other Banks	40,00,00	260,00,00
(iii) Other Institutions and Agencies	6165,75,42	27853,89,24
<b>(iv) Capital Instruments:</b>		
a. Innovative Perpetual Debt Instruments(IPDI)	23535,70,00	19152,30,00
b. Subordinated Debt & Bonds	32006,73,80	28256,73,80
	<b>55542,43,80</b>	<b>47409,03,80</b>
<b>TOTAL</b>	<b>95281,19,22</b>	<b>169841,93,04</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	217104,50,99	231100,53,78
(ii) Capital Instruments:		
Innovative Perpetual Debt Instruments(IPDI)	2269,95,00	2074,65,00
<b>TOTAL</b>	<b>219374,45,99</b>	<b>233175,18,78</b>
<b>GRAND TOTAL</b>	<b>314655,65,21</b>	<b>403017,11,82</b>
Secured Borrowings included in I & II above	<b>42790,93,47</b>	<b>124028,25,70</b>

## Schedule 5 - Other Liabilities &amp; Provisions

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Bills payable	26822,90,16	23875,66,31
II. Inter-office adjustments (Net)	-	21735,74,61
III. Interest accrued	15697,16,19	14479,87,48
IV. Deferred Tax Liabilities (Net)	6,16,17	2,33,15
V. Others (including provisions)*	120583,87,89	85503,68,00
<b>TOTAL</b>	<b>163110,10,41</b>	<b>145597,29,55</b>

\* Includes prudential provision for Standard Assets ₹ 11544,24,43 thousand (Previous Year ₹ 12396,67,91 thousand)

**Schedule 6 - Cash and Balances With Reserve Bank Of India**

( 000s omitted)

	<b>As at 31.03.2020 (Current Year)</b> ₹	<b>As at 31.03.2019 (Previous Year)</b> ₹
I. Cash in hand (including foreign currency notes and gold)	20104,58,40	18777,94,34
II. Balances with Reserve Bank of India		
(i) In Current Account	146631,19,50	158154,47,41
(ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>166735,77,90</b>	<b>176932,41,75</b>

**Schedule 7 - Balances With Banks And Money At Call & Short Notice**

( 000s omitted)

	<b>As at 31.03.2020 (Current Year)</b> ₹	<b>As at 31.03.2019 (Previous Year)</b> ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Account	22,59,77	870,270
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	44747,71,31	4608,88,73
(b) With Other Institutions	-	-
<b>TOTAL</b>	<b>44770,31,08</b>	<b>4695,91,43</b>
<b>II. Outside India</b>		
(i) In Current Account	28303,47,50	19667,07,18
(ii) In Other Deposit Accounts	1379,28,32	2870,14,73
(iii) Money at call and short notice	9908,15,74	18324,56,06
<b>TOTAL</b>	<b>39590,91,56</b>	<b>40861,77,97</b>
<b>GRAND TOTAL (I and II)</b>	<b>84361,22,64</b>	<b>45557,69,40</b>

**Schedule 8 - Investments**

( 000s omitted)

	<b>As at 31.03.2020 (Current Year)</b> ₹	<b>As at 31.03.2019 (Previous Year)</b> ₹
<b>I. Investments in India in</b>		
(i) Government Securities	803270,12,10	761883,12,15
(ii) Other approved securities	-	-
(iii) Shares	8221,43,31	9878,74,38
(iv) Debentures and Bonds	102363,82,19	84948,36,68
(v) Subsidiaries and/ or Joint Ventures (including Associates)	11744,07,18	5608,00,04
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	74057,22,82	53388,53,85
<b>TOTAL</b>	<b>999656,67,60</b>	<b>915706,77,10</b>

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>II. Investments outside India in</b>		
(i) Government Securities (including local authorities)	17062,82,86	11644,84,99
(ii) Subsidiaries and/ or Joint Ventures abroad	4298,49,28	4298,49,28
(iii) Other Investments (Shares, Debentures etc.)	25936,52,01	35371,83,38
<b>TOTAL</b>	<b>47297,84,15</b>	<b>51315,17,65</b>
<b>GRAND TOTAL (I and II)</b>	<b>1046954,51,75</b>	<b>967021,94,75</b>
<b>III. Investments in India</b>		
(i) Gross Value of Investments	1010599,04,40	926650,59,97
(ii) Less: Aggregate of Provisions / Depreciation	10942,36,80	10943,82,87
(iii) Net Investments (vide I above) <b>TOTAL</b>	<b>999656,67,60</b>	<b>915706,77,10</b>
<b>IV. Investments outside India</b>		
(i) Gross Value of Investments	47448,66,41	51473,39,76
(ii) Less: Aggregate of Provisions / Depreciation	150,82,26	158,22,11
(iii) Net Investments (vide II above) <b>TOTAL</b>	<b>47297,84,15</b>	<b>51315,17,65</b>
<b>GRAND TOTAL (III and IV)</b>	<b>1046954,51,75</b>	<b>967021,94,75</b>

**Schedule 9 - Advances**

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>A. I. Bills purchased and discounted</b>	84017,46,96	80278,87,21
<b>II. Cash credits, overdrafts and loans repayable on demand</b>	708726,92,91	776633,45,81
<b>III. Term loans</b>	1532545,16,20	1328964,58,75
<b>TOTAL</b>	<b>2325289,56,07</b>	<b>2185876,91,77</b>
<b>B. I. Secured by tangible assets (includes advances against Book Debts)</b>	1673925,40,51	1582764,41,50
<b>II. Covered by Bank/ Government Guarantees</b>	92117,72,36	80173,16,17
<b>III. Unsecured</b>	559246,43,20	522939,34,10
<b>TOTAL</b>	<b>2325289,56,07</b>	<b>2185876,91,77</b>
<b>C. (I) Advances in India</b>		
(i) Priority Sector	526675,87,35	520729,77,60
(ii) Public Sector	287504,28,69	240295,89,39
(iii) Banks	812,52,23	9174,06,50
(iv) Others	1154187,79,39	1114679,73,28
<b>TOTAL</b>	<b>1969180,47,66</b>	<b>1884879,46,77</b>
<b>(II) Advances outside India</b>		
(i) Due from banks	80372,75,07	69975,74,47
(ii) Due from others		
(a) Bills purchased and discounted	31091,11,08	26740,94,11
(b) Syndicated loans	172482,45,21	138191,25,40
(c) Others	72162,77,05	66089,51,02
<b>TOTAL</b>	<b>356109,08,41</b>	<b>300997,45,00</b>
<b>GRAND TOTAL [C (I) and C (II)]</b>	<b>2325289,56,07</b>	<b>2185876,91,77</b>

## Schedule 10 - Fixed Assets

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. Premises (Including Revalued Premises)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	30831,77,23	30201,53,82
Additions:		
- during the year	299,15,09	669,84,09
- for Revaluation	3936,14,00	-
Deductions:		
- during the year	14,17,04	39,60,68
- for Revaluation	4735,02,74	-
Depreciation to date		
- on cost	833,18,06	714,18,98
- on Revaluation	670,54,22	497,17,97
	<b>28814,14,26</b>	<b>29620,40,28</b>
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	31074,77,30	30114,90,96
Additions during the year	3352,06,86	2404,25,97
Deductions during the year	929,22,06	1444,39,63
Depreciation to date	24288,37,20	22186,23,44
	<b>9209,24,90</b>	<b>8888,53,86</b>
<b>III. Assets under Construction (Including Premises)</b>	<b>415,89,02</b>	<b>688,62,80</b>
<b>TOTAL (I, II, and III )</b>	<b>38439,28,18</b>	<b>39197,56,94</b>

## Schedule 11 - Other Assets

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Inter-office adjustments (Net)	1936,15,88	-
II. Interest accrued	26252,46,38	26141,97,03
III. Tax paid in advance / tax deducted at source	34450,84,01	24376,29,42
IV. Deferred Tax Assets (Net)	2933,44,38	10422,49,17
V. Stationery and stamps	92,02,77	102,14,03
VI. Non-banking assets acquired in satisfaction of claims	56,10	73,71
VII. Others *	223948,05,74	205284,06,92
<b>TOTAL</b>	<b>289613,55,26</b>	<b>266327,70,28</b>

\*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 163238,91,62 thousand (Previous Year ₹ 138245,29,37 thousand)

## Schedule 12 - Contingent Liabilities

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	71642,48,25	43357,92,57
II. Liability for partly paid investments/ Venture Funds	1682,66,59	472,87,61
III. Liability on account of outstanding forward exchange contracts	635813,45,45	596621,66,74
IV. Guarantees given on behalf of constituents		
(a) In India	165584,80,13	157186,66,27
(b) Outside India	70636,18,96	72425,94,84
V. Acceptances, endorsements and other obligations	132364,00,65	124194,94,04
VI. Other items for which the bank is contingently liable*	137271,00,66	121821,43,87
<b>TOTAL</b>	<b>1214994,60,69</b>	<b>1116081,45,94</b>

\*Includes Derivatives ₹ 132209,26,69 thousand (Previous Year ₹ 117435,24,87 thousand)

# State Bank Of India

Profit and Loss Account for the Year Ended 31<sup>st</sup> March, 2020

( 000s omitted)

	Schedule No.	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
<b>I. INCOME</b>			
Interest earned	13	257323,59,22	242868,65,35
Other Income	14	45221,47,80	36774,88,78
<b>TOTAL</b>		<b>302545,07,02</b>	<b>279643,54,13</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	159238,76,57	154519,77,80
Operating expenses	16	75173,69,02	69687,73,74
Provisions and contingencies		53644,50,37	54573,79,61
<b>TOTAL</b>		<b>288056,95,96</b>	<b>278781,31,15</b>
<b>III. PROFIT</b>			
Net Profit for the year		14488,11,06	862,22,98
Profit/ (Loss) brought forward		(15226,05,54)	(15078,56,86)
<b>TOTAL</b>		<b>(737,94,48)</b>	<b>(14216,33,88)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		4346,43,32	258,66,89
Transfer to Capital Reserve		3985,83,93	379,20,76
Transfer to Investment Fluctuation Reserve		1119,88,09	-
Transfer to Revenue and other Reserves		308,20,39	371,84,01
Balance carried over to Balance Sheet		(10498,30,21)	(15226,05,54)
<b>TOTAL</b>		<b>(737,94,48)</b>	<b>(14216,33,88)</b>
<b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b>			
Basic (in ₹)		16.23	0.97
Diluted (in ₹)		16.23	0.97
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit & Loss Account.

**Shri Challa Sreenivasulu Setty**

Managing Director  
(Retail & Digital Banking)

**Shri Arijit Basu**

Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**

Managing Director  
(Global Banking & Subsidiaries)

**Directors:**

Shri Sanjiv Malhotra  
Shri Bhaskar Pramanik  
Shri Basant Seth  
Dr. Pushpendra Rai  
Dr. Purnima Gupta  
Shri B. Venugopal  
Shri Chandan Sinha  
Shri Debasish Panda  
Shri Sanjeev Maheshwari

**Place:**

Udagamandalam  
New Delhi  
Kanpur  
New Delhi  
New Delhi  
Mumbai  
Mumbai  
New Delhi  
Mumbai

**Shri Rajnish Kumar**  
Chairman

**Place: Mumbai**

**Date : 5<sup>th</sup> June 2020**



In terms of our report of even date

#### FOR J.C. BHALLA & CO.

Chartered Accountants

#### RAJESH SETHI

**Partner:** M. No. 085669  
**Firm Regn. No.** 001111 N  
Place: New Delhi

#### FOR RAY & RAY

Chartered Accountants

#### ARVIND NARAYAN YENNEMADI

**Partner:** M. No. 031004  
**Firm Regn. No.** 301072 E  
Place: Mumbai

#### FOR K. VENKATACHALAM AIYER & CO.

Chartered Accountants

#### A GOPALAKRISHNAN

**Partner:** M. No. 018159  
**Firm Regn. No.** 004610 S  
Place: Ernakulam

#### FOR G. P. AGRAWAL & CO.

Chartered Accountants

#### SUNITA KEDIA

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**Firm Regn. No.** 302082 E  
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#### FOR UMAMAHESWARA RAO & CO.

Chartered Accountants

#### G. SIVA RAMAKRISHNA PRASAD

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**Firm Regn. No.** 004453 S  
Place: Hyderabad

#### FOR CHATURVEDI & SHAH LLP

Chartered Accountants

#### VITESH D. GANDHI

**Partner:** M. No. 110248  
**Firm Reg. No.** 101720W/W100355  
Place: Mumbai

#### FOR O.P. TOTLA & CO.

Chartered Accountants

#### S. R. TOTLA

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**Firm Regn. No.** 000734 C  
Place: Indore

#### FOR S. K. KAPOOR & CO.

Chartered Accountants

#### V. B. SINGH

**Partner:** M. No. 073124  
**Firm Regn. No.** 000745 C  
Place: Kanpur

#### FOR SCV & CO. LLP

Chartered Accountants

#### SANJAY VASUDEVA

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**Firm Regn. No.** 000235N/N500089  
Place: New Delhi

#### FOR KHADELWAL JAIN & CO.

Chartered Accountants

#### PANKAJ JAIN

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**Firm Regn. No.** 105049 W  
Place: Mumbai

#### FOR S K MITTAL & CO.

Chartered Accountants

#### S MURTHY

**Partner:** M. No. 072290  
**Firm Regn. No.** 001135 N  
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#### FOR N.C. RAJAGOPAL & CO.

Chartered Accountants

#### V. CHANDRASEKARAN

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Place: Chennai

#### FOR KARNAVAT & CO.

Chartered Accountants

#### VIRAL JOSHI

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**Firm Regn. No.** 104863 W  
Place: Mumbai

#### FOR SHAH GUPTA & CO.

Chartered Accountants

#### VIPUL K CHOKSI

**Partner:** M. No. 37606  
**Firm Regn. No.** 109574 W  
Place: Mumbai

Date : June 05, 2020

**Schedule 13 - Interest Earned**

( 000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Interest / discount on advances / bills	179748,83,55	161640,23,23
II. Income on Investments	68204,72,38	74406,16,37
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2920,40,56	1179,06,59
IV. Others	6449,62,73	5643,19,16
<b>TOTAL</b>	<b>257323,59,22</b>	<b>242868,65,35</b>

**Schedule 14 - Other Income**

( 000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Commission, exchange and brokerage	23725,05,94	23303,89,22
II. Profit/ (Loss) on sale of investments (Net) <sup>1</sup>	8575,65,21	3146,86,06
III. Profit/ (Loss) on revaluation of investments (Net)	-	(2124,03,82)
IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)	(28,37,38)	(34,98,24)
V. Profit/ (Loss) on exchange transactions (Net)	2516,41,29	2155,75,29
VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	212,03,35	348,01,18
VII. Miscellaneous Income <sup>2</sup>	10220,69,39	9979,39,09
<b>TOTAL</b>	<b>45221,47,80</b>	<b>36774,88,78</b>

<sup>1</sup>Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 6215.64 Crore (Previous year ₹ 473.12 Crore).<sup>2</sup>Miscellaneous Income includes exceptional item of NIL (Previous year ₹ 1,087.43) and Recoveries made in write-off accounts ₹ 9250.23 Crore (Previous year ₹ 8,344.61 Crore).**Schedule 15 - Interest Expended**

( 000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Interest on Deposits	147398,96,33	140272,36,59
II. Interest on Reserve Bank of India/ Inter-bank borrowings	6891,11,73	9838,95,98
III. Others	4948,68,51	4408,45,23
<b>TOTAL</b>	<b>159238,76,57</b>	<b>154519,77,80</b>

**Schedule 16 - Operating Expenses**

( 000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Payments to and provisions for employees	45714,96,78	41054,70,68
II. Rent, taxes and lighting	5339,11,88	5265,65,95
III. Printing and stationery	526,20,36	498,94,99
IV. Advertisement and publicity	246,16,76	354,05,58
V. Depreciation on Bank's property	3303,81,33	3212,30,65
VI. Directors' fees, allowances and expenses	1,86,42	1,34,65
VII. Auditors' fees and expenses (including branch auditors' fees and expenses )	244,67,58	293,67,65
VIII. Law charges	266,66,85	261,84,28
IX. Postages, Telegrams, Telephones etc.	349,13,89	387,01,81
X. Repairs and maintenance	924,32,58	904,08,56
XI. Insurance	3212,71,45	2845,44,78
XII. Other expenditure	15044,03,14	14608,64,16
<b>TOTAL</b>	<b>75173,69,02</b>	<b>69687,73,74</b>

## Schedule 17- Significant Accounting Policies

### A. Basis of Preparation

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on Going Concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by Reserve Bank of India (RBI), State Bank of India Act, 1955, Banking Regulation Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

### B. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

### C. Significant Accounting Policies

#### 1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Bank's foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.
- 1.2 Interest/ Discount income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to "Statutory Reserve Account") to "Capital Reserve Account".

- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – "Leases" issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.
- 1.5 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows:
  - a. on interest bearing securities, it is recognised only at the time of sale/ redemption.
  - b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.
- 1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are recognised on their realisation.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
- 1.9 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortized over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:
  - i. When the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is removed from the books.
  - ii. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
  - iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

## 2. Investments

The transactions in all securities are recorded on "Settlement Date".

### 2.1 Classification:

Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six groups (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) Others and (II) 'Investments outside India' are classified under three categories – (i) Government Securities, (ii) Subsidiaries and/ or Joint Ventures abroad and (iii) Other Investments.

### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- i. In determining the acquisition cost of an investment:
  - (a) Brokerage/ commission received on subscriptions is reduced from the cost.
  - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - (c) Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
  - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.

- ii. Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).
- v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at market price or fair value determined as per the regulatory guidelines and only the net depreciation of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by RBI in case of domestic offices and respective regulators in case of foreign offices. Investments of domestic offices become non-performing where:
  - (a) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

- (b) In the case of equity shares, in the event the investment in shares of any company is valued at ₹ 1 per company on account of non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
- (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
- (d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
- (e) The investments in debentures/ bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
- (f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with RBI):
- (a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
- (b) Interest expended/ earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.
- ix. Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.
- 3. Loans/ Advances and Provisions thereon:**
- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/ directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.
- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:
- |                     |      |  |
|---------------------|------|--|
| Substandard Assets: | i.   | A general provision of 15% on the total outstanding;   |
|                     | ii.  | Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio); |
|                     | iii. | Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.                           |
| Doubtful Assets:    |      |  |
| -Secured portion:   | i.   | Upto one year – 25%  |
|                     | ii.  | One to three years – 40%   |
|                     | iii. | More than three years – 100%   |
| -Unsecured portion  |      | 100%   |
| Loss Assets:        |      | 100%.  |
- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 Appropriation of recoveries in NPAs are made in order of priority as under :
  - a. Charges, Costs, Commission etc.
  - b. Unrealized Interest / Interest
  - c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### 4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of

each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

#### 6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/ liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".
- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over-the-Counter (OTC) options.
- 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.
7. Fixed Assets, Depreciation and Amortisation:
  - 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.



7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sl. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00% every year
5	Server	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets. Estimated useful life of major group of Fixed Assets are as under: Premises 60 Years Vehicles 5 Years Safe Deposit Lockers 20 Years Furniture & Fixtures 10 Years

7.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.

7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).

7.7 In respect of assets given on lease by the Bank on or before 31<sup>st</sup> March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

7.8 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.

7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three years are not revalued. Valuation of the revalued assets is done at every three years thereafter.

7.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve.

7.11 The Revalued Asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions:

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.

- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

## 10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

### a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

### b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 11. Employee Benefits:

### 11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

### 11.2 Long Term Employee Benefits:

#### i. Defined Benefit Plans:

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.
- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
- i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.



- ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

#### ii. **Defined Contribution Plan:**

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 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 a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

#### iii. **Other Long Term Employee Benefits:**

- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.
- b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

- 11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

## 12. **Segment Reporting**

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

## 13. **Taxes on income:**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

## 14. **Earnings per Share:**

- 14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.
- 14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**15. Provisions, Contingent Liabilities and Contingent Assets:**

15.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

15.2 No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

15.4 Contingent Assets are not recognised in the financial statements.

**16. Bullion Transactions:**

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

**17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

**18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

**19. Cash and cash equivalents:**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

## Schedule – 18: Notes To Accounts

### 18.1 Capital

#### 1. Capital Ratio

##### AS PER BASEL II

(Amount in ₹ Crore)

Sr. No.	Items	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 capital ratio (%)	10.71%	10.38%
(iii)	Tier 2 capital ratio (%)	2.42%	2.47%
(iv)	Total Capital Ratio (%)	13.13%	12.85%

##### AS PER BASEL III

Sr. No.	Items	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(i)	Common Equity Tier 1 Capital Ratio (%)	9.77%	9.62%
(ii)	Tier 1 capital ratio (%)	11.00%	10.65%
(iii)	Tier 2 capital ratio (%)	2.06%	2.07%
(iv)	Total Capital Ratio (%)	13.06%	12.72%
(v)	Percentage of the Shareholding of Government of India	56.92%	57.13%
(vi)	Number of Shares held by Government of India	507,97,75,288	509,88,82,979
(vii)	Amount of Equity Capital raised	Nil	0.38
(viii)	Amount of Additional Tier 1(AT 1) capital raised of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS)	Nil	Nil
	b) Perpetual Debt Instruments (PDI)	6,918.40	7,317.30
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments	5,000.00	4,115.90
	b) Preference Share Capital Instruments {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	Nil	Nil

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1<sup>st</sup> March, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

#### 2. Share Capital

Expenses in relation to the issue of shares: ₹ Nil (Previous Year ₹ 9.12 crore) is debited to Share Premium Account.

#### 3. Innovative Perpetual Debt Instruments (IPDI)

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

##### A. Foreign

(₹ in crore)

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31 <sup>st</sup> March, 2020	Equivalent ₹ as on 31 <sup>st</sup> March, 2019
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	2,269.95	2,074.65

These bonds have been listed in Singapore stock exchange (SGX).

**B. Domestic**

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1.	e-SBH Tier -I Series XIII	200.00	20.09.2010	9.05
2.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1	2,100.00	06.09.2016	9.00
3.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II	2,500.00	27.09.2016	8.75
4.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III	2,500.00	25.10.2016	8.39
5.	SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
6.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
7.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
8.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
9.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2019-20 Series I	3,104.80	30.08.2019	8.75
10.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2019-20 Series II	3,813.60	22.11.2019	8.50
<b>TOTAL</b>		<b>23,535.70</b>		

**4. Subordinated Debts**

The bonds are unsecured, long term, non-convertible and are redeemable at par. The details of outstanding subordinate debts are as under:-

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
1	e-SBBJ Lower Tier II (Series VI)	500.00	20.03.2012 20.03.2022	9.02	120
2	SBI Non Convertible (Private placement) Bonds 2013-14 ( Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
3	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
4	e -SBP Tier II Basel III compliant (Series I)	950.00	22.01.2015 22.01.2025	8.29	120
5	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
6	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
7	SBI Non Convertible (Public issue) Bonds 2010 (Series II) (Lower Tier II)	866.92	04.11.2010 04.11.2025	9.50	180
8	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series I)	4,000.00	23.12.2015 23.12.2025	8.33	120
9	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120
10	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
11	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
12	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
13	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier 2 Bonds 2015-16 (Series II)	3,000.00	18.02.2016 18.02.2026	8.45	120
14	SBI Non Convertible (Public issue) Bonds 2011 Retail (Series IV) (Lower Tier II)	3,937.60	16.03.2011 16.03.2026	9.95	180
15	SBI Non Convertible (Public issue) Bonds 2011 Non Retail (Series IV) (Lower Tier II)	828.32	16.03.2011 16.03.2026	9.45	180
16	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series III)	3,000.00	18.03.2016 18.03.2026	8.45	120
17	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series IV)	500.00	21.03.2016 21.03.2026	8.45	120
18	e- SBT Tier II Basel III compliant (Series I)	515.00	30.03.2016 30.03.2026	8.45	120
19	e- SBT Upper Tier II (Series III)	500.00	26.03.2012 26.03.2027	9.25	180
20	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2018	4,115.90	02.11.2018 02.11.2028	8.90	120
21	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2019-20	5,000.00	28.06.2019 28.06.2029	7.99	120
<b>TOTAL</b>		<b>32,006.74</b>			

## 18.2 Investments

### 1. The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1. Value of Investments		
i) Gross value of Investments		
(a) In India	10,10,599.04	9,26,650.60
(b) Outside India	47,448.66	51,473.40
ii) Provision for Depreciation		
(a) In India	9,430.13	9,094.19
(b) Outside India	150.82	158.22
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	1,512.24	1,849.64
iv) Net value of Investments		
(a) In India	9,99,656.67	9,15,706.77
(b) Outside India	47,297.84	51,315.18
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	9,252.41	10,206.45
ii) Add: Provisions made during the year	5,237.78	1,863.13
iii) Less: Provision utilised during the year	33.48	-
iv) Less/(Add): Foreign Exchange revaluation adjustment	(38.04)	(22.24)
v) Less: Write off/Write back of excess provision during the year.	4,913.80	2,839.41
vi) Balance at the end of the year	9,580.95	9,252.41

#### Notes:

- Securities amounting to ₹ 4,225.76 crore (Previous Year ₹ 21,219.41 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/ NSCCL/MCX/ NSEIL/ BSE towards Securities Settlement.
- During the year, the Bank infused additional capital in its associates viz. i) Utkal Grameen Bank ₹ 143.77 crore, ii) Jharkhand Rajya Gramin Bank ₹ 86.68 crore, iii) Madhyanchal Gramin Bank ₹ 8.91 crore, iv) Ellaquai Dehati Bank ₹ 5.48 crore, v) Nagaland Rural Bank ₹ 0.48 crore and after infusion there is no change in Bank's stake.
- Bank has made an investment of ₹ 6,050.00 crore in Yes Bank Limited which constitutes 48.21% of the equity capital post investment. Due to categorization of this investment in AFS category and the change in accounting policy in this respect, there is no impact on the profit for the year.
- During the year, the Bank has sold its stake in the following subsidiaries: -
  - 4,50,00,000 equity shares of SBI Life Insurance Company Ltd. at a profit of ₹ 3,484.30 crore. Thus, the Bank stake has reduced to 57.60% from 62.10%.

- 3,72,93,371 equity shares of SBI Cards and Payment Services Ltd. at a profit of ₹ 2,731.34 crore. Thus, the Bank stake has reduced to 69.51% from 74.00%.

- As per NCLT order pronounced on 4<sup>th</sup> June 2019, SBI Business Process Management Services Private Limited (a subsidiary) has been amalgamated with SBI Cards and Payment Services Private Limited (a subsidiary) w.e.f. 1<sup>st</sup> April 2018 with the latter being the surviving entity.

The name of SBI Cards and Payment Services Private Limited has changed to SBI Cards and Payment Services Limited w.e.f. 20.08.2019.

- The Bank exited from its RRBs as per details given below :-

(₹ in crore)

Name of RRB	Amount
Langpi Dehangi Rural Bank	10.83
Kaveri Grameena Bank	18.89

- In accordance with notification issued by Govt. of India, the following amalgamations have taken place in between the Regional Rural Banks (RRBs) sponsored by SBI and RRBs sponsored by other banks.

The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by State Bank of India are as below: -

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1. Pragathi Krishna Gramin Bank	Canara Bank	Karnataka Gramin Bank	Canara Bank	1 <sup>st</sup> April ,2019
Kaveri Grameena Bank	State Bank of India			
2. Assam Gramin Vikash Bank	United Bank of India	Assam Gramin Vikash Bank	United Bank of India	1 <sup>st</sup> April ,2019
Langpi Dehangi Rural Bank	State Bank of India			

The details of amalgamation of RRBs, where the transferee RRB is sponsored by State Bank of India are as below: -

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1. Jharkhand Gramin Bank	Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	1 <sup>st</sup> April ,2019
Vananchal Gramin Bank	State Bank of India			

## 2. Repo Transactions including Liquidity Adjustment Facility (LAF) (in face value terms)

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31 <sup>st</sup> March 2020
<b>Securities sold under Repo</b>				
i. Government Securities	-	1,12,595.20	9,166.64	34,576.69
	(-)	(1,31,364.16)	(48,101.62)	(1,12,793.84)
ii. Corporate Debt Securities	-	15,795.87	10,778.12	8,696.38
	(-)	(12,382.91)	(7,742.36)	(10,264.00)
<b>Securities purchased under Reverse Repo</b>				
i. Government Securities	-	1,13,000.00	38,332.97	38,000.00
	(-)	(43,507.94)	(5,202.46)	(1,963.89)
ii. Corporate Debt Securities	-	3,292.71	592.93	3,292.71
	(-)	(860.43)	(816.74)	(859.81)

(Figures in brackets are for Previous Year).

### 3. Non-SLR Investment Portfolio

#### a) Issuer composition of Non SLR Investments

The issuer composition of Non-SLR investments of the Bank is given below:

(₹ in crore)

Sr. Issuer No.	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
i PSUs	62,047.29 (48,324.45)	45,135.13 (18,145.75)	- (356.64)	- (-)	- (-)
ii FIs	86,460.61 (67,836.16)	74,871.30 (55,738.02)	2,754.24 (-)	- (-)	1,150.00 (-)
iii Banks	24,856.99 (19,374.89)	12,624.53 (1,457.62)	585.10 (1,177.32)	23.62 (23.62)	23.62 (23.62)
iv Private Corporates	35,680.14 (41,791.89)	25,758.70 (23,398.59)	901.99 (826.18)	- (341.30)	- (24.70)
v Subsidiaries / Joint Ventures **	16,045.43 (9,909.36)	- (-)	- (-)	- (-)	- (-)
vi Others	29,687.12 (24,977.19)	2,196.19 (623.66)	3,558.08 (2,383.40)	46.68 (53.47)	4.84 (3.17)
vii Less: Provision held towards depreciation including LICRA	11,093.19 (7,075.11)	11.65 (-)	236.96 (25.21)	- (30.60)	- (-)
<b>TOTAL</b>	<b>2,43,684.39</b> <b>(2,05,138.83)</b>	<b>1,60,574.20</b> <b>(99,363.64)</b>	<b>7,562.45</b> <b>(4,718.33)</b>	<b>70.30</b> <b>(387.79)</b>	<b>1,178.46</b> <b>(51.49)</b>

(Figures in brackets are for Previous Year).

\* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\* Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

#### b) Non Performing Non-SLR Investments

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	5,609.66	4,595.25
Additions during the year	3,686.05	1,986.35
Reductions during the year	299.91	971.94
Closing balance	8,995.80	5,609.66
<b>Total provisions held</b>	<b>7,970.83</b>	<b>5,209.17</b>

### 4. Sales And Transfers Of Securities To/From HTM Category

The value of sales and transfers of securities to/from HTM Category does not exceed 5% of the book value of investment held in HTM category at the beginning of the year.



## 5. Disclosure of Investment in Security Receipts (SRs)

(₹ in crore)

Particulars	SRs Issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 Years	SRs issued more than 8 Years ago	Total
i Book value of SRs Backed by NPAs sold by the bank as underlying	2,657.86	6,077.67	25.78	8,761.31
Provision held against (i)	300.47	1,329.99	25.78	1,656.24
ii Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	0.54	3.92	2.68	7.14
Provision held against (ii)	-	0.78	2.68	3.46
<b>Total (i) + (ii)</b>	<b>2,658.40</b>	<b>6,081.59</b>	<b>28.46</b>	<b>8,768.45</b>

## 6. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC)

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book Value of Investments in Security Receipts as on 31 <sup>st</sup> March, 2020	8,761.31	9,834.83	7.14	7.15	8,768.45	9,841.98
Book Value of Investments in Security Receipts made during the year	0.06	16.58	-	-	0.06	16.58

## 18.3 Derivatives

### A. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS)

(₹ in crore)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
i)	The notional principal of swap agreements#	2,98,843.36	3,74,120.04
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	8,063.30	3,342.37
iii)	Collateral required by the Bank upon entering swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	7,908.68	125.32

# IRS/FRA amounting to ₹ 32,134.98 crore (Previous Year ₹ 19,022.25 crore) entered with the Bank's own foreign offices are not shown here.

**Nature and terms of forward rate agreements and interest rate swaps as on 31<sup>st</sup> March, 2020 are given below:**

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	175	7,089.25	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	1	192.94	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	121	1,490.92	OTHERS	Fixed Receivable / Floating Payable
IRS	Hedging	39	25,615.09	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	26	2,973.54	LIBOR	Floating Receivable / Fixed Payable
IRS	Trading	2	832.31	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	1993	1,06,806.98	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	2171	1,42,354.97	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	70	2,853.50	MIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	126	5,297.00	MIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	4	3,336.86	LIBOR	Fixed Receivable / Floating Payable
<b>TOTAL</b>			<b>2,98,843.36</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		
a.	Interest Rate Futures	Nil	Nil
b.	10 Year Government of India Securities	63,670.92	42,099.96
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March, 2020		
a.	Interest Rate Futures	Nil	Nil
b.	10 Year Government of India Securities	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	N.A.	N.A.

**C. Risk Exposure in Derivatives**

**(A) Qualitative Risk Exposure**

- i. The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The Bank also runs option position in USD/INR,

which is managed through various types of loss limits and Greek limits.

- ii. Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with

counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.

- iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
- iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2019-20.
- v. Interest Rate Swaps are mainly used at Foreign Offices for hedging of the assets and liabilities.

- vi. Apart from hedging swaps, swaps at Foreign Offices consist of back to back swaps done at Bank's Foreign Offices which are done mainly for hedging of FCNR deposits at Global Markets, Kolkata.
- vii. Majority of the swaps were done with First class counterparty banks.
- viii. Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
- ix. Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

## (B) Quantitative Risk Exposure

(₹ in crore)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives (Notional Principal Amount)				
(a) For hedging	14,407.12 @	8,983.92 @	35,421.64 #	41,908.78 #
(b) For trading *	6,55,991.56	2,47,198.72	2,77,804.99	3,37,642.76
(II) Marked to Market Positions				
(a) Asset	14,629.42	3,555.69	8,063.30	3,365.55
(b) Liability	14,009.98	3,130.82	6,086.78	3,240.23
(III) Credit Exposure	36,850.85	12,665.30	11,026.29	7,037.75
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	1.07	1.08	4.60	150.90
(b) on trading derivatives	86.72	15.83	146.20	136.08
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging - Maximum	1.07	1.08	460.31	255.40
- Minimum	-	-	-	-
(b) on trading - Maximum	2.91	24.41	1.85	149.73
- Minimum	-	(-) 129.75	0.03	0.08

@ The swaps amounting to ₹ 1,725.03 crore (Previous Year ₹ 245.10 crore) entered with the Bank's own foreign offices are not shown here.

# IRS/FRA amounting to ₹ 32,134.98 crore (Previous Year ₹ 19,022.25 crore) entered with the Bank's own Foreign offices are not shown here.

\* The forward contract deals with our own Foreign Offices are not included. Currency Derivatives ₹ 867.18 crore (Previous Year ₹ 427.12 crore) and Interest Rate Derivatives ₹ Nil (Previous Year ₹ Nil).

- The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31<sup>st</sup> March, 2020 amounted to ₹ 34,727.19 crore (Previous Year ₹ 19,694.47 crore) and the derivatives done between SBI Foreign Offices as on 31<sup>st</sup> March, 2020 amounted to ₹ 10,222.51 crore (Previous Year ₹ 8,929.28 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, 2020 amounted to ₹ 60,632.85 crore (Previous Year ₹ 45,661.89 crore).

## 18.4 Asset Quality

## a) Non-Performing Assets

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
I) Net NPAs to Net Advances (%)	2.23%	3.01%
II) Movement of NPAs (Gross)		
(a) Opening balance	1,72,750.36	2,23,427.46
(b) Additions (Fresh NPAs) during the year	49,826.28	32,738.05
Sub-total (i)	2,22,576.64	2,56,165.51
Less:		
(c) Reductions due to up gradations during the year	3,339.79	4,794.34
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	17,782.63	19,715.63
(e) Technical/ Prudential Write-offs	-	5,139.76
(f) Reductions due to Write-offs during the year	52,362.37	53,765.42
Sub-total (ii)	73,484.79	83,415.15
(g) Closing balance (i-ii)	1,49,091.85	1,72,750.36
III) Movement of Net NPAs		
(a) Opening balance	65,894.74	1,10,854.70
(b) Additions during the year	6,758.88	27,008.89
(c) Reductions during the year	20,782.32	71,968.85
(d) Closing balance	51,871.30	65,894.74
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,06,855.62	1,12,572.76
(b) Provisions made during the year	43,067.40	54,844.57
(c) Write-off / write-back of excess provisions	52,702.47	60,561.71
(d) Closing balance	97,220.55	1,06,855.62

Notes:-

- a) Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 235.61 crore (Previous Year ₹ 8.72 crore) and ₹ 305.54 crore (Previous Year ₹ 235.61 crore) respectively.
- b) As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

Accordingly, the following disclosure is made in respect of divergences for the F.Y. 2018-19: -

Divergence in Asset Classification and Provisioning for NPAs		
Particulars	(₹ in crore)	
1 Gross NPAs as on March 31, 2019 as reported by the bank	1,72,750	
2 Gross NPAs as on March 31, 2019 as assessed by RBI	1,84,682	
3 Divergence in Gross NPAs (2-1)	11,932	
4 Net NPAs as on March 31, 2019 as reported by the bank	65,895	
5 Net NPAs as on March 31, 2019 as assessed by RBI	77,827	
6 Divergence in Net NPAs (5-4)	11,932	
7 Provisions for NPAs as on March 31, 2019 as reported by the bank	1,06,856	
8 Provisions for NPAs as on March 31, 2019 as assessed by RBI	1,18,892	
9 Divergence in provisioning (8-7)	12,036	
10 Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	862	
11 Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(-) 6,968	

The Bank has made full provision against the said divergence during the year ended 31<sup>st</sup> March 2020.

## c) Restructured Accounts

(₹ in crore)

Sr. No.	Type of Restructuring Asset Classification Particulars	Under CDR Mechanism (1)					Under SME Debt Restructuring Mechanism (2)				
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2019 (Opening position)	No. of Borrowers	4	-	44	9	28	167	142	17	354
		(8)	(3)	(65)	(8)	(84)	(48)	(169)	(171)	(18)	(406)
	Amount	146.04	-	6,236.10	656.53	7,038.67	46.11	307.32	415.80	6.65	775.88
	outstanding	(607.77)	(380.51)	(15,840.78)	(248.84)	(17,077.90)	(75.59)	(377.84)	(2,559.80)	(6.82)	(3,020.05)
	Provision	0.96	-	-	-	0.96	10.26	6.43	24.88	0.27	41.84
	thereon	(7.06)	(28.17)	(106.20)	(-)	(141.43)	(18.23)	(26.85)	(115.41)	(0.39)	(160.88)
2	Fresh Restructuring during the current FY	No. of Borrowers	-	-	-	-	790	6	1	-	797
		(-)	(-)	(-)	(-)	(-)	(-)	(28)	(4)	(3)	(35)
	Amount	26.57	-	-	-	26.57	154.84	4.44	1.38	-	160.66
	outstanding	(68.59)	(-)	(95.32)	(-)	(163.91)	(42.73)	(42.82)	(27.70)	(0.27)	(113.52)
	Provision	0.02	-	-	-	0.02	0.24	2.72	0.40	-	3.36
	thereon	(0.09)	(-)	(-)	(-)	(0.09)	(-)	(3.74)	(0.45)	(0.27)	(4.46)
3	Up gradation to restructured standard category during current FY	No. of Borrowers	-	-	-	-	1	-1	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Amount	-	-	-	-	-	18.11	-18.11	-	-	-
	outstanding	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Provision	-	-	-	-	-	-	-	-	-	-
	thereon	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-2	-	-	-	-2	-	-	-	-
		(-1)	-	-	-	(-1)	(-2)	-	-	-	(-2)
	Amount	-155.08	-	-	-	-155.08	-	-	-	-	-
	outstanding	(-23.05)	-	-	-	(-23.05)	(-4.56)	-	-	-	(-4.56)
	Provision	-	-	-	-	-	-	-	-	-	-
	thereon	(-)	(-)	(-)	(-)	(-)	(-0.23)	-	-	-	(-0.23)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-	-	-	-	-9	-7	16	-	-
		(-2)	(-2)	(1)	(3)	(-)	(-2)	(2)	(-)	(-)	(-)
	Amount	-	-	-	-	-	-2.38	-67.31	69.69	-	-
	outstanding	(-332.43)	(-221.77)	(-87.04)	(641.24)	(-)	(-38.02)	(38.02)	(-)	(-)	(-)
	Provision	-	-	-	-	-	-0.05	-8.78	8.83	-	-
	thereon	(-)	(-9.52)	(9.52)	(-)	(-)	(-0.35)	(0.35)	(-)	(-)	(-)
	No. of	-	-	-22	-1	-23	-24	-53	-34	-3	-114
	Borrowers	(-1)	(-1)	(-22)	(-2)	(-26)	(-16)	(-32)	(-33)	(-4)	(-85)
	Amount	-2.08	-	-4,309.80	-165.50	-4,477.38	-9.75	-8.84	-34.41	-0.27	-53.27
	outstanding	(-174.83)	(-158.74)	(-9,612.97)	(-233.55)	(-10,180.09)	(-29.63)	(-151.36)	(-2,171.70)	(-0.44)	(-2,353.13)
	Provision	-0.07	-	-	-	-0.07	-1.95	-0.37	-17.85	-0.27	-20.44
	thereon	(-6.19)	(-18.65)	(-115.72)	(-)	(-140.56)	(-7.39)	(-24.51)	(-90.98)	(-0.39)	(-123.27)
7	Total Restructured Accounts as on 31 <sup>st</sup> March, 2020 (Closing Position)	No. of Borrowers	2	-	22	8	786	112	125	14	1,037
		(4)	(-)	(44)	(9)	(57)	(28)	(167)	(142)	(17)	(354)
	Amount	15.45	-	1,926.30	491.03	2,432.78	206.93	217.50	452.46	6.38	883.27
	outstanding	(146.04)	(-)	(6,236.10)	(656.53)	(7,038.67)	(46.11)	(307.32)	(415.80)	(6.65)	(775.88)
	Provision	0.91	-	-	-	0.91	8.50	-	16.26	-	24.76
	thereon	(0.96)	(-)	(-)	(-)	(0.96)	(10.26)	(6.43)	(24.88)	(0.27)	(41.84)

Sr. No.	Type of Restructuring Asset Classification Particulars	Others (3)					TOTAL (1 + 2 + 3)					
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1, 2019 (Opening position)	No. of Borrowers	300	227	786	171	1484	332	394	972	197	1,895
		Amount	(360)	(335)	(1,094)	(45)	(1,834)	(416)	(507)	(1,330)	(71)	(2,324)
		Amount outstanding	3,909.81	29.83	8,004.74	803.16	12,747.54	4,101.96	337.15	14,656.64	1,466.34	20,562.09
		Provision	(4,179.74)	(3,933.96)	(29,631.18)	(966.41)	(38,711.28)	(4,863.08)	(4,692.31)	(48,031.77)	(1,222.07)	(58,809.23)
		Provision thereon	319.57	0.85	15.23	4.05	339.70	330.79	7.28	40.11	4.32	382.50
			(350.99)	(80.14)	(170.62)	(0.64)	(602.39)	(376.27)	(135.15)	(392.24)	(1.03)	(904.69)
2	Fresh Restructuring during the current FY	No. of Borrowers	4,813	61	21	1	4,896	5,603	67	22	1	5,693
		Amount	(7)	(111)	(291)	(66)	(475)	(7)	(139)	(295)	(69)	(510)
		Amount outstanding	578.77	1.81	32.88	0.02	613.48	760.18	6.25	34.26	0.02	800.71
		Provision	(9,347.86)	(2.96)	(94.95)	(3.95)	(9,449.72)	(9,459.18)	(45.78)	(217.96)	(4.23)	(9,727.15)
		Provision thereon	-	65.61	2.09	0.24	67.94	0.26	68.33	2.49	0.24	71.32
			(43.41)	(0.47)	(8.02)	(2.26)	(54.16)	(43.49)	(4.21)	(8.47)	(2.53)	(58.70)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	17	-7	-10	-	-	18	-8	-10	-	-
		Amount	(7)	(-7)	(-)	(-)	(-)	(7)	(-7)	(-)	(-)	(-)
		Amount outstanding	0.62	-0.36	-0.26	-	-	18.73	-18.47	-0.26	-	-
		Provision	(0.29)	(-0.29)	(-)	(-)	(-)	(0.29)	(-0.29)	(-)	(-)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-	-
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-16				-16	-18				-18
		Amount	(-22)				(-22)	(-25)				(-25)
		Amount outstanding	-1,130.83				-1,130.83	-1,285.91				-1,285.91
		Provision	(-9,421.29)				(-9,421.29)	(-9,448.90)				(-9,448.90)
		Provision thereon	-28.19				-28.19	-28.19				-28.19
			(-4.31)				(-4.31)	(-4.54)				(-4.54)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-5	-73	47	31	-	-14	-80	63	31	-
		Amount	(-9)	(-1)	(-79)	(89)	(-)	(-13)	(-1)	(-78)	(92)	(-)
		Amount outstanding	-675.75	631.60	43.65	0.50	-	-678.13	564.29	113.34	0.50	-
		Provision	(-39.38)	(-1,256.52)	(-42.68)	(1,338.58)	(-)	(-409.83)	(-1,440.27)	(-129.72)	(1,979.82)	(-)
		Provision thereon	-11.57	10.62	0.45	0.50	-	-11.62	1.84	9.28	0.50	-
			(-1.17)	(-15.18)	(10.96)	(5.39)	(-)	(-1.52)	(-24.35)	(20.48)	(5.39)	(-)
6	Write-offs of restructured accounts during current FY	No. of Borrowers	-5	-24	-162	-41	-232	-29	-77	-218	-45	-369
		Amount	(-43)	(-211)	(-520)	(-29)	(-803)	(-60)	(-244)	(-575)	(-35)	(-914)
		Amount outstanding	-483.01	-126.56	-5,601.59	-454.17	-6,665.33	-494.84	-135.40	-9,945.80	-619.94	-11,195.98
		Provision	(-157.41)	(-2,650.27)	(-21,678.71)	(-1,505.78)	(-25,992.17)	(-361.87)	(-2,960.38)	(-33,463.39)	(-1,739.76)	(-38,525.40)
		Provision thereon	-95.96	-0.28	-2.36	-2.19	-100.79	-97.98	-0.65	-20.21	-2.46	-121.30
			(-69.35)	(-64.58)	(-174.37)	(-4.24)	(-312.54)	(-82.93)	(-107.73)	(-381.07)	(-4.63)	(-576.36)
7	Total Restructured Accounts as on 31 <sup>st</sup> March, 2020 (Closing Position)	No. of Borrowers	5,104	184	682	162	6,132	5,892	296	829	184	7,201
		Amount	(300)	(227)	(786)	(171)	(1,484)	(332)	(394)	(972)	(197)	(1,895)
		Amount outstanding	2,199.61	536.32	2,479.42	349.51	5,564.86	2,421.99	753.82	4,858.18	846.92	8,880.91
		Provision	(3,909.81)	(29.83)	(8,004.74)	(803.16)	(12,747.54)	(4,101.96)	(337.15)	(14,656.62)	(1,466.35)	(20,562.08)
		Provision thereon	183.85	76.80	15.41	2.60	278.66	193.26	76.80	31.67	2.60	304.33
			(319.57)	(8.85)	(15.23)	(4.05)	(339.70)	(330.77)	(7.29)	(40.11)	(4.32)	(382.49)

Note:

1. Increase in outstanding of ₹ 572 crore (Previous Year ₹ 8,263.39 crore) included in Fresh Additions.
2. Closure of ₹ 5,616 crore (Previous Year ₹ 27,360.50 crore) and decrease in Outstanding of ₹ 597 crore (Previous Year ₹ 1,133.75 crore) is included in Write off.
3. Total Column does not include standard assets moved out of higher provisioning.

- d) As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019, the details of restructured MSME accounts is as below:-

(₹ in crore)

Particulars	Current Year	Previous Year
No. of accounts restructured	60,057	17,419
Aggregate outstanding	2,872.49	627.64

- e) Details of Technical Write-offs and the recoveries made thereon:

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	Opening balance of Technical/Prudential written-off accounts as at April 1	5,139.76	4,537.11
ii	Add: Technical/ Prudential write-offs during the year	-	5,139.76
iii	Sub-total (A)	5,139.76	9,676.87
iv	Less: Recoveries made/ Actual written off from previously technical/prudential written-off accounts during the year (B)	5,139.76	4,537.11
v	Closing balance as at 31 <sup>st</sup> March (A-B)	-	5,139.76

- f) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	No. of Accounts	32	47
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	101.17	2,227.88
iii	Aggregate consideration*	1,236.62	4,330.99
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain /(loss) over net book value #	1,135.45	2,103.11

\* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value as per RBI Guidelines.

# Includes amount of ₹ Nil (Previous Year ₹ 4.11 crore) credited to charges/ (interest) account.

- g) Excess Provision reversed to Profit & Loss Account on account of Sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC)

(₹ in crore)

Particulars	Current Year	Previous Year
Excess Provision reversed to P&L Account in case of Sale of NPAs	170.82	1,075.12

- h) Details of non-performing financial assets purchased

(₹ in crore)

Particulars	Current Year	Previous Year
1) (a) No. of Accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2) (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

- i) Details of non-performing financial assets sold

(₹ in crore)

Particulars	Current Year	Previous Year
1) No. of Accounts sold	15	29
2) Aggregate outstanding	551.59	6,545.21
3) Aggregate consideration received	271.15	3,155.43

- j) Provision on Standard Assets:

(₹ in crore)

Particulars	Current Year	Previous Year
Provision towards Standard Assets	11,544.24	12,396.68

## 18.5 Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	6.45%	6.55%
ii. Non-interest income as a percentage to Working Funds	1.13%	0.99%
iii. Operating Profit as a percentage to Working Funds	1.71%	1.49%
iv. Return on Assets*	0.38%	0.02%
v. Business (Deposits plus advances) per employee (₹ in crore)	21.05	18.77
vi. Profit per employee (₹ in thousands)	578.98	33.39

\* (on net-assets basis)



**18.6 Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March, 2020**

	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
	(₹ in crore)											
Deposits	50,412.96	89,018.26	48,210.68	82,393.15	1,26,563.94	1,09,843.95	3,16,203.23	6,02,960.92	5,92,806.58	3,24,913.60	8,98,293.46	32,41,620.73
	(20,801.66)	(67,397.57)	(38,395.92)	(70,124.55)	(1,09,112.89)	(1,04,290.94)	(2,80,613.69)	(5,56,965.57)	(5,31,671.81)	(3,03,630.51)	(8,28,380.90)	(29,11,386.01)
Advances	57,442.98	14,151.74	16,608.14	31,096.94	42,616.30	44,774.93	75,159.25	1,16,239.21	10,82,113.87	2,09,766.10	6,35,320.10	23,25,289.56
	(23,338.39)	(13,259.37)	(10,239.57)	(38,815.39)	(31,390.31)	(33,817.93)	(69,805.47)	(1,00,265.25)	(10,91,890.56)	(2,90,220.65)	(4,82,834.03)	(21,85,876.92)
Investments	188.13	4,423.08	3,965.20	17,133.59	20,404.80	33,033.97	45,189.57	70,272.40	182,741.13	1,55,126.51	5,14,476.14	10,46,954.52
	(22.36)	(6,432.46)	(2,525.26)	(13,582.82)	(8,105.72)	(22,921.96)	(25,099.70)	(42,890.15)	(1,66,758.51)	(1,81,538.37)	(4,97,144.64)	(9,67,021.95)
Borrowings	915.24	13,829.39	4,180.76	9,892.09	20,370.67	27,941.89	41,265.36	55,907.52	78,368.05	49,093.15	12,891.53	3,14,655.65
	(16,679.67)	(89,536.61)	(3,684.07)	(20,965.35)	(57,773.72)	(20,810.07)	(27,681.37)	(34,911.01)	(47,258.20)	(28,896.05)	(54,821.00)	(4,03,017.12)
Foreign Currency Assets #	44,464.27	5,354.64	8,137.20	20,603.01	25,000.46	23,193.94	36,944.55	43,842.32	1,12,403.17	83,445.52	47,435.08	4,50,824.16
	(43,190.02)	(3,268.05)	(3,451.22)	(10,523.17)	(18,236.76)	(16,732.11)	(35,576.40)	(41,045.46)	(95,815.96)	(83,623.23)	(39,988.32)	(3,91,450.70)
Foreign Currency Liabilities \$	25,950.88	15,075.64	8,027.84	18,994.07	29,216.63	35,828.10	54,776.09	62,965.89	64,113.98	46,576.87	13,758.15	3,75,284.14
	(24,255.18)	(17,027.04)	(4,671.82)	(29,440.95)	(23,767.03)	(29,231.40)	(40,986.24)	(65,749.56)	(59,114.18)	(47,839.17)	(15,742.68)	(3,57,825.25)

# Foreign Currency Assets and Liabilities represent advances and investments (net of provision thereof).

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31<sup>st</sup> March, 2019).



## 18.7 Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

### a) Real Estate Sector

(₹ in crore)

Particulars	Current Year	Previous Year
<b>I Direct exposure</b>		
i) Residential Mortgages	3,58,599.62	3,28,969.21
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	3,58,599.62	3,28,969.21
Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 35 lac) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 25 lacs) in other centres for purchase/construction of dwelling unit per family.	1,50,689.19	1,54,846.41
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits.	31,607.67	38,764.19
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	9,781.26	-
a) Residential	-	-
b) Commercial Real Estate	9,781.26	-
<b>II Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,07,004.65	96,683.37
<b>Total Exposure to Real Estate Sector</b>	<b>5,06,993.20</b>	<b>4,64,416.77</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.	8,534.42	8,438.87
2) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	19.16	24.41
3) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	93.49	26.07
4) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	975.44	8,114.07
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	14.09	135.91
6) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	13.82	1.68
7) Bridge loans to companies against expected equity flows/issues.	Nil	Nil
8) Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9) Financing to stockbrokers for margin trading.	Nil	0.13
10) Exposures to Venture Capital Funds (both registered and unregistered)	3,352.74	2,185.02
<b>Total Exposure to Capital Market</b>	<b>13,003.16</b>	<b>18,926.16</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. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

(₹ in crore)

Risk Category	Net Funded Exposure		Provision held	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Insignificant	16,716.77	90,015.33	Nil	121.06
Very Low	1,56,986.73	53,189.73	145.81	Nil
Low	20,546.89	11,366.00	Nil	Nil
Medium	8,326.76	17,523.32	Nil	Nil
High	21,883.14	7,126.62	Nil	Nil
Very High	10,242.33	8,314.33	Nil	Nil
Restricted	318.01	1,299.06	Nil	Nil
<b>TOTAL</b>	<b>2,35,020.63</b>	<b>1,88,834.39</b>	<b>145.81</b>	<b>121.06</b>

**d) Single Borrower and Group Borrower exposure limits exceeded by the Bank**

The Bank had taken single borrower exposure & Group Borrower exposure within the prudential limit prescribed by RBI.

**e) Unsecured Advances**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
a) Total Unsecured Advances of the bank	5,59,246.43	5,22,939.34
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	Nil	Nil
ii) The estimated value of such intangible securities (as in (i) above).	Nil	Nil

**18.8 Miscellaneous****a. Disclosure of Penalties**

- Reserve Bank of India has imposed an aggregate penalty of ₹ 7.00 crore on the Bank for non-compliance of directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms etc.
- Reserve Bank of India has imposed a penalty of ₹ 0.50 crore on the Bank for non-compliance with its directions relating to reporting of frauds.

**b. Penalty for Bouncing of SGL forms**

No penalty has been levied on the Bank for bouncing of SGL Forms.

**18.9 Disclosure Requirements as per the Accounting Standards****a) Accounting Standard – 5 “Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies”**

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended 31<sup>st</sup> March 2020 as compared to those followed in the previous financial year 2018-19 except in respect of investment in associates. This change does not have any impact on the financial results for the year ended 31<sup>st</sup> March 2020.

## b) Accounting Standard – 15 “Employee Benefits”

## i. Defined Benefit Plans

## 1. Employee's Pension Plan and Gratuity Plan

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation at 1 <sup>st</sup> April, 2019	95,362.15	87,786.56	12,189.05	12,872.60
Current Service Cost	953.34	1,060.57	447.17	410.51
Interest Cost	7,428.71	6,812.24	947.09	1,001.49
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	13,619.61	6,434.95	1,224.38	(107.62)
Benefits paid	(3,914.34)	(3,966.53)	(1,955.13)	(1,987.93)
Direct Payment by Bank	(3,619.10)	(2,765.64)	-	-
Closing defined benefit obligation at 31 <sup>st</sup> March, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
<b>Change in Plan Assets</b>				
Opening fair value of Plan Assets as at 1 <sup>st</sup> April, 2019	90,399.61	85,249.60	10,326.00	9,140.76
Expected Return on Plan Assets	7,015.01	6,615.37	803.36	711.15
Contributions by employer	2,407.68	2,391.18	1,146.88	2,359.86
Expected Contributions by the employees	0.28	0.34	-	-
Benefits Paid	(3,914.34)	(3,966.53)	(1,955.13)	(1,987.93)
Actuarial Gains / (Loss) on plan Assets	1,550.28	109.65	249.84	102.16
Closing fair value of plan assets as at 31 <sup>st</sup> March, 2020	97,458.52	90,399.61	10,570.95	10,326.00
<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, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
Fair Value of Plan assets at 31 <sup>st</sup> March, 2020	97,458.52	90,399.61	10,570.95	10,326.00
Deficit/(Surplus)	12,371.85	4,962.54	2,281.61	1,863.05
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,281.61	1,863.05
<b>Amount Recognised in the Balance Sheet</b>				
Liabilities	1,09,830.37	95,362.15	12,852.56	12,189.05
Assets	97,458.52	90,399.61	10,570.95	10,326.00
Net Liability / (Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,281.61	1,863.05
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,281.61	1,863.05
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	953.34	1,060.57	447.17	410.51
Interest Cost	7,428.71	6,812.24	947.09	1,001.49
Expected return on plan assets	(7,015.01)	(6,615.37)	(803.36)	(711.15)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Expected Contributions by the employees	(0.28)	(0.34)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	2,707.50
Net actuarial losses (Gain) recognised during the year	12,069.33	6,325.30	974.54	(209.78)
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	13,436.09	7,582.40	1,565.44	3,198.57
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	7,015.01	6,615.37	803.36	711.15
Actuarial Gain/ (loss) on Plan Assets	1,550.28	109.65	249.84	102.16
Actual Return on Plan Assets	8,565.29	6,725.02	1,053.20	813.31
<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, 2019	4,962.54	2,536.96	1,863.05	1,024.34
Expenses as recognised in profit and loss account	13,436.09	7,582.40	1,565.44	3,198.57
Paid by Bank Directly	(3,619.10)	(2,765.64)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,407.68)	(2,391.18)	(1,146.88)	(2,359.86)
Net liability/(Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,281.61	1,863.05

**Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31<sup>st</sup> March, 2020 are as follows:**

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.60%	19.42%
State Govt. Securities	36.89%	36.84%
Debt Securities, Money Market Securities and Bank Deposits	30.68%	26.35%
Mutual Funds	3.36%	3.53%
Insurer Managed Funds	2.56%	10.85%
Others	2.91%	3.01%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>

**Principal actuarial assumptions**

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.83%	7.79%
Expected Rate of return on Plan Asset	6.83%	7.79%
Salary Escalation Rate	5.40%	5.20%
Pension Escalation Rate	0.80%	0.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**Principal actuarial assumptions**

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Expected Rate of return on Plan Asset	6.84%	7.77%
Salary Escalation Rate	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**Surplus/ Deficit in the Plan****Gratuity Plan**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
Liability at the end of the year	7,332.14	7,291.02	12,872.60	12,189.05	12,852.56
Fair value of Plan Assets at the end of the year	6,879.77	7,281.18	9,140.76	10,326.00	10,570.95
Difference	452.37	9.84	3,731.84	1,863.05	2,281.61
Unrecognised Past Service Cost	-	-	2,707.50	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	452.37	9.84	1,024.34	1,863.05	2,281.61

**Experience adjustment**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
On Plan Liability (Gain) /Loss	326.09	10.62	399.62	(212.11)	382.17
On Plan Asset (Loss) /Gain	(43.09)	182.34	(25.96)	102.16	249.84

**Surplus/Deficit in the plan****Pension**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
Liability at the end of the year	59,151.41	67,824.90	87,786.56	95,362.15	1,09,830.37
Fair value of Plan Assets at the end of the year	53,410.37	64,560.42	85,249.60	90,399.61	97,458.52
Difference	5,741.04	3,264.48	2,536.96	4,962.54	12,371.85
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	5,741.04	3,264.48	2,536.96	4,962.54	12,371.85

**Experience adjustment**

(₹ in crore)

On Plan Liability (Gain) /Loss	5,502.35	3,007.59	4,439.54	3,642.57	4,078.53
On Plan Asset (Loss) /Gain	(162.93)	2,246.60	(135.07)	109.65	1,550.28

The expected contribution to the Pension and Gratuity fund for next year is ₹ 2,348.90 crore and ₹ 1,383.89 crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

## 2. Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2019-20.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Provident Fund	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April, 2019	30,487.93	29,934.63
Current Service Cost	1,017.99	943.07
Interest Cost	2,455.49	2,475.08
Employee Contribution (including VPF)	1,104.84	1,330.76
Actuarial losses/(gains)	208.49	-
Benefits paid	(4,086.25)	(4,195.61)
Closing defined benefit obligation at 31 <sup>st</sup> March, 2020	31,188.49	30,487.93
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1 <sup>st</sup> April, 2019	32,179.93	31,502.49
Expected Return on Plan Assets	2,455.49	2,475.08
Contributions	2,122.82	2,273.83
Provision for loss on maturity of non-performing investment	(467.66)	-
Benefits Paid	(4,086.25)	(4,195.61)
Actuarial Gains / (Loss) on plan Assets	(100.11)	124.14
Closing fair value of plan assets as at 31 <sup>st</sup> March, 2020	32,104.22	32,179.93
<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, 2020	31,188.49	30,487.93
Fair Value of Plan assets at 31 <sup>st</sup> March, 2020	32,104.22	32,179.93
Deficit/(Surplus)	(915.73)	(1,692.00)
Net Asset not recognised in Balance Sheet	915.73	1,692.00
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	1,017.99	943.07
Interest Cost	2,455.49	2,475.08
Expected return on plan assets	(2,455.49)	(2,475.08)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,017.99	943.07
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April, 2019	-	-
Expense as above	1,017.99	943.07
Employer's Contribution	(1,017.99)	(943.07)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

**Investments under Plan Assets of Provident Fund as on 31<sup>st</sup> March, 2020 are as follows:**

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	34.72%
State Govt. Securities	28.12%
Debt Securities, Money Market Securities and Bank Deposits	31.20%
Mutual Funds	2.62%
Others	3.34%
<b>TOTAL</b>	<b>100.00%</b>

**Principal actuarial assumptions**

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Guaranteed Return	8.50%	8.55%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.40%	5.20%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 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. 2019-20, the Bank has contributed ₹ 541.97 crore (Previous Year ₹ 451.39 crore).

**iii. Long Term Employee Benefits (Unfunded Obligation):****(A) Accumulating Compensated Absences (Privilege Leave)**

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April, 2019	6,870.40	6,242.18
Current Service Cost	284.97	259.33
Interest Cost	533.83	485.64
Actuarial losses/(gains)	769.88	741.53
Benefits paid	(926.04)	(858.28)
Closing defined benefit obligation at 31 <sup>st</sup> March, 2020	7,533.04	6,870.40
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	284.97	259.33
Interest Cost	533.83	485.64

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Actuarial (Gain)/ Losses	769.88	741.53
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,588.68	1,486.50
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April, 2019	6,870.40	6,242.18
Expense as above	1,588.68	1,486.50
Employer's Contribution	-	-
Benefit paid directly by the Employer	(926.04)	(858.28)
Net Liability/(Asset) Recognized In the Balance Sheet	7,533.04	6,870.40

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**(B) Other Long Term Employee Benefits**

Amount of ₹ 21.71 crore (Previous Year ₹ 21.53 crore) is provided towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employee Benefits during the year:

(₹ in crore)

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	20.00	35.00
2	Sick Leave	-	-
3	Silver Jubilee Award	3.91	(1.47)
4	Resettlement Expenses on Superannuation	1.01	(4.15)
5	Casual Leave	-	-
6	Retirement Award	(3.21)	(7.85)
<b>TOTAL</b>		<b>21.71</b>	<b>21.53</b>

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE



**c) Accounting Standard – 17 “Segment Reporting”**

**1. Segment Identification**

**I. Primary (Business Segment)**

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

**ii. Treasury –**

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

**iii. Corporate / Wholesale Banking –**

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

**iv. Retail Banking –**

The Retail Banking Segment comprises of retail branches, which primarily includes Personal

Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

**v. Other Banking business –**

Segments not classified under (i) to (iii) above are classified under this primary segment.

**II. Secondary (Geographical Segment)**

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

**III. Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/ Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**IV. Allocation of Expenses, Assets and Liabilities**

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

**2. Segment Information**  
**Part A: Primary (Business Segments)**

(₹ in crore)

<b>Business Segment</b>	<b>Treasury</b>	<b>Corporate / Wholesale Banking</b>	<b>Retail Banking</b>	<b>Other Banking Operations</b>	<b>Total</b>
Revenue (before exceptional items) #	75,054.51	90,248.46	1,30,906.66	-	2,96,209.63
	(77,651.11)	(78,599.78)	(1,20,968.24)	(-)	(2,77,219.13)
Unallocated Revenue #					119.80
					(863.86)
Total Revenue #					2,96,329.43
					(2,78,082.99)
Result (before exceptional items) #	9,446.53	(-) 3,996.75	18,058.78	-	23,508.56
	(6,831.17)	(-16,262.12)	(12,730.51)	(-)	(3,299.56)
Add: Exceptional Items #	6,215.64				6,215.64
	(473.12)				(473.12)
Result (after exceptional items) #	15,662.17	(-) 3,996.75	18,058.78	-	29,724.20
	(7304.29)	(-16,262.12)	(12,730.51)	(-)	(3,772.68)
Unallocated Income(+) / Expenses( -) - net #					(-) 4,661.44
					(-2,165.20@)
Profit before tax #					25,062.76
					(1,607.48)
Tax #					10,574.65
					(745.25)
Extraordinary Profit #					Nil
					Nil
Net Profit #					14,488.11
					(862.23)
<b>Other Information:</b>					
Segment Assets *	11,34,532.91	11,77,636.15	15,80,600.47	-	38,92,769.53
	(10,02,841.57)	(11,33,271.13)	(14,91,676.59)	(-)	(36,27,789.29)
Unallocated Assets *					58,624.39
					(53,124.96)
Total Assets*					39,51,393.92
					(36,80,914.25)
Segment Liabilities *	10,18,341.71	11,62,918.88	14,60,117.68	-	36,41,378.27
	(8,37,911.69)	(11,64,572.02)	(13,89,432.28)	(-)	(33,91,915.99)
Unallocated Liabilities*					78,008.22
					(68,084.44)
Total Liabilities *					37,19,386.49
					(34,60,000.43)

(Figures in brackets are for previous year) .

@ Includes exceptional item of ₹ 1,087.43 crores.

**Part B: Secondary (Geographic Segments)**

(₹ in crore)

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	2,81,486.59	2,63,866.57	14,842.84	14,216.42	2,96,329.43	2,78,082.99
Net Profit#	10,332.81	(-) 3,075.19	4,155.30	3,937.42	14,488.11	862.23
Assets *	35,11,389.86	32,85,791.00	4,40,004.06	3,95,123.25	39,51,393.92	36,80,914.25
Liabilities*	32,79,382.43	30,64,877.18	4,40,004.06	3,95,123.25	37,19,386.49	34,60,000.43

# For the year ended 31<sup>st</sup> March, 2020.\* As at 31<sup>st</sup> March, 2020.**d) Accounting Standard – 18 “Related Party Disclosures”****1. Related Parties****A. SUBSIDIARIES****i. FOREIGN BANKING SUBSIDIARIES**

1. Commercial Indo Bank LLC, Moscow
2. Bank SBI Botswana Limited
3. SBI Canada Bank
4. State Bank of India (California)
5. State Bank of India (UK) Limited
6. SBI (Mauritius) Ltd.
7. PT Bank SBI Indonesia
8. Nepal SBI Bank Ltd.

**ii. DOMESTIC NON-BANKING SUBSIDIARIES**

1. SBI Capital Markets Ltd.
2. SBICAP Securities Ltd.
3. SBICAP Trustee Company Ltd.
4. SBICAP Ventures Ltd.
5. SBI DFHI Ltd.
6. SBI Global Factors Ltd.
7. SBI Infra Management Solutions Pvt. Ltd.
8. SBI Mutual Fund Trustee Company Pvt. Ltd.
9. SBI Payment Services Pvt. Ltd.
10. SBI Pension Funds Pvt. Ltd.
11. SBI Life Insurance Company Ltd.
12. SBI General Insurance Company Ltd.
13. SBI Cards and Payment Services Ltd.
14. SBI – SG Global Securities Services Pvt. Ltd.
15. SBI Funds Management Pvt. Ltd.
16. SBI Foundation.

**iii. FOREIGN NON-BANKING SUBSIDIARIES**

1. SBICAP (Singapore) Ltd.
2. SBICAP (UK) Ltd.
3. SBI Funds Management (International) Pvt. Ltd.
4. State Bank of India Servicios Limitada
5. Nepal SBI Merchant Banking Ltd.

**B. JOINTLY CONTROLLED ENTITIES**

1. C-Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Ltd.

**C. ASSOCIATES****i. Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Purvanchal Bank
10. Saurashtra Gramin Bank
11. Utkal Grameen Bank
12. Uttarakhand Gramin Bank
13. Jharkhand Rajya Gramin Bank
14. Rajasthan Marudhara Gramin Bank
15. Telangana Grameena Bank

**ii. Others**

1. SBI Home Finance Ltd.(under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.
4. Yes Bank Ltd. (from 14<sup>th</sup> March 2020)

**D. Key Management Personnel of the Bank**

1. Shri Rajnish Kumar, Chairman
2. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
3. Shri Dinesh Kumar Khara, Managing Director (Global Banking & Subsidiaries)
4. Shri Arijit Basu, Managing Director (Commercial Clients Group & IT)
5. Ms. Anshula Kant, Managing Director (Stressed Assets, Risk and Compliance) 01.04.2019 to 31.08.2019.
6. Shri Challa Sreenivasulu Setty, Managing Director (Stressed Assets) w.e.f. 20.01.2020

**2. Parties with whom transactions were entered into during the year**

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

**3. Transactions and Balances**

(₹ in crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>A. Outstanding as at 31<sup>st</sup> March,2020</b>			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	746.45 (46.09)	Nil (Nil)	746.45 (46.09)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>Maximum outstanding during the year</b>			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	767.06 (206.16)	Nil (Nil)	767.06 (206.16)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>During the year ended 31<sup>st</sup> March,2020</b>			
Interest Income	4.89 (Nil)	Nil (Nil)	4.89 (Nil)
Interest expenditure	0.82 (Nil)	Nil (Nil)	0.82 (Nil)
Income earned by way of dividend	17.88 (21.78)	Nil (Nil)	17.88 (21.78)
Other Income	0.74 (0.73)	Nil (Nil)	0.74 (0.73)
Other expenditure	Nil (Nil)	Nil (Nil)	Nil (Nil)
Profit/(loss) on sale of land/building and other assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
Management contracts	Nil (Nil)	1.38 (1.32)	1.38 (1.32)

Figures in brackets are for Previous Year.

There are no materially significant related party transactions during the year.

**e) Accounting Standard – 19 “Leases”**

**Premises taken on operating lease are given below:**

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

- (i) Liability for Premises taken on Non-Cancellable operating lease are given below

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Not later than 1 year	116.77	136.94
Later than 1 year and not later than 5 years	399.69	485.41
Later than 5 years	104.46	110.90
<b>TOTAL</b>	<b>620.92</b>	<b>733.25</b>

- (ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹ 3,338.32 crore (₹ 3,309.41 crore).

**f) Accounting Standard -20 “Earnings per Share”**

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - “Earnings per Share”. “Basic earnings” per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
<b>Basic and diluted</b>		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,45,87,534
Number of Equity Shares issued during the year	Nil	24,000
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,46,11,534
Weighted average number of equity shares used in computing basic earnings per share	892,46,11,534	892,45,91,479
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,45,91,479
Net profit / (loss) (₹ in crore)	14,488.11	862.23
Basic earnings per share (₹)	16.23	0.97
Diluted earnings per share (₹)	16.23	0.97
Nominal value per share (₹)	1	1

**g) Accounting Standard – 22 “Accounting for Taxes on Income”**

**a. Current Tax :-**

During the year the Bank has debited to Profit & Loss Account ₹ 3,063.67 crore (Previous Year ₹ 208.87 crore credited) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

**b. Deferred Tax :-**

During the year, ₹ 7,510.99 crore has been debited to Profit and Loss Account (Previous Year ₹ 954.12 crore) on account of deferred tax.

The Bank has a net DTA of ₹ 2,927.28 crore (Previous Year net DTA of ₹ 10,420.16 crore), which comprises of DTL of ₹ 6.16 crore (Previous Year ₹ 2.33 crore) included under ‘Other Liabilities and Provisions’ and Deferred Tax Assets (DTA) of ₹ 2,933.44 crore (Previous Year ₹ 10,422.49 crore) included under ‘Other Assets’. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Tax Assets (DTA)</b>		
Provision for long term employee Benefits	6,425.50	5,321.84
Provision for advances	2,757.68	4,142.69
Provision for Other Assets/Other Liability	665.72	753.11
On Accumulated losses (including erstwhile ABs)	-	10,741.74
On Foreign Currency Translation Reserve	809.99	235.77
Depreciation on Fixed Assets	116.18	29.53
On account of Foreign Offices	253.17	277.67
<b>TOTAL</b>	<b>11,028.24</b>	<b>21,502.35</b>
<b>Deferred Tax Liabilities (DTL)</b>		
Interest accrued but not due on Securities	4,563.17	6,389.76
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,531.63	4,690.10
On account of Foreign Offices	6.16	2.33
<b>TOTAL</b>	<b>8,100.96</b>	<b>11,082.19</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>2,927.28</b>	<b>10,420.16</b>

- c. While recognising provision for income tax for the year ended 31<sup>st</sup> March 2020, the Bank has exercised the option of lower tax rate permitted under Section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Bank has re-measured its Deferred Tax Assets at 31<sup>st</sup> March, 2019 based on the tax rate prescribed in the said section and has reversed the MAT credit no longer available to it. The impact of these changes is a one-time charge of ₹ 3,392.31 crore which is included in Tax expenses of the Bank.

**h) Accounting Standard – 27 “Financial Reporting of interests in Joint Ventures”**

Investments include ₹ 97.66 crore (Previous Year ₹ 97.66 crore) representing Bank's interest in the following jointly controlled entities.

Sr. No	Name of the Company	Amount ₹ in crore	Country of Residence	Holding %
1	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
4	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
5	Macquarie SBI Infrastructure Trustee Ltd. #	- (-)	Bermuda	45%
6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
7	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%
8	Jio Payments Bank	69.60 (69.60)	India	30%

# Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.

(Figures in brackets relate to previous year).

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Liabilities</b>		
Capital & Reserves	242.72	214.01
Deposits	6.25	5.50
Borrowings	-	8.04
Other Liabilities & Provisions	59.47	56.99
<b>TOTAL</b>	<b>308.44</b>	<b>284.54</b>
<b>Assets</b>		
Cash and Balances with RBI	1.28	0.65
Balances with Banks and money at call and short notice	88.68	70.48
Investments	104.74	90.95
Advances	-	-
Fixed Assets	32.19	28.53
Other Assets	81.55	93.93
<b>TOTAL</b>	<b>308.44</b>	<b>284.54</b>
Capital Commitments	-	-
Other Contingent Liabilities	0.56	2.63
<b>Income</b>		
Interest earned	9.75	8.70
Other income	184.37	188.09
<b>TOTAL</b>	<b>194.12</b>	<b>196.79</b>
<b>Expenditure</b>		
Interest expended	0.28	0.20
Operating expenses	133.69	120.78
Provisions & contingencies	14.70	22.95
<b>TOTAL</b>	<b>148.67</b>	<b>143.93</b>
<b>Profit</b>	<b>45.45</b>	<b>52.86</b>

**i) Accounting Standards – 28 “Impairment of Assets”**

In the opinion of the Bank's Management, there is no indication of impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.

j) **Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”**

Description of Contingent liabilities:

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Bank is contingently liable	The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

k) **Movement of provisions against Contingent Liabilities**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	525.26	503.16
Additions during the year	137.17	112.81
Amount utilised during the year	5.30	51.51
Unused amount reversed during the year	28.51	39.20
Closing balance	628.62	525.26

**18.10 Additional Disclosures**

**1. Provisions and Contingencies**

(₹ in crore)

Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account	Current Year	Previous Year
Provision for Taxation		
- Current Tax	2,803.14	491.13
- Deferred Tax	7,510.99	954.12
- Write Back/Additional Provision of Income Tax	260.53	(-) 700.00
Provision for Depreciation on Investments	538.55	(-) 762.09
Provision on Non-Performing Assets	42,997.50	54,617.72
Provision on Restructured Assets	(-) 221.54	(-) 88.66
Provision on Standard Assets	(-) 877.40	(-) 74.55
Other Provisions	632.73	136.13
<b>TOTAL</b>	<b>53,644.50</b>	<b>54,573.80</b>

**2. Floating Provisions**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	193.75
Addition during the year	-	-
Draw down during the year	-	-
<b>Closing Balance</b>	<b>193.75</b>	<b>193.75</b>



**3. Draw down from Reserves**

During the year, no draw down has been made from reserves.

**4. Disclosure of complaints****A. Customer complaints (including complaints relating to ATM transactions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
No. of complaints pending at the beginning of the year	1,39,029	79,259
No. of complaints received during the year	38,08,400	42,21,491
No. of complaints redressed during the year	37,71,372	41,61,721
No. of complaints pending at the end of the year	1,76,057	1,39,029

Does not include complaints redressed within one working day.

**B. Awards passed by the Banking Ombudsman**

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	5	8
No. of Awards passed by the Banking Ombudsman during the year	15	19
No. of Awards implemented during the year	16	22
No. of unimplemented Awards at the end of the year	4	5

**5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006**

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

**6. Letter of Comfort**

The Bank has not issued any letter of comfort which are not recorded as contingent liabilities during the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.

**7. Provisioning Coverage Ratio (PCR):**

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31<sup>st</sup> March, 2020 is 83.62 % (Previous Year 78.73 %).

**8. Fees/remuneration received in respect of the bancassurance business**

(₹ in crore)

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	1,116.93	951.90
SBI General Insurance Co. Ltd.	314.52	270.86
NTUC and Manu Life Financial Limited	0.86	1.20
Tokio Marine and ACE	2.31	1.63
Unit Trust and LIC	0.35	0.47
AIA Singapore	1.12	0.64
<b>TOTAL</b>	<b>1,436.09</b>	<b>1,226.70</b>

**9. Concentration of Deposits, Advances, Exposures & NPAs (computed as per directions of RBI)****a) Concentration of Deposits**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	95,385.85	90,609.54
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	2.94%	3.11%

**b) Concentration of Advances**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	3,10,707.52	2,89,222.17
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	12.82%	12.61%

**c) Concentration of Exposures**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	5,25,714.23	4,47,140.43
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	13.93%	12.80%

**d) Concentration of NPAs**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	25,880.11	30,314.49



## 10. Sector –wise Advances

(₹ in crore)

Sr. Sector No.	Current Year			Previous year		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A Priority Sector</b>						
1 Agriculture & allied activities	2,04,185.71	32,558.27	15.95	1,99,789.60	23,335.83	11.68
2 Industry (Micro & Small, Medium and Large)	1,01,080.54	18,738.88	18.54	97,116.64	12,545.61	12.92
3 Services	83,870.61	5,289.20	6.31	99,232.43	9,674.48	9.75
4 Personal Loans	1,66,800.34	3,131.18	1.88	1,59,419.70	2,882.01	1.81
<b>Sub-total (A)</b>	<b>5,55,937.20</b>	<b>59,717.53</b>	<b>10.74</b>	<b>5,55,558.37</b>	<b>48,437.93</b>	<b>8.72</b>
<b>B Non Priority Sector</b>						
1 Agriculture & allied activities	2,235.29	229.81	10.28	19,403.93	89.00	0.46
2 Industry (Micro & Small, Medium and Large)	10,54,285.42	74,644.63	7.08	9,75,896.74	1,12,411.63	11.52
3 Services	2,21,642.21	9,686.06	4.37	2,47,541.38	8,007.30	3.23
4 Personal Loans	5,88,744.65	4,813.82	0.82	4,95,053.70	3,804.50	0.77
<b>Sub-total (B)</b>	<b>18,66,907.57</b>	<b>89,374.32</b>	<b>4.79</b>	<b>17,37,895.75</b>	<b>1,24,312.43</b>	<b>7.15</b>
<b>C Total (A+B)</b>	<b>24,22,844.77</b>	<b>1,49,091.85</b>	<b>6.15</b>	<b>22,93,454.12</b>	<b>1,72,750.36</b>	<b>7.53</b>

## 11. Overseas Assets, NPAs and Revenue

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	4,40,004.06	3,95,123.25
2	Total NPAs (Gross)	1,650.16	1,937.19
3	Total Revenue	14,842.84	14,216.42

## 12. Off-balance Sheet SPVs sponsored

Name of the SPV Sponsored		
	Domestic	Overseas
<b>Current Year</b>	NIL	NIL
<b>Previous Year</b>	NIL	NIL

## 13. Disclosure relating to Securitisation

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		Number	Amount	Number	Amount
1.	No. of the SPVs sponsored by the Bank for securitization transactions	Nil	Nil	Nil	Nil
2.	Total amount of securitized assets as per the books of the SPVs sponsored by the bank	Nil	Nil	Nil	Nil
3.	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				
4.	Amount of exposures to securitisation transactions other than MMR	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
	b) On-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				

## 14. Credit Default Swaps

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
1.	No. of transactions during the year	NIL	NIL	NIL	NIL
	a) of which transactions that are/may be physically settled				
	b) cash settled				
2.	Amount of protection bought / sold during the year	NIL	NIL	NIL	NIL
	a) of which transactions which are/ may be physically settled				
	b) cash settled				
3.	No. of transactions where credit event payment was received / made during the year	NIL	NIL	NIL	NIL
	a) pertaining to current year's transactions				
	b) pertaining to previous year(s)' transactions				
4.	Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date:	NIL	NIL	NIL	NIL
	a) premium paid / received				
	b) Credit event payments:				
	• made (net of the value of assets realised)				
	• received (net of value of deliverable obligation)				
5.	Outstanding transactions as on 31 <sup>st</sup> March:	NIL	NIL	NIL	NIL
	a) No. of Transactions				
	b) Amount of protection				
6.	Highest level of outstanding transactions during the year:	NIL	NIL	NIL	NIL
	a) No. of Transactions (as on 1 <sup>st</sup> April)				
	b) Amount of protection (as on 1 <sup>st</sup> April)				

**15. Intra-Group Exposures:**

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Total amount of intra-group exposures	32,578.25	27,765.01
ii	Total amount of top-20 intra-group exposures	32,577.04	27,765.01
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.86%	0.79%
iv	Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

**16. Unclaimed Liabilities transferred to Depositor Education and Awareness Fund (DEA Fund)**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	2,852.66	2,125.62
Add : Amounts transferred to DEA Fund during the year	557.22	736.65
Less : Amounts reimbursed by DEA Fund towards claims	22.23	9.61
Closing balance of amounts transferred to DEA Fund	3,387.65	2,852.66

**17. Unhedged Foreign Currency Exposure**

The Bank in accordance with RBI Circular No. DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15<sup>th</sup> January 2014 on 'Capital and Provisioning Requirements for Exposure to entities has provided for Unhedged Foreign Currency Exposure'.

An amount of ₹ 108.84 crore (Previous Year ₹ 98.13 crore) was held as on 31<sup>st</sup> March 2020 for towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounting to ₹ 28.54 crore (Previous Year ₹ 43.19 crore).

**18. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17<sup>th</sup> April 2020, the asset classification and provisioning in respect of COVID -19 Regulatory Package is as below:-**

(₹ in crore)

Sr. No.	Particulars	Current Year
i.	Respective amounts where the moratorium /deferment was extended	5,63,896.15
ii.	Out of above (i) amount where asset classification benefits is extended	6,250.31
iii.	Provisions made during the year	1,172.00

**19. Liquidity Coverage Ratio (LCR):****a) Standalone LCR**

Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR has been defined as : 
$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

Liquid assets comprise of high quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively. The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

## Quantitative Disclosure:

## LIQUIDITY COVERAGE RATIO

State Bank of India

(₹ in crore)

LCR Components	Quarter ended 31 <sup>st</sup> March 2020		Quarter ended 31 <sup>st</sup> December 2019		Quarter ended 30 <sup>th</sup> September 2019		Quarter ended 30 <sup>th</sup> June 2019		Quarter ended 31 <sup>st</sup> March 2019	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>										
1 Total High Quality Liquid Assets(HQLA)		8,92,622		8,55,661		7,78,396		7,14,428		6,99,153
<b>CASH OUTFLOWS</b>										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,15,743	15,787	3,32,079	16,604	3,29,339	16,467	3,25,871	16,294	3,23,269	16,163
(ii) Less Stable Deposits	20,30,618	2,03,062	19,93,593	1,99,359	19,18,518	1,91,852	18,81,901	1,88,190	18,50,120	1,85,012
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	757	189	813	203	712	178	908	227	1,208	302
(ii) Non-operational deposits (all counterparties)	7,27,791	4,42,254	6,85,022	4,05,434	6,77,795	4,04,580	6,65,501	3,97,642	6,35,727	3,73,978
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	1,652	18	128	-	163	-	23,601	9	72,120	54
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,56,235	1,56,235	1,39,378	1,39,378	1,36,479	1,36,479	1,56,233	1,56,233	1,70,833	1,70,833
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	42,467	6,050	46,145	6,787	42,098	6,396	42,285	6,309	39,337	6,053
6 Other contractual funding obligations	34,641	34,641	33,046	33,046	31,839	31,839	30,176	30,176	35,561	35,561
7 Other contingent funding obligations	5,56,385	19,965	5,66,220	20,252	5,46,604	19,520	5,53,283	19,955	5,72,831	20,941
8 TOTAL CASH OUTFLOWS	38,66,288	8,78,200	37,96,424	8,21,063	36,83,547	8,07,311	36,79,759	8,15,033	37,01,005	8,08,896
<b>CASH INFLOWS</b>										
9 Secured lending(eg. Reverse repos)	48,756	-	41,132	-	42,876	-	6,415	-	7,938	-
10 Inflows from fully performing exposures	2,41,553	2,21,788	2,11,675	1,97,465	2,02,274	1,86,506	2,21,243	2,04,882	2,39,416	2,22,009
11 Other cash inflows	42,453	34,750	50,232	42,212	53,284	44,462	49,555	41,558	37,977	31,086
12 TOTAL CASH INFLOWS	3,32,762	2,56,538	3,03,038	2,39,677	2,98,434	2,30,968	2,77,213	2,46,440	2,85,331	2,53,095
13 TOTAL HQLA		8,92,622		8,55,661		7,78,396		7,14,428		6,99,153
14 TOTAL NET CASH OUTFLOWS		6,21,662		5,81,386		5,76,343		5,68,594		5,55,801
15 LIQUIDITY COVERAGE RATIO(%)		143.59%		147.18%		135.06%		125.65%		125.79%

Note 1. In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1<sup>st</sup> January 2017 and taking 68 days data points for the quarter January March 2020.

Note 2. Bank has implemented OFSAA system whereby computation of daily LCR has been automated for Domestic operation since March 2018.

The LCR position is above the minimum 100% prescribed by RBI. Bank's LCR comes to 143.59% based on daily average of three months (Q4 FY19-20). The average HQLA for the quarter was ₹ 8,92,622 crore, of which, Level 1 assets constituted 94.50% of total HQLA. Government securities constituted 96.99% of Total Level 1 Assets. Level 2A Assets constitutes 4.99% of total HQLA and Level 2B assets constitutes 0.51% of total HQLA. The HQLA level has gone up by ₹ 36,961 crore mainly on account of higher deployment of resources in HQLA during the period. The net cash outflow position has gone up by ₹ 40,276 crore on account of increase in retail deposit and also non-operational deposits from PSE, NFC, Sovereign, other legal entities etc. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was 103.31% on average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank.

All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

#### **b. Consolidated LCR**

The RBI through a supplementary guideline issued on 31<sup>st</sup> March 2015 had stipulated the implementation of LCR at a consolidated level from 1<sup>st</sup> January 2016. Accordingly, SBI Group has been computing the Consolidated LCR.

The entities covered in the Group LCR are State Bank of India and eight Overseas Banking Subsidiaries: Bank SBI Botswana Ltd, Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, SBI (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group LCR comes out to 144.09% as on 31<sup>st</sup> March, 2020 based on average of three months January, February and March, 2020.

## LIQUIDITY COVERAGE RATIO

## State Bank of India Group

(₹ in crore)

LCR Components	Quarter ended 31 <sup>st</sup> March 2020		Quarter ended 31 <sup>st</sup> December 2019		Quarter ended 30 <sup>th</sup> September 2019		Quarter ended 30 <sup>th</sup> June 2019		Quarter ended 31 <sup>st</sup> March 2019	
	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>High Quality Liquid Assets</b>										
1 Total High Quality Liquid Assets(HQLA)		8,97,905		8,60,122		7,81,476		7,17,540		7,01,837
<b>Cash Outflows</b>										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,23,204	16,160	3,37,819	16,891	3,36,278	16,814	3,32,633	16,632	3,30,107	16,505
(ii) Less Stable Deposits	20,39,846	2,03,985	20,02,188	2,00,219	19,27,051	1,92,705	18,90,551	1,89,055	18,59,217	1,85,922
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	882	220	939	235	822	205	1,024	256	1,333	333
(ii) Non-operational deposits(all counterparties)	7,29,630	4,43,520	6,86,540	4,06,511	6,79,780	4,05,906	6,67,367	3,98,988	6,37,579	3,75,202
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	1,721	87	128	-	163	-	23,601	9	72,120	54
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,56,243	1,56,243	1,39,379	1,39,379	1,36,480	1,36,480	1,56,236	1,56,236	1,70,834	1,70,834
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	44,002	7,007	48,086	7,707	44,661	7,409	44,642	7,334	41,230	6,839
6 Other contractual funding obligations	36,069	36,069	34,086	34,086	32,662	32,662	31,404	31,404	36,556	36,556
7 Other contingent funding obligations	5,58,222	20,021	5,68,053	20,308	5,48,431	19,576	5,55,308	20,017	5,74,764	21,000
8 TOTAL CASH OUTFLOWS	38,89,820	8,83,313	38,17,217	8,25,335	37,06,328	8,11,757	37,02,767	8,19,930	37,23,741	8,13,245
<b>Cash Inflows</b>										
9 Secured lending(eg. Reverse repos)	48,756	-	41,132	-	42,876	-	6,415	-	7,938	-
10 Inflows from fully performing exposures	2,46,736	2,24,450	2,15,832	1,98,971	2,06,377	1,88,101	2,25,721	2,06,750	2,44,205	2,24,094
11 Other cash inflows	43,430	35,712	51,102	43,069	53,894	45,051	50,368	42,344	38,892	31,972
12 Total Cash Inflows	3,38,922	2,60,162	3,08,066	2,42,039	3,03,148	2,33,152	2,82,504	2,49,094	2,91,034	2,56,066
13 TOTAL HQLA		8,97,905		8,60,122		7,81,476		7,17,540		7,01,837
14 TOTAL NET CASH OUTFLOWS		6,23,152		5,83,296		5,78,605		5,70,836		5,57,179
15 LIQUIDITY COVERAGE RATIO(%)		144.09%		147.46%		135.06%		125.70%		125.96%

**Note :** Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

The Group has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

## 20. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 44,622.45 crore in 6,964 cases (Previous year ₹ 12,387.13 crore in 2,616 cases) reported during the year, an amount of ₹ 44,419.46 crore in 651 cases (Previous year ₹ 12,310.90 crore in 581 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31<sup>st</sup> March, 2020 in respect of frauds reported during the year except advance account declared as fraud during the year where Bank has chosen to make provision over four quarters. The unamortised provision amount of ₹ 5,230.37 crore as on 31<sup>st</sup> March 2020 has been debited to 'Other Reserves' by credit to 'Provisions' in term of RBI circular DBR. No.BP.BC.92/21.04.048/2015-16 dated 18<sup>th</sup> April 2016.

## 21. Inter Office Accounts

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

## 22. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 0.84 crore (Previous Year ₹ 173.37 crore) has been fully charged in the current year.

## 23. Priority Sector Lending Certificate (PSLC)

The Bank has purchased the following PSLCs during the year:-

(₹ in crore)

Sr. No.	Category	Current Year	Previous Year
1.	PSLC Micro Enterprises	47,525.75	16,272.75
2.	PSLC Agriculture	-	1,223.00
3.	PSLC General	30,451.25	33,557.50
4.	PSLC Small and Marginal Farmers	9,352.00	553.00
<b>TOTAL</b>		<b>87,329.00</b>	<b>51,606.25</b>

The Bank did not sell any PSLC during the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.

## 24. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP. BC.79/21.04.048/2014-15 dated 30<sup>th</sup> March 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 percent of CCPB held by them as on 31<sup>st</sup> December 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, the Bank has not utilized the CCPB for making specific provision for NPAs.

25. As per RBI letter no. DBR.No. BP. 15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 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 ₹ 5,761.46 crores (93.53% of total outstanding) as on 31<sup>st</sup> March, 2020.

26. The bank has made a provision of ₹ 2,999.00 crore (Total cumulative till 31<sup>st</sup> March 2020 ₹ 8,642.41 crore) for the year ended 31<sup>st</sup> March, 2020 towards arrears of wages due for revision w.e.f 1<sup>st</sup> November, 2017.

27. Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes:-

- ₹ 3,484.30 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd.
- ₹ 2,731.34 crore on sale of certain portion of investment in Bank's subsidiary - SBI Cards and Payment Services Ltd.

## 28. Resolution of Stressed Assets

As per RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019, the Bank has implemented Resolution Plans for its 9 borrowers having exposure of ₹ 14,487.28 crore as on 31<sup>st</sup> March 2020.

Further, in terms of RBI circular DOR.No.BP. BC.62/21.04.048/2019-20 dated 17<sup>th</sup> April 2020 the Bank has extended resolution period for its 4 borrowers having exposure of ₹ 1,006.91 crore as on 31<sup>st</sup> March 2020.

29. RBI vide an email dated 19<sup>th</sup> May 2020 advised the Public Sector Banks that the requirement for reporting on "Whether the bank has adequate Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls" in the Independent Auditors' Report is optional for financial year 2019-2020.

The bank has availed the option to fulfil the requirement from financial year 2020-2021 onwards.

30. The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an going basis. Major challenges for the Bank would arise from extended working capital cycle and waning cash flows. Despite these conditions, there would not be any significant impact on the liquidity and profitability of the Bank.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27<sup>th</sup> March 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of

COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, included Rescheduling of Payments -Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc. Accordingly the Bank has made the following provisions:-

- Provision @ 15% aggregating ₹ 938 crores against the accounts with outstanding of ₹ 6,250 crores which were standard as on 29<sup>th</sup> February 2020 but would have slipped to NPA/Sub-standard category as on 31<sup>st</sup> March 2020 had the RBI debt servicing relief as above not been reckoned.
- In respect of above accounts, interest income aggregating ₹ 234 crores has been reckoned in operating profit. However additional provision of ₹ 234 crores has been made against Standard Assets.

31. The bank has revalued immovable properties on 30<sup>th</sup> June 2019 (earlier revalued in June 2016) based on the reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on 31<sup>st</sup> March 2020, (net of amount transferred to General Reserve) is ₹ 23,762.67 crore (Previous year ₹ 24,653.94 crore).
32. Previous year figures have been regrouped/ reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.



Cash Flow Statement for the year ended 31<sup>st</sup> March, 2020

( 000s omitted)		
PARTICULARS	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before Taxes	25062,76,50	1607,48,31
<b>Adjustments for:</b>		
Depreciation on Fixed Assets	3303,81,33	3212,30,65
(Profit)/Loss on sale of Fixed Assets (Net)	28,37,38	34,98,24
(Profit)/Loss on revaluation of Investments (Net)	-	2124,03,82
(Profit)/Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates	(6215,64,59)	(473,12,00)
Provision for diminution in fair value & Non Performing Assets	42775,96,26	54529,06,14
Provision on Standard Assets	(877,40,17)	(74,55,42)
Provision for depreciation on Investments	538,55,05	(762,09,23)
Other provisions including provision for contingencies	632,73,80	136,12,79
Income from investment in Subsidiaries / Joint Ventures / Associates	(212,03,35)	(348,01,18)
Interest on Capital Instruments	4781,23,16	4112,28,55
	69818,35,37	64098,50,67
<b>Adjustments for :</b>		
Increase/(Decrease) in Deposits	330234,72,36	205042,72,57
Increase/ (Decrease) in Borrowings other than Capital Instruments	(96690,16,61)	37722,44,37
(Increase)/ Decrease in Investments other than investments in Subsidiaries / Joint Ventures / Associates	(74335,04,91)	94719,11,74
(Increase)/ Decrease in Advances	(182188,60,56)	(305525,79,00)
Increase/ (Decrease) in Other Liabilities	13206,59,82	(21247,50,61)
(Increase)/ Decrease in Other Assets	(21255,66,60)	(33604,14,67)
	38790,18,87	41205,35,07
Tax refund/ (Taxes paid )	(13102,32,71)	(6577,83,79)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES (A)</b>	<b>25687,86,16</b>	<b>34627,51,28</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/ Decrease in Investments in Subsidiaries / Joint Ventures / Associates	(6136,07,14)	(2116,29,59)
Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates	6215,64,59	473,12,00
Income from investment in Subsidiaries / Joint Ventures / Associates	212,03,35	348,01,18
(Increase)/ Decrease in Fixed Assets	(3268,37,96)	(2663,43,31)
<b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(2976,77,16)</b>	<b>(3958,59,72)</b>

( 000s omitted)

PARTICULARS	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares including share premium (Net of share issue expenses)	-	(8,74,21)
Issue/(Redemption) of Capital Instruments (Net)	8133,40,00	3033,20,00
Interest on Capital Instruments	(4781,23,16)	(4112,28,55)
Dividend paid including tax thereon	-	-
<b>NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES (C)</b>	<b>3352,16,84</b>	<b>(1087,82,76)</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>	<b>2543,63,55</b>	<b>1010,38,16</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>	<b>28606,89,39</b>	<b>30591,46,96</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>222490,11,15</b>	<b>191898,64,19</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>251097,00,54</b>	<b>222490,11,15</b>
<b>Note:</b>		
<b>1 Components of Cash &amp; Cash Equivalents as at:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Cash & Balances with Reserve Bank of India	166735,77,90	176932,41,75
Balances with Banks and Money at Call & Short Notice	84361,22,64	45557,69,40
	<b>251097,00,54</b>	<b>222490,11,15</b>
<b>2 Cash Flow from operating activities is reported by using indirect method.</b>		

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

**Shri Arijit Basu**  
Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**  
Managing Director  
(Global Banking & Subsidiaries)

**Directors:**

Shri Sanjiv Malhotra  
Shri Bhaskar Pramanik  
Shri Basant Seth  
Dr. Pushpendra Rai  
Dr. Purnima Gupta  
Shri B. Venugopal  
Shri Chandan Sinha  
Shri Debasish Panda  
Shri Sanjeev Maheshwari

**Place:**

Udagamandalam  
New Delhi  
Kanpur  
New Delhi  
New Delhi  
Mumbai  
Mumbai  
New Delhi  
Mumbai

**Shri Rajnish Kumar**  
Chairman

**Place: Mumbai**

**Date : 5<sup>th</sup> June 2020**

In terms of our report of even date

**FOR J.C. BHALLA & CO.**

Chartered Accountants

**RAJESH SETHI**

**Partner:** M. No. 085669  
**Firm Regn.** No. 001111 N  
Place: New Delhi

**FOR RAY & RAY**

Chartered Accountants

**ARVIND NARAYAN YENNEMADI**

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**Firm Regn.** No. 301072 E  
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**FOR K. VENKATACHALAM  
AIYER & CO.**

Chartered Accountants

**A GOPALAKRISHNAN**

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**FOR G. P. AGRAWAL & CO.**

Chartered Accountants

**SUNITA KEDIA**

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**FOR UMAMAHESWARA  
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA PRASAD**

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**FOR CHATURVEDI & SHAH LLP**

Chartered Accountants

**VITESH D. GANDHI**

**Partner:** M. No. 110248  
**Firm Reg.** No.101720W/W100355  
Place: Mumbai

**FOR O.P. TOTLA & CO.**

Chartered Accountants

**S. R. TOTLA**

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Place: Indore

**FOR S. K. KAPOOR & CO.**

Chartered Accountants

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**FOR SCV & CO. LLP**

Chartered Accountants

**SANJAY VASUDEVA**

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**FOR KHADELWAL JAIN & CO.**

Chartered Accountants

**PANKAJ JAIN**

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Place: Mumbai

**FOR S K MITTAL & CO.**

Chartered Accountants

**S MURTHY**

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Place: New Delhi

**FOR N.C. RAJAGOPAL & CO.**

Chartered Accountants

**V. CHANDRASEKARAN**

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**FOR KARNAVAT & CO.**

Chartered Accountants

**VIRAL JOSHI**

**Partner:** M. No. 137686  
**Firm Regn.** No. 104863 W  
Place: Mumbai

**FOR SHAH GUPTA & CO.**

Chartered Accountants

**VIPUL K CHOKSI**

**Partner:** M. No. 37606  
**Firm Regn.** No. 109574 W  
Place: Mumbai

Date : June 05, 2020

# INDEPENDENT AUDITORS' REPORT

To

**The President of India**

## REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2020, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:
- i. The Central offices, 17 Local Head offices, 1 Admin & Business Unit, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;
- ii. 9135 Indian branches audited by respective Statutory Branch Auditors;
- iii. 34 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 14021 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 9.54 percent of advances, 24.70 per cent of deposits, 10.98 per cent of interest income and 23.37 per cent of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 (together referred to as "the Act"), in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at March 31, 2020;
- b) true balance of profit in case of the Profit and Loss Account for the year ended on that date; and
- c) true and fair view of the cash flows in case of the Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

3. We draw attention to Note No. 10.30 of Schedule 18 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following</p> <ol style="list-style-type: none"> <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 norm in respect of the branches allotted to us;</li> </ol>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Advances constitute 58.85 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing. Further,</p> <p>NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<ul style="list-style-type: none"> <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;</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 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 aforesaid RBI Circular/directions.</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> </ul>
ii	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 26.50 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p>	<p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular,</p> <ul style="list-style-type: none"> <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> </ul>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</p>	<ul style="list-style-type: none"> <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 the 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> </ul>
iii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.9 of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>a. 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>b. Understanding the current status of the litigations/tax assessments;</li> <li>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</li> <li>e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>f. Verification of disclosures related to significant litigations and taxation matters.</li> </ul>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank.</p> <p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> <li>Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible.</li> <li>Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.</li> <li>Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</li> <li>Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.</li> </ol>

### Other Matters

- We did not audit the financial statements / information of 9169 branches included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹30,87,788.72 crore at March 31, 2020 and total revenue of ₹1,20,151.17 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of above matter.

### Information Other than the Standalone Financial Statements and Auditors' Report thereon

- The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Standalone Financial Statements and our auditors' report thereon), which we obtained at the time of issue of this auditors' report, and the Directors' Report including annexures in annual report, if any, thereon, which is expected to be made available to us after that date.

Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent



with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' Report, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraphs 5 and 6 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
- c) On the basis of the written representations received from the directors as on March 31, 2020, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
- d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- e) As the Bank has exercised the option to implement "Internal Financial Controls with reference to the Financial Statements" from the financial year 2020-21 as permitted by RBI on May 19, 2020, we do not provide any comment in this regard.

**FOR J.C. BHALLA & CO.**

Chartered Accountants

**RAJESH SETHI****Partner:** M. No. 085669**Firm Regn. No.** 001111 N**UDIN:** 20085669AAAABA7352

Place: New Delhi

**FOR RAY & RAY**

Chartered Accountants

**ARVIND NARAYAN YENNEMADI****Partner:** M. No. 031004**Firm Regn. No.** 301072 E**UDIN:** 20031004AAAABW9223

Place: Mumbai

**FOR K. VENKATACHALAM  
AIYER & CO.**

Chartered Accountants

**A GOPALAKRISHNAN****Partner:** M. No. 018159**Firm Regn. No.** 004610 S**UDIN:** 20018159AAAAAF4367

Place: Ernakulam

**FOR G. P. AGRAWAL & CO.**

Chartered Accountants

**SUNITA KEDIA****Partner:** M. No. 60162**Firm Regn. No.** 302082 E**UDIN:** 20060162AAAABC8718

Place: Kolkata

**FOR UMAMAHESWARA  
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA  
PRASAD****Partner:** M. No. 024860**Firm Regn. No.** 004453 S**UDIN:** 20024860AAAAAJ5174

Place: Hyderabad

**FOR CHATURVEDI & SHAH LLP**

Chartered Accountants

**VITESH D. GANDHI****Partner:** M. No. 110248**Firm Regn. No.** 101720W/W100355**UDIN:** 20110248AAAAAP1448

Place: Mumbai

**FOR O.P. TOTLA & CO.**

Chartered Accountants

**S. R. TOTLA****Partner:** M. No. 071774**Firm Regn. No.** 000734 C**UDIN:** 20071774AAAAAQ6602

Place: Indore

**FOR S. K. KAPOOR & CO.**

Chartered Accountants

**V. B. SINGH****Partner:** M. No. 073124**Firm Regn. No.** 000745 C**UDIN:** 20073124AAAABV9783

Place: Kanpur

**FOR SCV & CO. LLP**

Chartered Accountants

**SANJAY VASUDEVA****Partner:** M. No. 090989**Firm Regn. No.** 000235N/N500089**UDIN:** 20090989AAAAAC6930

Place: New Delhi

**FOR KHANDELWAL JAIN & CO.**

Chartered Accountants

**PANKAJ JAIN****Partner:** M. No. 48850**Firm Regn. No.** 105049 W**UDIN:** 20048850AAAAAB9318

Place: Mumbai

**FOR S K MITTAL & CO.**

Chartered Accountants

**S MURTHY****Partner:** M. No. 072290**Firm Regn. No.** 001135 N**UDIN:** 20072290AAAABD1545

Place: New Delhi

**FOR N.C. RAJAGOPAL & CO.**

Chartered Accountants

**V. CHANDRASEKARAN****Partner:** M. No. 024844**Firm Regn. No.** 003398 S**UDIN:** 20024844AAAABB9243

Place: Chennai

**FOR KARNAVAT & CO.**

Chartered Accountants

**VIRAL JOSHI****Partner:** M. No. 137686**Firm Regn. No.** 104863 W**UDIN:** 20137686AAAACM1164

Place: Mumbai

**FOR SHAH GUPTA & CO.**

Chartered Accountants

**VIPUL K CHOKSI****Partner:** M. No. 37606**Firm Regn. No.** 109574 W**UDIN:** 20037606AAAAAW5094

Place: Mumbai

Date : June 05, 2020

( 000s omitted)

	Schedule No.	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	250167,66,30	233603,19,93
Minority Interest		7943,82,20	6036,99,13
Deposits	3	3274160,62,54	2940541,06,11
Borrowings	4	332900,67,03	413747,66,10
Other Liabilities and Provisions	5	331427,10,24	293642,82,22
<b>TOTAL</b>		<b>4197492,34,43</b>	<b>3888464,19,61</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	166968,46,05	177362,74,09
Balances with Banks and Money at Call & Short Notice	7	87346,80,31	48149,52,30
Investments	8	1228284,27,77	1119269,81,62
Advances	9	2374311,18,12	2226853,66,72
Fixed Assets	10	40078,16,81	40703,05,26
Other Assets	11	300503,45,37	276125,39,62
<b>TOTAL</b>		<b>4197492,34,43</b>	<b>3888464,19,61</b>
Contingent Liabilities	12	1221083,11,09	1121246,27,83
Bills for Collection		55790,69,54	70047,22,64
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet

**Shri Challa Sreenivasulu Setty**

Managing Director  
(Retail & Digital Banking)

**Shri Arijit Basu**

Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**

Managing Director  
(Global Banking & Subsidiaries)

In term of our Report of even date.

**For J.C. Bhalla & Co.**

Chartered Accountants

**Shri Rajnish Kumar**

Chairman

**Shri Rajesh Sethi**

Partner

Mem. No. : 085669

Firm Regn. No. : 001111N

**Place: Mumbai**

**Date : 5<sup>th</sup> June 2020**

**Place : New Delhi**

## Schedule 1 - Capital

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 equity shares of ₹ 1/- each (Previous Year 5000,00,00,000 equity shares of ₹ 1/- each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 892,54,05,164 equity shares of ₹ 1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital : 892,46,11,534 equity shares of ₹ 1/- each (Previous Year 892,46,11,534 equity shares of ₹ 1/- each)	892,46,12	892,46,12
[The above includes 11,03,42,880 equity shares of ₹ 1/- each (Previous Year 12,10,71,350 equity shares of ₹ 1/- each) represented by 1,10,34,288 (Previous Year 1,21,07,135) Global Depository Receipts]		
<b>TOTAL</b>	<b>892,46,12</b>	<b>892,46,12</b>

## Schedule 2 - Reserves &amp; Surplus

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	66344,10,03	65958,04,13
Additions during the year	4538,17,61	386,05,90
Deductions during the year	-	-
	70882,27,64	66344,10,03
<b>II. Capital Reserves #</b>		
Opening Balance	9957,28,52	9578,07,76
Additions during the year	3985,83,93	379,20,76
Deductions during the year	-	-
	13943,12,45	9957,28,52
<b>III. Share Premium</b>		
Opening Balance	79115,47,05	79124,21,51
Additions during the year	-	37,92
Deductions during the year	-	9,12,38
	79115,47,05	79115,47,05
<b>IV. Investment Fluctuation Reserve</b>		
Opening Balance	-	-
Additions during the year	1119,88,09	-
Deductions during the year	-	-
	1119,88,09	-

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>V. Foreign Currency Translation Reserves</b>		
Opening Balance	7455,38,21	6379,09,54
Additions during the year	3069,98,94	1143,03,70
Deductions during the year	301,34,68	66,75,03
	10224,02,47	7455,38,21
<b>VI. Revaluation Reserve</b>		
Opening Balance	24653,94,08	24847,98,65
Additions during the year	379,57,78	-
Deductions during the year	1270,85,29	194,04,57
	23762,66,57	24653,94,08
<b>VII. Revenue and Other Reserves</b>		
Opening Balance	54405,42,03	53483,27,03
Additions during the year ##	3767,84,51	1213,96,33
Deductions during the year	5691,30,26	291,81,33
	52481,96,28	54405,42,03
<b>VIII. Balance in Profit and Loss Account</b>	(1361,74,25)	(8328,39,99)
<b>TOTAL</b>	<b>250167,66,30</b>	<b>233603,19,93</b>

# includes Capital Reserve on consolidation ₹ 176,58,27 thousand (Previous Year ₹ 123,66,46 thousand)

## net of consolidation adjustments

**Schedule 3 - Deposits**

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	4750,67,24	6722,18,31
(ii) From Others	224677,63,39	201073,14,59
<b>II. Savings Bank Deposits</b>	1216783,00,49	1102172,37,48
<b>III. Term Deposits</b>		
(i) From Banks	6071,72,75	8235,22,81
(ii) From Others	1821877,58,67	1622338,12,92
<b>TOTAL</b>	<b>3274160,62,54</b>	<b>2940541,06,11</b>
<b>B. (i) Deposits of Branches in India</b>	3122567,41,87	2812134,71,07
<b>(ii) Deposits of Branches outside India</b>	151593,20,67	128406,35,04
<b>TOTAL</b>	<b>3274160,62,54</b>	<b>2940541,06,11</b>

## Schedule 4 - Borrowings

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	34981,75,00	96089,00,00
(ii) Other Banks	10041,13,63	4741,05,31
(iii) Other Institutions and Agencies	11419,94,71	32112,46,32
<b>(iv) Capital Instruments:</b>		
a. Innovative Perpetual Debt Instruments(IPDI)	23535,70,00	19152,30,00
b. Subordinated Debt & Bonds	32929,05,15	56464,75,15
<b>TOTAL</b>	<b>112907,58,49</b>	<b>181248,75,53</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	217066,00,49	229909,13,07
(ii) Capital Instruments:		
a. Innovative Perpetual Debt Instruments(IPDI)	2269,95,00	2074,65,00
b. Subordinated Debt & Bonds	657,13,05	2927,08,05
<b>TOTAL</b>	<b>219993,08,54</b>	<b>232498,90,57</b>
<b>GRAND TOTAL (I &amp; II)</b>	<b>332900,67,03</b>	<b>413747,66,10</b>
Secured Borrowings included in I & II above	50555,91,20	127177,07,29

## Schedule 5 - Other Liabilities &amp; Provisions

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Bills payable	26889,76,23	23914,03,90
II. Inter Bank Adjustments (net)	85,41,80	-
III. Inter Office adjustments (net)	10,35,41	21735,79,14
IV. Interest accrued	15477,09,06	14232,96,48
V. Deferred Tax Liabilities (net)	6,60,61	4,17,10
VI. Liabilities relating to Policyholders in Insurance Business	159661,49,04	140095,62,31
VII. Provision for Standard Assets	12444,21,66	12709,13,43
VIII. Others (including provisions)	116852,16,43	80951,09,86
<b>TOTAL</b>	<b>331427,10,24</b>	<b>293642,82,22</b>

## Schedule 6 - Cash and Balances with Reserve Bank of India

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	20334,94,93	19144,28,44
II. Balances with Reserve Bank of India		
(i) In Current Account	146633,51,12	158197,60,63
(ii) In Other Accounts	-	20,85,02
<b>TOTAL</b>	<b>166968,46,05</b>	<b>177362,74,09</b>

## Schedule 7 - Balances with Banks and Money at Call &amp; Short Notice

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Account	638,49,62	971,83,35
(b) In Other Deposit Accounts	1429,61,02	1959,46,21
(ii) Money at call and short notice		
(a) With banks	44747,71,31	4608,88,73
(b) With Other Institutions	8,69,42	-
<b>TOTAL</b>	<b>46824,51,37</b>	<b>7540,18,29</b>
<b>II. Outside India</b>		
(i) In Current Account	30104,93,22	20571,96,27
(ii) In Other Deposit Accounts	1672,52,29	3205,38,56
(iii) Money at call and short notice	8744,83,43	16831,99,18
<b>TOTAL</b>	<b>40522,28,94</b>	<b>40609,34,01</b>
<b>GRAND TOTAL (I and II)</b>	<b>87346,80,31</b>	<b>48149,52,30</b>

## Schedule 8 - Investments

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>I. Investments in India in</b>		
(i) Government Securities	872769,55,20	817674,70,52
(ii) Other Approved Securities	19106,17,68	13769,53,82
(iii) Shares	42165,97,57	42825,92,12
(iv) Debentures and Bonds	145276,27,74	123765,40,08
(v) Subsidiary and Associates #	12365,01,58	3383,71,53
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	85958,98,41	63902,23,56
<b>TOTAL</b>	<b>1177641,98,18</b>	<b>1065321,51,63</b>

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>II. Investments outside India in</b>		
(i) Government Securities (including local authorities)	20791,80,59	14513,99,84
(ii) Associates #	147,64,44	136,33,52
(iii) Other Investments (Shares, Debentures, etc.)	29702,84,56	39297,96,63
<b>TOTAL</b>	<b>50642,29,59</b>	<b>53948,29,99</b>
<b>GRAND TOTAL (I and II)</b>	<b>1228284,27,77</b>	<b>1119269,81,62</b>
<b>III. Investments in India</b>		
(i) Gross Value of Investments	1190907,75,38	1076615,05,40
(ii) Less: Aggregate of Provisions / Depreciation	13265,77,20	11293,53,77
Net Investments (vide I above)	<b>1177641,98,18</b>	<b>1065321,51,63</b>
<b>IV. Investments outside India</b>		
(i) Gross Value of Investments	50809,67,49	54146,46,58
(ii) Less: Aggregate of Provisions / Depreciation	167,37,90	198,16,59
Net Investments (vide II above)	<b>50642,29,59</b>	<b>53948,29,99</b>
<b>GRAND TOTAL (III and IV)</b>	<b>1228284,27,77</b>	<b>1119269,81,62</b>
<b># Investment in Associates (In India and Outside India)</b>		
Equity Investment in Associates	8872,23,62	706,97,00
Add : Goodwill on acquisition of Associates	-	-
Less : Capital reserve on acquisition of Associates (please refer note no. 1.1.(h) of schedule 18)	1947,52,79	-
Less : Provision for diminution	-	-
Cost of Investment in Associates	6924,70,83	706,97,00
Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	5583,95,19	2809,08,05
<b>TOTAL</b>	<b>12508,66,02</b>	<b>3516,05,05</b>

**Schedule 9 - Advances**

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>A. (i) Bills purchased and discounted</b>	<b>85155,97,89</b>	<b>81528,37,41</b>
(ii) Cash Credits, Overdrafts and Loans Repayable on demand	729647,05,50	799218,03,33
(iii) Term Loans	1559508,14,73	1346107,25,98
<b>TOTAL</b>	<b>2374311,18,12</b>	<b>2226853,66,72</b>
<b>B. (i) Secured by tangible assets (includes advances against Book Debts)</b>	<b>1697284,07,32</b>	<b>1603654,21,87</b>
(ii) Covered by Bank / Government Guarantees	92305,71,86	80289,66,46
(iii) Unsecured	584721,38,94	542909,78,39
<b>TOTAL</b>	<b>2374311,18,12</b>	<b>2226853,66,72</b>
<b>C. (I) Advances in India</b>		
(i) Priority Sector	526675,87,35	520729,77,60
(ii) Public Sector	287505,82,43	240295,89,39
(iii) Banks	975,10,49	9494,93,60
(iv) Others	1171958,80,62	1127585,24,83
<b>TOTAL</b>	<b>1987115,60,89</b>	<b>1898105,85,42</b>



( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>(II) Advances outside India</b>		
(i) Due from banks	80561,91,32	69802,85,72
(ii) Due from others		
(a) Bills purchased and discounted	31106,22,11	26741,06,57
(b) Syndicated loans	186697,53,45	150765,88,72
(c) Others	88829,90,35	81438,00,29
<b>TOTAL</b>	<b>387195,57,23</b>	<b>328747,81,30</b>
<b>GRAND TOTAL [C (I) and C (II)]</b>	<b>2374311,18,12</b>	<b>2226853,66,72</b>

**Schedule 10 - Fixed Assets**

( 000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
<b>I. Premises</b>		
At cost/revalued as on 31st March of the preceding year	31600,97,61	30933,23,37
Additions:		
- during the year	307,09,16	707,34,92
- for Revaluation	3936,14,00	-
Deductions		
- during the year	14,82,49	39,60,68
- for Revaluation	4735,02,74	-
Depreciation to date:		
- on cost	927,92,12	793,71,67
- on Revaluation	670,54,22	497,17,97
	29495,89,20	30310,07,97
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
At cost/revaluation as on 31 <sup>st</sup> March of the preceding year	33185,43,15	31649,29,47
Additions during the year	3768,90,47	3018,06,52
Deductions during the year	933,14,28	1481,92,84
Depreciation to date	26053,57,37	23627,73,26
	9967,61,97	9557,69,89
<b>III. Leased Assets</b>		
At cost/revalued as on 31 <sup>st</sup> March of the preceding year	155,09,22	120,02,20
Additions during the year	102,00,56	35,64,65
Deductions during the year	16,70,94	57,63
Depreciation to date (including provisions)	95,49,35	82,11,57
	144,89,49	72,97,65
Less : Lease Adjustment Account	-	-
	144,89,49	72,97,65
<b>IV. Assets under Construction (including Premises)</b>	469,76,15	762,29,75
<b>TOTAL (I, II, III and IV)</b>	<b>40078,16,81</b>	<b>40703,05,26</b>

## Schedule 11 - Other Assets

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Inter Office adjustments (net)	1936,15,88	7,71,53
II. Inter Bank Adjustments (net)	-	123,67,98
III. Interest accrued	29344,58,26	29047,16,58
IV. Tax paid in advance / tax deducted at source	35004,45,14	24699,95,89
V. Stationery and Stamps	105,33,37	133,99,80
VI. Non-banking assets acquired in satisfaction of claims	14,54,49	23,65,84
VII. Deferred tax assets (net)	3500,19,46	10983,19,07
VIII. Deposits placed with NABARD/SIDBI/NHB	163238,91,62	138245,29,37
IX. Others #	67359,27,15	72860,73,56
<b>TOTAL</b>	<b>300503,45,37</b>	<b>276125,39,62</b>

# Includes Goodwill on consolidation ₹ 1549,98,82 thousand (Previous Year ₹ 1734,07,01 thousand)

## Schedule 12 - Contingent Liabilities

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I. Claims against the group not acknowledged as debts	72055,46,41	43964,90,09
II. Liability for partly paid investments / Venture Funds	2555,80,84	1127,87,61
III. Liability on account of outstanding forward exchange contracts	637499,92,10	597800,34,53
IV. Guarantees given on behalf of constituents		
(a) In India	165739,85,02	157417,08,56
(b) Outside India	70998,07,06	72739,27,63
V. Acceptances, endorsements and other obligations	132630,74,41	124526,15,33
VI. Other items for which the group is contingently liable	139603,25,25	123670,64,08
<b>TOTAL</b>	<b>1221083,11,09</b>	<b>1121246,27,83</b>
Bills for collection	<b>55790,69,54</b>	<b>70047,22,64</b>

# State Bank of India

Consolidated Profit and Loss Account for the Year Ended 31<sup>st</sup> March 2020

( 000s omitted)

	Schedule No.	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
<b>I. INCOME</b>			
Interest earned	13	269851,65,54	253322,17,41
Other Income	14	98158,99,38	77365,18,53
<b>TOTAL</b>		<b>368010,64,92</b>	<b>330687,35,94</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	161123,79,86	155867,46,03
Operating expenses	16	131781,56,30	114800,30,80
Provisions and contingencies		56928,45,91	56950,51,70
<b>TOTAL</b>		<b>349833,82,07</b>	<b>327618,28,53</b>
<b>III. PROFIT/(LOSS)</b>			
Net Profit /(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)		18176,82,85	3069,07,41
Add: Share in Profit of Associates		2963,14,04	281,47,94
Less: Minority Interest		1372,16,67	1050,91,44
Net Profit/(Loss) for the Group		19767,80,22	2299,63,91
Profit/(Loss) Brought forward		(8328,39,99)	(9941,19,94)
<b>TOTAL</b>		<b>11439,40,23</b>	<b>(7641,56,03)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserves		4538,17,61	386,05,90
Transfer to Other Reserves		8254,91,35	243,79,58
Tax on Dividend		8,05,52	56,98,48
Balance carried over to Balance Sheet		(1361,74,25)	(8328,39,99)
<b>TOTAL</b>		<b>11439,40,23</b>	<b>(7641,56,03)</b>
Basic Earnings per Share		₹ 22.15	₹ 2.58
Diluted Earnings per Share		₹ 22.15	₹ 2.58
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Profit & Loss Account

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

**Shri Arijit Basu**  
Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**  
Managing Director  
(Global Banking & Subsidiaries)

In term of our Report of even date.  
**For J.C. Bhalla & Co.**  
Chartered Accountants

**Shri Rajnish Kumar**  
Chairman

**Shri Rajesh Sethi**  
Partner

**Place: Mumbai**  
**Date : 5<sup>th</sup> June 2020**

Mem. No. : 085669  
Firm Regn. No. : 001111N

**Place : New Delhi**

## Schedule 13 - Interest Earned

( 000s omitted)

	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. Interest / discount on advances/ bills	185494,19,47	166124,58,30
II. Income on Investments	74812,87,02	80243,50,66
III. Interest on balances with Reserve Bank of India and other inter-bank funds	3066,24,77	1324,75,88
IV. Others	6478,34,28	5629,32,57
<b>TOTAL</b>	<b>269851,65,54</b>	<b>253322,17,41</b>

## Schedule 14 - Other Income

( 000s omitted)

	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. Commission, exchange and brokerage	23571,28,64	22801,37,60
II. Profit / (Loss) on sale of investments (Net) #	9202,71,19	3933,13,61
III. Profit / (Loss) on revaluation of investments (Net)	-	(2124,03,82)
IV. Profit / (Loss) on sale of land, building and other assets including leased assets (net)	(28,33,75)	(32,35,82)
V. Profit / (Loss) on exchange transactions (Net)	2581,57,85	2209,07,07
VI. Dividends from Associates in India/ abroad	14,66,77	11,71,87
VII. Income from Finance Lease	-	-
VIII. Credit Card membership/ service fees	4122,14,91	3179,78,08
IX. Insurance Premium Income (net)	43176,55,90	35225,02,54
X. Recoveries made in Write-off Accounts	9568,52,52	8607,44,37
XI. Miscellaneous Income	5949,85,35	3554,03,03
<b>TOTAL</b>	<b>98158,99,38</b>	<b>77365,18,53</b>

# Profit/(Loss) on sale of investments (Net) includes exceptional item of ₹ 5,781.56 crore (Previous year ₹ 466.48 crore)

## Schedule 15 - Interest Expended

( 000s omitted)

	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I. Interest on Deposits	148136,84,44	140920,19,82
II. Interest on Reserve Bank of India/ Inter-bank borrowings	7191,76,51	10103,57,61
III. Others	5795,18,91	4843,68,60
<b>TOTAL</b>	<b>161123,79,86</b>	<b>155867,46,03</b>

## Schedule 16 - Operating Expenses

	Year Ended 31.03.2020 (Current Year)	Year Ended 31.03.2019 (Previous Year)
	₹	₹
I. Payments to and provisions for employees	48850,94,64	43795,01,41
II. Rent, taxes and lighting	5630,95,83	5553,08,91
III. Printing & Stationery	651,58,62	595,00,09
IV. Advertisement and publicity	2830,69,52	2360,81,37
V. (a) Depreciation on Fixed Assets (other than Leased Assets)	3631,44,29	3479,97,41
(b) Depreciation on Leased Assets	30,11,56	15,91,80
VI. Directors' fees, allowances and expenses	11,15,54	9,71,04
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	256,01,79	307,00,17
VIII. Law charges	488,83,43	578,53,06
IX. Postages, Telegrams, Telephones, etc.	571,68,38	568,56,57
X. Repairs and maintenance	1121,27,27	1057,77,33
XI. Insurance	3235,50,89	2860,59,09
XII. Other Operating Expenses relating to Credit Card Operations	1542,56,89	1105,59,01
XIII. Other Operating Expenses relating to Insurance Business	46728,37,12	37907,82,48
XIV. Other Expenditure	16200,40,53	14604,91,06
<b>TOTAL</b>	<b>131781,56,30</b>	<b>114800,30,80</b>

## Schedule 17- Significant Accounting Policies

### A. Basis of Preparation:

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting on Going Concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by Reserve Bank of India (RBI), State Bank of India Act, 1955, Banking Regulation Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in India. In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

### B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

### C. Basis of Consolidation:

- Consolidated financial statements of the Group (comprising of 28 subsidiaries, 8 Joint Ventures and 18 Associates) have been prepared on the basis of:

- Audited financial statements of State Bank of India (Parent).
  - Line by line aggregation of each item of asset/liability/ income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/ loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
  - Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
  - 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.
- 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.
  - Minority interest in the net assets of the consolidated subsidiaries consists of:
    - The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and
    - The minority share of movements in revenue reserves/ loss (equity) since the date the parent-subsidiary relationship came into existence.

### D. Significant Accounting Policies

- Revenue recognition:
  - Income and expenditure are accounted on accrual basis, except otherwise stated. As regards, foreign

offices/entities, income and expenditure are recognised as per the local laws of the country in which the respective foreign offices/entities are located.

- 1.2 Interest/Discount income is recognised in the Profit and Loss Account as it accrues except (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation .
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to "Statutory Reserve Account") to "Capital Reserve Account".
- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – "Leases", issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.
- 1.5 Income (other than interest) on investments in "Held to Maturity" (HTM) category acquired at a discount to the face value, is recognised as follows:
  - i. on Interest bearing securities, it is recognised only at the time of sale/ redemption.
  - ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.
- 1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are recognised on their realisation.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
- 1.9 Brokerage, Commission etc. paid/incurred in connection with the issue of Bonds/Deposits are amortized over the tenure of the related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:
  - i. When the Bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.
  - ii. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale
  - iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

#### 1.11 Non-banking entities:

##### Merchant Banking:

- a. Issue management and advisory fees are recognised based on the stage of completion of assignments and as per the terms of the agreement with the client, net of pass-through.
- b. Fees for private placement are recognised on completion of assignment.
- c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.
- d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.
- e. Brokerage income relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.
- f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

##### Asset Management:

- a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.
- b. Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Fund (AIF) are recognised on accrual basis as per the terms of the contract.
- c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

- d. Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

#### Credit Card Operations:

- a. First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.
- b. Interchange income is recognised on accrual basis.
- c. The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in Balance Sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on Balance Sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on Balance Sheet date. The liability for stale cheques aged for more than three years is written back as income.
- d. All other service income/fees are recorded at the time of occurrence of the respective events.

#### Factoring:

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1<sup>st</sup> of May is deemed as date for accrual of the FCF.

#### Life Insurance:

- a. Premium of non-linked business is recognised as income (net of service tax/ goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of Variable Insurance Products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.
- b. Top-up premiums are considered as single premium.
- c. Income from linked funds which includes fund management charges, policy administration charges,

mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

- d. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.
- e. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.
- f. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.
- g. Benefits paid:
  - Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
  - Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
  - Claims by maturity are accounted on the policy maturity date.
  - Survival and Annuity benefits claims are accounted when due.
  - Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
  - Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
  - Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.
- h. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.
- i. Liability for life policies: The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.



Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience. The unit liability in respect of linked business has been considered as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) as on the valuation date. Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

#### General Insurance:

- a. Premium including reinsurance accepted (net of goods & service tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.
- b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer.
- c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.
- d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.
- e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).
- f. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the

management based on available information and past experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.

- g. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are
  - not yet reported or claimed (IBNR) or
  - not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER),

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

#### Custody & Fund accounting services:

The revenue (net of goods & service tax) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### Pension Fund Operation:

Management fee is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). The Company presents revenues net of Service Tax/ goods and service tax

#### Trustee Operations:

- a. Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes, applied on the average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.
- b. Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued on the basis of terms of trusteeship contracts/agreements entered into with clients.
- c. Income from online "will" services is recognised when the right to receive the fee is established, as all



certainty for revenue recognition is present at the time of establishment of such right.

#### **Infrastructure and Facility Management:**

Revenue from management and consultancy fees is recognised as and when the said contractual work is awarded to the vendor and the agreed scope of work is completed by the vendor.

#### **Merchant Acquiring Business:**

- a. The revenue is measured on basis of consideration received or receivable for the services provided, excluding discounts, GST and other applicable taxes and are recognised upon performance of services.
- b. The revenue from deployment of POS is recognised either over the period during which the service is rendered or on basis of the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements
- c. Income received but not accrued on account of maintenance deployment contract are recognised as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognised on work performed but billed in subsequent period based on terms of contract.
- d. Revenue of providing services of Merchant Acquiring are recognised on fully loaded cost plus mark up on such costs
- e. Revenue is recognised to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured

## **2. Investments:**

The transactions in all securities are recorded on "Settlement Date"

### **2.1 Classification:**

Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six groups (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others and (II) 'Investments outside India' are classified under three categories – (i) Government Securities, (ii) Associates and (iii) Other Investments.

### **2.2 Basis of classification:**

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in associates are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

## **2.3 Valuation:**

### **A. Banking Business:**

- i. In determining the acquisition cost of an investment:
  - a. Brokerage/commission received on subscriptions is reduced from the cost.
  - b. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - c. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
  - d. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. Held to Maturity category: Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". A provision is made for diminution, other than temporary, for each investment individually. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.
- v. Available for Sale and Held for Trading categories: Investments held under AFS and HFT categories are

individually revalued at the market price or fair value determined as per the regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.

- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset and (ii) Redemption value of SR. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices/entities and respective regulators in the case of foreign offices/entities. Investments of domestic offices become non-performing where:
  - a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b. In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 per company on account of the non-availability of the latest Balance Sheet, those equity shares would be reckoned as NPI.
  - c. If any credit facility availed by an entity is NPA in the books of the bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
  - d. The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
  - e. The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
  - f. In respect of foreign offices/entities, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. Accounting for Repo/Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI)
  - a. The securities sold and purchased under Repo/Reverse Repo are accounted as Collateralized lending and borrowing transactions. However securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of

securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo A/c is classified under Schedule 4 (Borrowings) and balance in Reverse Repo A/c is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

- b. Interest expended/earned on Securities purchased/sold under LAF with RBI is accounted for as expenditure/ revenue.

Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.

## B. Insurance Business:

In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.

### (i) Valuation of investment pertaining to non-linked life insurance business and general insurance business: -

- All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).
- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual fund units and AIFs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

**(ii) Valuation of investment pertaining to linked business: -**

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortization of premium or accretion of discount on yield to maturity basis.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available, closing price of the BSE is considered.
- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- Unrealized gains or losses arising due to changes in the fair value are recognized in the Profit & Loss Account.

**3. Loans /Advances and Provisions thereon:**

- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
  - ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding

balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;

- iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

**3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:**

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

**3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:**

Substandard Assets:	i.	A general provision of 15% on the total outstanding;
	ii.	Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
	iii.	Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.
Doubtful Assets:		
-Secured portion:	i.	Upto one year – 25%
	ii.	One to three years – 40%
	iii.	More than three years – 100%
-Unsecured portion		100%
Loss Assets:		100%

- 3.4 In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

**3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.**

- 3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest

sacrifice, if any, arising out of the above, is reduced from advances.

- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 Appropriation of recoveries in NPAs are made in order of priority as under :
  - a. Charges, Costs, Commission etc.
  - b. Unrealized Interest / Interest
  - c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### 4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

#### 6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-Balance Sheet/off-Balance Sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-Balance Sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-Balance Sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
  - 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets / liabilities are also marked to market.
  - 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".
  - 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.
  - 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.
- #### 7. Fixed Assets Depreciation and Amortisation:
- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.
  - 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sr. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00% every year
5	Servers	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets Estimated useful life of major group of Fixed Assets are as under: Premises 60 Years Vehicles 5 Years Safe Deposit Lockers 20 Years Furniture & Fixtures 10 Years

7.4 In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.

7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year (s).

7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

7.8 In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations /norms of the respective countries.

7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three

years are not revalued. Valuation of the revalued assets is done at every three years thereafter.

7.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve.

7.11 The Revalued Assets is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- 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.
- Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception



of such a forward exchange contract is amortised as expense or income over the life of the contract.

- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

## 10.2 Foreign Operations:

Foreign Branches/Subsidiaries / Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

### a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices/subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/ joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

### b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 11. Employee Benefits:

### 11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

### 11.2 Long Term Employee Benefits:

#### i. Defined Benefit Plans :

- a. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Provident Fund scheme. SBI contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognizes such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for on the basis of actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

- b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
- c. SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

- d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/losses are immediately recognised in the Profit and Loss and are not deferred.

## ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/employees joining SBI on or after 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 a matching contribution from SBI. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

## iii. Other Long Term Employee benefits:

All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.

The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss and is not deferred.

- 11.3 Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

## 12. Segment Reporting

The Group recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

## 13. Taxes on income

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after taking into account taxes paid at the foreign offices/entities, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred

tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

## 14. Earnings per Share:

- 14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.
- 14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

## 15. Provisions, Contingent Liabilities and Contingent Assets:

- 15.1 In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Group recognises provisions only when it has a present obligation as a result of a past event and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- 15.2 No provision is recognised for
  - i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or
  - ii. any present obligation that arises from past events but is not recognised because
    - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of SBI is being provided for on actuarial estimates.

15.4 Contingent Assets are not recognised in the financial statements.

#### 16. Bullion Transactions:

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid/received classified as interest expense / income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet

#### 17. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

#### 18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

#### 19. Cash and cash equivalents

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

### Schedule 18

#### Notes to Accounts:

#### 1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

- 1.1 The 28 Subsidiaries, 8 Joint Ventures and 18 Associates including 15 Regional Rural Banks from/upto respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

#### A) Subsidiaries:

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year*
1)	SBI Capital Markets Ltd.	India	100.00	100.00
2)	SBICAP Securities Ltd.	India	100.00	100.00
3)	SBICAP Trustee Company Ltd.	India	100.00	100.00
4)	SBICAP Ventures Ltd.	India	100.00	100.00
5)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00
6)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
7)	SBI DFHI Ltd.	India	72.17	72.17
8)	SBI Global Factors Ltd.	India	86.18	86.18
9)	SBI Infra Management Solutions Pvt. Ltd.	India	100.00	100.00
10)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
11)	SBI Payment Services Pvt. Ltd. @	India	74.00	74.00
12)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
13)	SBI Life Insurance Company Ltd.	India	57.60	62.10
14)	SBI General Insurance Company Ltd. @	India	70.00	70.00
15)	SBI Cards and Payment Services Ltd.	India	69.51	74.00
16)	SBI-SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
17)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
18)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00



S. No.	Name of the Subsidiary	Group's Stake (%)		
		Country of incorporation	Current Year	Previous Year*
19)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
20)	Bank SBI Botswana Limited	Botswana	100.00	100.00
21)	SBI Canada Bank	Canada	100.00	100.00
22)	State Bank of India (California)	USA	100.00	100.00
23)	State Bank of India (UK) Limited	UK	100.00	100.00
24)	State Bank of India Servicos Limitada	Brazil	100.00	100.00
25)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
26)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
27)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
28)	Nepal SBI Merchant Banking Limited	Nepal	55.00	55.00

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

\* In the previous year, SBI Business Process Management Services Private Limited (a subsidiary) was also consolidated. It was amalgamated with SBI Cards and Payment Services Ltd. w.e.f April 1, 2018. Please refer Note no. 1.1.(a) below.

#### B) Joint Ventures:

S. No.	Name of the Joint Venture	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
3)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
4)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
5)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
6)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
7)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00
8)	Jio Payments Bank Ltd.	India	30.00	30.00

#### C) Associates:

S. No.	Name of the Associate	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year*
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Madhyanchal Gramin Bank	India	35.00	35.00
6)	Meghalaya Rural Bank	India	35.00	35.00
7)	Mizoram Rural Bank	India	35.00	35.00
8)	Nagaland Rural Bank	India	35.00	35.00
9)	Purvanchal Bank	India	35.00	35.00
10)	Saurashtra Gramin Bank	India	35.00	35.00
11)	Utkal Grameen Bank	India	35.00	35.00

S. No.	Name of the Associate	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year*
12)	Uttarakhand Gramin Bank	India	35.00	35.00
13)	Jharkhand Rajya Gramin Bank	India	35.00	35.00
14)	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
15)	Telangana Grameena Bank	India	35.00	35.00
16)	The Clearing Corporation of India Ltd.	India	20.05	20.05
17)	Yes Bank Ltd. (w.e.f. March 14, 2020)	India	48.21	-
18)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00

\* In previous year, Kaveri Grameena Bank, Langpi Dehangi Rural Bank and Malwa Gramin Bank (upto December 31, 2018) were also consolidated. These have been merged into RRBs not sponsored by SBI.

Please refer to Note no. 1.1.(f) below for details regarding merger of Regional Rural Banks (RRBs) sponsored by SBI.

- a) As per NCLT order pronounced on June 04, 2019 SBI Business Process Management Services Private Limited (a subsidiary) has been amalgamated with SBI Cards and Payment Services Private Limited (a subsidiary) w.e.f. April 01, 2018 with the latter being the surviving entity.
- The name of SBI Cards and Payment Services Private Limited has changed to SBI Cards and Payment Services Limited w.e.f. 20.08.2019.
- In the month of March 2020, SBI sold its 4.00% stake in SBI Cards and Payment Services Limited by way of public offer. In the same public offer, SBI Cards and Payment Services Limited came up with a fresh issue of 6,622,516 equity shares of face value of ₹ 10 each.
- Consequently the stake of SBI Group in SBI Cards and Payment Services Limited has reduced from 74.00% to 69.51%.
- b) During the month of June 2019, SBI Capital Markets Limited. (a subsidiary) has infused share capital of GBP 2 lakh equivalent to ₹ 1.77 crore in SBICAP (UK) Limited (a step down subsidiary).
- During the month of August 2019, the board of SBICAP (UK) Limited approved the winding up of the operations of SBICAP (UK) Limited and surrender its license to Financial Conduct Authority (FCA) in UK. The operations of SBICAP (UK) were closed on 30.11.2019. In the month of March 2020, SBICAP (UK) has remitted back the balance in its capital and reserves to SBI Capital Markets Limited.
- c) During the month of August 2019, SBI Capital Markets Limited (a subsidiary) has infused share capital of ₹ 10.40 crore in SBICAP Ventures Limited (a step down subsidiary). The stake of SBI Group in SBICAP Ventures Limited remains the same.
- d) In the month of September 2019, SBI sold its 4.50% stake in SBI Life Insurance Company Limited (a subsidiary). The stake of SBI Group in SBI Life Insurance Company Limited has reduced from 62.10% to 57.60%.
- e) In the month of December 2019, Nepal SBI Bank Ltd. has issued 27,88,253 bonus shares to SBI amounting to NPR 27.88 crore equivalent to ₹ 17.47 crore. The stake of SBI Group in Nepal SBI Bank Ltd remains the same.
- f) During the year, SBI has infused additional capital in the following Regional Rural Bank (RRBs) sponsored by it :-

Regional Rural Banks		₹ in crore
		Amount
Utkal Grameena Bank		143.78
Ellaquai Dehati Bank		5.48
Madhyanchal Gramin Bank		8.91
Nagaland Rural Bank		0.48
<b>TOTAL</b>		<b>158.65</b>

The SBI Group's stake remains the same after the aforesaid capital infusion.

- g) In accordance with notification issued by Govt. of India, the following amalgamations have taken/will take place among the Regional Rural Banks (RRBs) sponsored by SBI and those sponsored by other Banks :
- i) The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by SBI are as below:-

	<b>Name of transferor RRBs</b>	<b>Sponsor Bank of transferor RRBs</b>	<b>New Name after Amalgamation of RRBs</b>	<b>Sponsor Bank of transferee RRBs</b>	<b>Effective Date of Amalgamation</b>
1.	Pragathi Krishna Gramin Bank Kaveri Grameena Bank	Canara Bank State Bank of India	Karnataka Gramin Bank	Canara Bank	April 01 ,2019
2.	Assam Gramin Vikash Bank Langpi Dehangi Rural Bank	United Bank of India State Bank of India	Assam Gramin Vikash Bank	United Bank of India	April 01 ,2019
3.	Baroda Uttar Pradesh Gramin Bank Kashi Gomti Samyut Gramin Bank Purvanchal Bank	Bank of Baroda Union Bank of India State Bank of India	Baroda U.P. Bank	Bank of Baroda	April 01 ,2020

By virtue of Department of Financial Services (DFS) letter dated February 06, 2019 and February 14, 2019 the transfer of stake of sponsor Banks has taken place at face value of the shares and as a result during the year ended March 31, 2020 a loss of ₹ 207.93 crore has been recognized in the consolidated financial statements under the head "Other Income".

- ii) The details of amalgamation of RRBs, where the transferee RRB is sponsored by SBI are as below:-

	<b>Name of transferor RRBs</b>	<b>Sponsor Bank of transferor RRBs</b>	<b>New Name after Amalgamation of RRBs</b>	<b>Sponsor Bank of transferee RRBs</b>	<b>Effective Date of Amalgamation</b>
1.	Jharkhand Gramin Bank Vananchal Gramin Bank	Bank of India State Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	April 01 ,2019

- h) In the month of March 2020, as per the scheme of reconstruction notified by the Government of India, SBI has infused ₹ 6,050 crore in Yes Bank Ltd. The stake of SBI Group is at 48.21%.
- Yes Bank Limited became an associate of the SBI Group w.e.f March 14, 2020 and has been consolidated using equity method as per AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements". As per AS-23, capital reserve arises after the stake acquisition in Yes Bank Ltd. amounting to ₹ 1,947.53 crore in CFS.
- i) SBI Home Finance Ltd., an associate in which SBI is having 25.05% stake, is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21.
- j) As SBI Foundation is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.
- 1.2 The consolidated financial statements for the financial year 2019-20 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & two associate (Bank of Bhutan Ltd. and Purvanchal Bank) the results of which are not material.
2. **Share capital:**  
Expenses in relation to the issue of shares: ₹ NIL (Previous Year ₹ 9.12 crore) is debited to Share Premium Account.
3. **Disclosures as per Accounting Standards**
- 3.1 **Accounting Standard 5 – "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies "**
- During the year, there were no material prior period income / expenditure items.
  - There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2020 as compared to those followed in the previous financial year 2018-19 except in respect of investment in associates. This change does not have any impact on the financial results for the year ended March 31, 2020.

### 3.2 Accounting Standard- 15 “Employee Benefits”:

#### 3.2.1 Defined Benefit Plans

##### 3.2.1.1 Employee’s Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005) :-

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation at 1 <sup>st</sup> April 2019	95,362.15	87,786.56	12,378.30	13,025.81
Current Service Cost	953.34	1,060.57	471.10	430.32
Interest Cost	7,428.71	6,812.24	960.76	1,012.43
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses /(gains)	13,619.61	6,434.95	1,247.21	(89.76)
Benefits paid	(3,914.34)	(3,966.53)	(1,967.24)	(2,000.50)
Direct Payment by SBI	(3,619.10)	(2,765.64)	-	-
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2020</b>	<b>1,09,830.37</b>	<b>95,362.15</b>	<b>13,090.13</b>	<b>12,378.30</b>
<b>Change in Plan Assets</b>				
Opening fair value of plan assets at 1 <sup>st</sup> April 2019	90,399.61	85,249.60	10,493.46	9,263.16
Expected Return on Plan assets	7,015.01	6,615.37	815.36	721.37
Contributions by employer	2,407.68	2,391.18	1,183.65	2,404.93
Expected Contribution by the employees	0.28	0.34	-	-
Benefits Paid	(3,914.34)	(3,966.53)	(1,967.24)	(2,000.50)
Actuarial Gains / (Losses) on plan assets	1,550.28	109.65	249.87	104.50
<b>Closing fair value of plan assets at 31<sup>st</sup> March 2020</b>	<b>97,458.52</b>	<b>90,399.61</b>	<b>10,775.10</b>	<b>10,493.46</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 2020	1,09,830.37	95,362.15	13,090.13	12,378.30
Fair Value of plan assets at 31 <sup>st</sup> March 2020	97,458.52	90,399.61	10,775.10	10,493.46
Deficit/(Surplus)	12,371.85	4,962.54	2,315.03	1,884.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
<b>Net Liability/(Asset)</b>	<b>12,371.85</b>	<b>4,962.54</b>	<b>2,315.03</b>	<b>1,884.84</b>
<b>Amount Recognised in the Balance Sheet</b>				
Liabilities	1,09,830.37	95,362.15	13,090.13	12,378.30
Assets	97,458.52	90,399.61	10,775.10	10,493.46
Net Liability / (Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,315.03	1,884.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
<b>Net Liability/ (Asset)</b>	<b>12,371.85</b>	<b>4,962.54</b>	<b>2,315.03</b>	<b>1,884.84</b>
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	953.34	1,060.57	471.10	430.32
Interest Cost	7,428.71	6,812.24	960.76	1,012.43
Expected return on plan assets	(7,015.01)	(6,615.37)	(815.36)	(721.37)
Expected Contributions by the employees	(0.28)	(0.34)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefits) Recognised	-	-	-	2,707.50
Net Actuarial Losses / (Gains) recognised during the year	12,069.33	6,325.30	997.34	(194.26)
<b>Total costs of defined benefit plans included in Schedule 16 “Payments to and provisions for employees”</b>	<b>13,436.09</b>	<b>7,582.40</b>	<b>1,613.84</b>	<b>3,234.62</b>

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	7,015.01	6,615.37	815.36	721.37
Actuarial Gains/ (Losses) on Plan Assets	1,550.28	109.65	249.87	104.50
Actual Return on Plan Assets	8,565.29	6,725.02	1,065.23	825.87
<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 2019	4,962.54	2,536.96	1,884.84	1,055.15
Expenses as recognised in profit and loss account	13,436.09	7,582.40	1,613.84	3,234.62
Paid by SBI Directly	(3,619.10)	(2,765.64)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,407.68)	(2,391.18)	(1,183.63)	(2,404.93)
<b>Net liability/(Asset) recognised in Balance Sheet</b>	<b>12,371.85</b>	<b>4,962.54</b>	<b>2,315.05</b>	<b>1,884.84</b>

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2020 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.60%	19.05%
State Govt. Securities	36.89%	36.14%
Debt Securities, Money Market Securities and Bank Deposits	30.68%	25.85%
Mutual Funds	3.36%	3.46%
Insurer Managed Funds	2.56%	12.54%
Others	2.91%	2.96%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Principal actuarial assumptions:

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.83%	7.79%
Expected Rate of return on Plan Asset	6.83%	7.79%
Salary Escalation Rate	5.40%	5.20%
Pension Escalation Rate	0.80%	0.40%
Attrition Rate	2.00%	2.00%
	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Expected Rate of return on Plan Asset	6.84%	7.77%
Salary Escalation Rate	5.40%	5.20%
Attrition Rate	2.00%	2.00%

The expected contribution to the Pension and Gratuity fund for the next year is ₹ 2,348.90 crore and ₹ 1,420.97 crore respectively

In case of SBI, as the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in the very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

### 3.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows “Nil” liability, hence no provision is made in F.Y. 2019-20.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:-

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April 2019	30,928.72	30,298.65
Current Service Cost	1,045.98	965.04
Interest Cost	2,495.99	2,507.55
Employee Contribution (including VPF)	1,166.46	1,377.59
Actuarial losses/(gains)	220.06	-
Benefits paid	(4,112.66)	(4,220.11)
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2020</b>	<b>31,744.55</b>	<b>30,928.72</b>
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2019	32,630.54	31,874.25
Expected Return on Plan Assets	2,495.99	2,507.55
Contributions	2,212.43	2,342.63
Provision for loss on maturity of non-performing investment	(467.66)	-
Benefits Paid	(4,112.66)	(4,220.11)
Actuarial Gains / (Loss) on plan Assets	(109.92)	126.22
<b>Closing fair value of plan assets as at 31<sup>st</sup> March 2020</b>	<b>32,648.72</b>	<b>32,630.54</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 2020	31,744.55	30,928.72
Fair Value of Plan assets at 31 <sup>st</sup> March 2020	32,648.72	32,630.54
Deficit/(Surplus)	(904.17)	(1,701.82)
<b>Net Asset not recognised in Balance Sheet</b>	<b>904.17</b>	<b>1,701.82</b>

Particulars	Provident Fund	
	Current Year	Previous Year
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	1,045.98	965.04
Interest Cost	2,495.99	2,507.55
Expected return on plan assets	(2,495.99)	-2,507.55
Interest shortfall reversed	-	-
<b>Total costs of defined benefit plans included in Schedule 16 “Payments to and provisions for employees”</b>	<b>1,045.98</b>	<b>965.04</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 2019	-	-
Expense as above	1045.98	965.04
Employer's Contribution	(1045.98)	(965.04)
<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, 2020 are as follows:

Category of Assets	Provident Fund	
	% of Plan Assets	
Central Govt. Securities	34.56%	
State Govt. Securities	28.16%	
Debt Securities, Money Market Securities and Bank Deposits	31.28%	
Mutual Funds	2.58%	
Others	3.42%	
<b>Total</b>	<b>100.00%</b>	

### Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Guaranteed Return	8.50%	8.55%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.40%	5.20%

i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31<sup>st</sup> day of March); or
- three percent per annum, subject to approval of Executive Committee.



- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

### 3.2.2 Defined Contribution Plans

#### 3.2.2.1 Employees Provident Fund

An amount of ₹ 47.66 crore (Previous Year ₹ 32.79 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 3.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

#### 3.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the SBI on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2019-20, SBI has contributed ₹ 541.97 crore (Previous Year ₹ 451.39 crore).

#### 3.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Employee Pension Scheme under PF Act	28.33	21.36
2	National Pension System	5.78	3.86
3	Others	8.41	9.89
<b>Total</b>		<b>42.52</b>	<b>35.11</b>

### 3.2.3 Long Term Employee Benefits (Unfunded Obligation):

#### 3.2.3.1 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April 2019	6,876.64	6,248.59
Current Service Cost	288.00	261.33

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Interest Cost	534.13	485.98
Actuarial losses/(gains)	772.70	741.84
Benefits paid	(929.32)	(861.10)
<b>Closing defined benefit obligation at 31<sup>st</sup> March 2020</b>	<b>7,542.15</b>	<b>6,876.64</b>
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	288.00	261.33
Interest Cost	534.13	485.98
Actuarial (Gain)/ Losses	772.70	741.84
<b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b>	<b>1,594.83</b>	<b>1,489.15</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 2019	6,876.64	6,248.59
Expense as above	1,594.83	1,489.15
Employer's Contribution	-	-
Benefit paid directly by the Employer	(929.32)	(861.10)
<b>Net Liability/(Asset) recognized in the Balance Sheet</b>	<b>7,542.15</b>	<b>6,876.64</b>

#### Principal actuarial assumptions:

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%

#### Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)

An amount of ₹ 28.85 crore (Previous Year ₹ 30.76 crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

#### 3.2.3.2 Other Long Term Employee Benefits

Amount of ₹ 26.17 crore [Previous Year ₹ 38.55 crore] is provided by the group towards other Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employees' Benefits during the year :

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	20.67	35.80
2	Sick Leave	(0.26)	2.11
3	Silver Jubilee/Long Term Service Award	7.96	12.64
4	Resettlement Expenses on Superannuation	1.01	(4.15)
5	Casual Leave	-	-
6	Retirement Award	(3.21)	(7.85)
<b>TOTAL</b>		<b>26.17</b>	<b>38.55</b>

**3.2.4** The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

### 3.3 Accounting Standard- 17 "Segment Reporting":

#### 3.3.1 Segment identification

##### A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) **Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets

Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.

- c) **Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs
- d) **Insurance Business** – The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) **Other Banking business**– Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

##### B) Secondary (Geographical Segment):

- a) **Domestic Operations** - Branches, Subsidiaries and Joint Ventures having operations in India.
- b) **Foreign Operations** - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

##### C) Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

##### D) Allocation of Revenue, Expenses, Assets and Liabilities

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.



## 3.2.1 SEGMENT INFORMATION

## PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Revenue (before exceptional item)	75,104.23 (77,713.33)	91,801.08 (80,139.68)	1,31,232.17 (1,21,250.27)	52,947.77 (43,417.32)	14,272.32 (11,643.14)	3,65,357.57 (3,34,163.74)
Unallocated Revenue						168.15 (903.54)
Less : Inter Segment Revenue						3,296.63 (4,846.40)
Total Revenue						3,62,229.09 (3,30,220.88)
Result (before exceptional Items)	9,202.09 (6,593.12)	-3,830.03 (-15,889.35)	18,173.66 (12,837.52)	2,367.02 (2,114.81)	3,165.05 (2,290.57)	29,077.79 (7,946.67)
Add : Exceptional items	5,781.56 (466.48)					5,781.56 (466.48)
Result (after exceptional items)	14,983.65 (7,059.60)	-3,830.03 (-15,889.35)	18,173.66 (12,837.52)	2,367.02 (2,114.81)	3,165.05 (2,290.57)	34,859.35 (8,413.15)
Unallocated Income(+)/Expenses(-) net						(4,542.76) (-3,192.67)
Profit/(Loss) Before Tax						30,316.59 (5,220.48)
Taxes						12,139.76 (2,151.41)
Extraordinary Profit						0.00 (0.00)
Net Profit/(Loss) before share in profit in Associates and Minority Interest						18,176.83 (3,069.07)
Add: Share in Profit in Associates						2,963.14 (281.48)
Less: Minority Interest						1,372.17 (1,050.91)
Net Profit/(Loss) for the Group						19,767.80 (2,299.64)
<b>Other Information:</b>						
Segment Assets	11,35,750.90 (10,00,105.22)	12,00,452.76 (11,54,958.34)	15,83,362.39 (14,93,139.12)	1,74,612.94 (1,53,352.63)	43,899.44 (33,271.02)	41,38,078.43 (38,34,826.33)
Unallocated Assets						59,413.91 (53,637.87)
Total Assets						41,97,492.34 (38,88,464.20)
Segment Liabilities	10,08,550.01 (8,28,452.00)	11,77,433.80 (11,77,656.01)	14,78,049.72 (14,04,930.51)	1,63,726.93 (1,43,952.42)	32,442.25 (24,650.45)	38,60,202.71 (35,79,641.39)
Unallocated Liabilities						86,229.51 (74,327.15)
Total Liabilities						39,46,432.22 (36,53,968.54)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2020.

(ii) Figures within brackets are for previous year

**PART B: SECONDARY (GEOGRAPHIC) SEGMENTS**

₹ in crore

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	3,44,982.70	3,13,646.59	17,246.39	16,574.29	3,62,229.09	3,30,220.88
Net Profit#	15,297.21	(2,151.64)	4,470.59	4,451.28	19,767.80	2,299.64
Assets *	37,09,504.22	34,50,714.98	4,87,988.12	4,37,749.22	41,97,492.34	38,88,464.20
Liabilities*	34,65,172.72	32,22,552.87	4,81,259.50	4,31,415.67	39,46,432.22	36,53,968.54

# For the year ended 31<sup>st</sup> March, 2020.\* As at 31<sup>st</sup> March, 2020.**3.4 Accounting Standard-18 “Related Party Disclosures”:****3.4.1 Related Parties to the Group:****A) JOINT VENTURES:**

1. C - Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Limited

**B) ASSOCIATES:****i) Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Purvanchal Bank
10. Saurashtra Gramin Bank
11. Utkal Grameen Bank
12. Uttarakhand Gramin Bank
13. Jharkhand Rajya Gramin Bank
14. Rajasthan Marudhara Gramin Bank
15. Telangana Grameena Bank

**ii) Others**

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd. (w.e.f. 14.03.2020)
4. SBI Home Finance Ltd. (under liquidation)

**C) Key Management Personnel of SBI:**

1. Shri Rajnish Kumar, Chairman
2. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
3. Shri Dinesh Kumar Khara, Managing Director (Global Banking & Subsidiaries)
4. Shri Arijit Basu, Managing Director (Corporate Clients Group & IT)
5. Shri Challa Sreenivasulu Setty, Managing Director (Stressed Assets) (from 20.01.2020)
6. Smt. Anshula Kant, Managing Director (Stressed Assets, Risks and Compliance) (upto 31.08.2019)

**3.4.2 Related Parties with whom transactions were entered into during the year:**

No disclosure is required in respect of related parties, which are “State controlled Enterprises” as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

## 3.4.3 Transactions and Balances:

₹ in crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>Transactions during the year 2019-20</b>			
Interest Income	4.94 (0.01)	- (-)	4.94 (0.01)
Interest Expenditure	0.82 -	- (-)	0.82 -
Income earned by way of Dividend	18.56 (22.19)	- (-)	18.56 (22.19)
Other Income	0.97 (0.90)	(-)	0.97 (0.90)
Other Expenditure	4.17 (2.28)	- (-)	4.17 (2.28)
Profit/Loss on Sale of Land/Building/Other Assets	- (-)	- (-)	- (-)
Management Contract	3.77 (1.92)	1.38 (1.32)	5.15 (3.24)
<b>Outstanding as on March 31, 2020</b>			
Borrowings	- (-)	- (-)	- (-)
Deposit	748.31 (47.18)	- (-)	748.31 (47.18)
Other Liabilities	28.35 (0.29 )	- (-)	28.35 (0.29 )
Balances with Banks and Money at call and short notice	300.00 (-)	- (-)	300.00 (-)
Investments	11,015.61 (108.31)	- (-)	11,015.61 (108.31)
Advances	113.50 (-)	- (-)	113.50 (-)
Other Assets	229.52 (217.55)	- (-)	229.52 (217.55)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)
<b>Maximum outstanding during the year</b>			
Borrowings	- (-)	- (-)	- (-)
Deposit	768.92 (207.32)	- (-)	768.92 (207.32)
Other Liabilities	28.35 (0.29)	- (-)	28.35 (0.29)
Balances with Banks and Money at call and short notice	300.00 (-)	- (-)	300.00 (-)
Advances	113.50 (-)	- (-)	113.50 (-)
Investment	11,015.61 (108.31)	- (-)	11,015.61 (108.31)
Other Assets	229.52 (223.85)	- (-)	229.52 (223.85)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)

(Figures in brackets pertain to previous year)

There are no materially significant related party transactions during the year.

### 3.5 Accounting Standard-19 "Leases":

#### 3.5.1 Finance Leases

Assets taken on Financial Leases on or after April 01, 2001: The details of financial leases are given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Total Minimum lease payments outstanding</b>		
Less than 1 year	42.59	24.58
1 to 5 years	105.50	65.08
5 years and above	28.47	-
<b>Total</b>	<b>176.56</b>	<b>89.66</b>
<b>Interest Cost payable</b>		
Less than 1 year	8.86	6.03
1 to 5 years	14.72	7.89
5 years and above	3.69	-
<b>Total</b>	<b>27.27</b>	<b>13.92</b>
<b>Present value of minimum lease payments payable</b>		
Less than 1 year	33.73	18.55
1 to 5 years	90.78	57.19
5 years and above	24.78	-
<b>TOTAL</b>	<b>149.29</b>	<b>75.74</b>

#### 3.5.2 Operating Lease

Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

Liability for Premises taken on Non-Cancellable operating lease are given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Not later than 1 year	165.73	188.39
Later than 1 year and not later than 5 years	496.10	558.54
Later than 5 years	112.22	120.46
<b>TOTAL</b>	<b>774.05</b>	<b>867.39</b>

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 3,556.87 crore (Previous Year ₹ 3,552.61 crore).

#### 3.6 Accounting Standard-20 "Earnings per Share":

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,45,87,534
Number of Equity Shares issued during the year	Nil	24,000
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,46,11,534
Weighted average number of equity shares used in computing basic earnings per share	892,46,11,534	892,45,91,479
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,45,91,479
Net Profit/(Loss) for the Group (₹ in crore)	19,767.80	2,299.64
Basic earnings per share (₹)	22.15	2.58
Diluted earnings per share (₹)	22.15	2.58
Nominal value per share (₹)	1.00	1.00

#### 3.7 Accounting Standard-22 "Accounting for Taxes on Income":

- During the year, ₹ 7,502.08 crore has been debited to Profit and Loss Account (Previous Year ₹ 878.16 crore ) on account of deferred tax.
- The breakup of deferred tax assets and liabilities into major items is given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax Assets</b>		
Provision for long term employee Benefits	6,468.85	5,363.60
Provision for advances	3,067.95	4,404.39
Provision for Other Assets/ Other Liability	665.72	753.11
On Accumulated Losses	105.22	10,863.94
On Foreign Currency Translation Reserve	809.99	235.77
Depreciation on Fixed Assets	146.56	50.00
DTAs on account of FOs of SBI	253.16	277.68
Others	180.50	220.38
<b>TOTAL</b>	<b>11,697.95</b>	<b>22,168.87</b>

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets	96.86	99.44
Interest accrued but not due on securities	4,563.17	6,389.76
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,531.63	4,690.10
DTLs on account of FOs of SBI	6.16	2.33
Others	6.54	8.22
<b>TOTAL</b>	<b>8,204.36</b>	<b>11,189.85</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>3,493.59</b>	<b>10,979.02</b>

- iii) While recognizing provision for income tax for the year ended March 31, 2020 SBI and certain group entities have exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, SBI and certain group entities have re-measured their Deferred Tax Assets as at March 31, 2019 based on the tax rate prescribed in the said section and have reversed the MAT credit no longer available to them. The impact of these changes is a one-time charge of ₹ 3,166.37 crore (net of minority interest) which is included in Tax expenses of the group.

### 3.8 Accounting Standard-28 “Impairment of assets”:

In the opinion of the Management, there is no impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.

### 3.9 Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”

- Provisions and contingencies recognised in Profit and Loss Account:

₹ in crore

Sr No.	Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account	Current Year	Previous Year
a)	Provision for Taxation		
	- Current Tax	4,372.77	1,982.02
	- Deferred Tax	7,502.08	878.16
	- Write Back/Additional Provision of Income Tax	264.91	(708.77)
b)	Provision on Non-Performing Assets	44,072.90	55,343.42
c)	Provision on Restructured Assets	(224.01)	(89.85)
d)	Provision on Standard Assets	(291.37)	20.51
e)	Provision for Depreciation on Investments	628.11	(606.00)
f)	Other Provisions	603.07	131.03
	<b>TOTAL</b>	<b>56,928.46</b>	<b>56,950.52</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)	Closing balance	193.75	193.75

➤ **Description of contingent liabilities (AS-29):**

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, SBI generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Group is contingently liable	The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

➤ **Movement of provisions against contingent liabilities:**

₹ in crore

Sr No.	Particulars	Current Year	Previous Year
a)	Opening Balance	534.75	526.29
b)	Additions during the year	137.34	113.95
c)	Amount utilised during the year	7.13	66.22
d)	Unused amount reversed during the year	31.24	39.27
e)	Closing balance	633.72	534.75

**4** Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year.

**5** As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to

disclose divergences from prudential norms on income recognition, asset classification and provisioning.

**Accordingly, the following disclosure is made in respect of divergences for the F.Y. 2018-19: -**

<b>Divergence in Asset Classification and Provisioning for NPAs</b>		
<b>Particulars</b>		<b>(₹ in crore)</b>
1 Gross NPAs as on March 31, 2019 as reported by SBI		1,72,750
2 Gross NPAs as on March 31, 2019 as assessed by RBI		1,84,682
3 Divergence in Gross NPAs (2-1)		11,932
4 Net NPAs as on March 31, 2019 as reported by SBI		65,895
5 Net NPAs as on March 31, 2019 as assessed by RBI		77,827
6 Divergence in Net NPAs (5-4)		11,932
7 Provisions for NPAs as on March 31, 2019 as reported by SBI		1,06,856
8 Provisions for NPAs as on March 31, 2019 as assessed by RBI		1,18,892
9 Divergence in provisioning (8-7)		12,036
10 Reported Net Profit after Tax (PAT) for the year ended March 31, 2019		862
11 Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning		(-)6,968

SBI has made full provision against the said divergence during the year ended March 31, 2020.

- 6 As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17<sup>th</sup> April 2020, in case of SBI the asset classification and provisioning in respect of COVID -19 Regulatory Package is as below :

			(₹ in crore)
<b>Sr. No.</b>	<b>Particular</b>	<b>Current Year</b>	
i.	Respective amounts where the moratorium/deferment was extended	5,63,896.15	
ii.	Out of above (i) amount where asset classification benefits is extended	6,250.31	
iii.	Provisions made during the year	1,172.00	

- 7 In case of advance account declared as fraud during the year, SBI has chosen to make provision over four quarters. The unamortised provision amount of ₹ 5,230.37 crore as on March 31, 2020 has been debited to "Other Reserves" by credit to "Provisions" in terms of RBI circular DBR. No.BP.BC.92/21.04.048/2015-16 dated 18<sup>th</sup> April 2016.

#### 8 Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP.BC.79/21.04.048/2014-15 dated March 30, 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 per cent of CCPB

held by them as on December 31, 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by Bank's Board of Directors.

During the year, SBI has not utilized the CCPB for making specific provision for NPAs.

- 9 As per RBI letter no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), SBI is holding total provision of ₹ 5,761.46 crore (93.53% of total outstanding) as on March 31, 2020.

- 10 SBI has made a provision of ₹ 2,999 crore (total cumulative till March 31, 2020 ₹ 8,642.41 crore) for the year ended March 31, 2020 towards arrears of wages due for revision w.e.f November 01, 2017.

#### 11 Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes :

- ₹ 3,190.97 crore on sale of certain portion of investment in SBI Life Insurance Company Limited
- ₹ 2,590.59 crore on sale of certain portion of investment in SBI Cards and Payments Services Limited

#### 12 Resolution of Stressed Assets

As per RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019, SBI has implemented Resolution Plans for its 9 borrowers having exposure of ₹ 14,487.28 crore as on 31<sup>st</sup> March 2020.

Further, in terms of RBI circular DOR.No.BP.BC.62/21.04.048/2019-20 dated 17<sup>th</sup> April 2020, SBI has extended resolution period for its 4 borrowers having exposure of ₹ 1,006.91 crore as on 31<sup>st</sup> March 2020.

- 13 RBI vide an email dated 19<sup>th</sup> May 2020 advised the Public Sector Banks that the requirement for reporting on "Whether the bank has adequate Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls" in the Independent Auditors' Report is optional for financial year 2019-2020.

SBI has availed the option to report the same in the Independent Auditor's Report from financial year 2020-2021 onwards.

- 14 The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. In this situation, though the challenges continue to unfold, SBI is gearing itself on all fronts to meet the same. The situation continues to be uncertain and SBI is evaluating the situation on a going basis. Major challenges for SBI would arise from extended working capital cycle and waning cash flows. Despite these



conditions, there would not be any significant impact on the liquidity and profitability of SBI.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27<sup>th</sup> March 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, included Rescheduling of Payments -Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc. Accordingly the Bank has made the following provisions:-

- Provision @ 15% aggregating ₹ 938 crores against the accounts with outstanding of ₹ 6,250 crores which were standard as on 29<sup>th</sup> February 2020 but would have slipped to NPA/Sub-standard category as on 31<sup>st</sup> March 2020 had the RBI debt servicing relief as above not been reckoned.
- In respect of above accounts, interest income aggregating ₹234 crores has been reckoned in operating profit. However additional provision of ₹ 234 crores has been made against Standard Assets.

- 15** SBI has revalued immovable properties on June 30, 2019 (earlier revalued in June 2016) based on the reports obtained from the external independent valuers and the closing balance of revaluation reserve as at March, 31 2020, (net of amount transferred to General Reserve) is ₹ 23,762.67 crore (Previous year ₹ 24,653.94 crore).
- 16** In respect of SBI Life Insurance Company Ltd., IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to Master policy holders vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012 amounting to ₹ 84.32 crore (Previous Year ₹ 84.32 crore). The company had filed an appeal against the said order with Ministry of Finance, Government of India, who remanded the

case back to IRDAI on November 04, 2015. IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The company has filed an appeal against the said directions /orders with Securities Appellate Tribunal which is pending final determination.

In the above mentioned matter, SBI Life Insurance Company Ltd. has shown a requisite amount as contingent liability in the financials of the company.

- 17** The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 13.34% (Previous Year 12.74%) of the total investments as on March 31, 2020.
- 18** In accordance with RBI circular DBOD NO.BP. BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.
- 19** In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.
- 20** Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/ Accounting Standards, previous year's figures have not been mentioned.

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

**Shri Arijit Basu**  
Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**  
Managing Director  
(Global Banking & Subsidiaries)

In term of our Report of even date.

**For J.C. Bhalla & Co.**  
Chartered Accountants

**Shri Rajnish Kumar**  
Chairman

**Shri Rajesh Sethi**  
Partner

**Place: Mumbai**  
**Date : 5<sup>th</sup> June 2020**

Mem. No. : 085669  
Firm Regn. No. : 001111N

**Place : New Delhi**



( 000s omitted)

PARTICULARS	Year ended 31.03.2020 ₹	Year ended 31.03.2019 ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	31907,55,94	4451,05,72
<b>Adjustments for :</b>		
Depreciation on Fixed Assets	3661,55,85	3495,89,21
(Profit)/Loss on sale of Fixed Assets (Net)	28,33,75	32,35,82
(Profit)/Loss on revaluation of Investments (Net)	-	2124,03,82
(Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates	(5573,62,96)	(466,47,81)
Provision for diminution in fair value & Non Performing Assets	43848,89,01	55253,57,08
Provision on Standard Assets	(291,36,52)	20,50,53
Provision for depreciation on Investments	626,52,21	(606,00,24)
Other Provisions including provision for contingencies	604,65,49	131,02,52
Share in Profit of Associates	(2963,14,04)	(281,47,94)
Dividend from Associates	(14,66,77)	(11,71,87)
Interest on Capital Instruments	4908,09,07	4222,27,24
	76742,81,03	68365,04,08
<b>Adjustments for :</b>		
Increase/(Decrease) in Deposits	333619,56,43	218362,77,89
Increase/(Decrease) in Borrowings other than Capital Instruments	(89342,80,87)	41290,72,22
(Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates	(100670,42,40)	63373,44,50
(Increase)/Decrease in Advances	(191306,40,41)	(321988,70,29)
Increase/(Decrease) in Other Liabilities	31602,72,76	4182,31,31
(Increase)/Decrease in Other Assets	(21857,44,26)	(35854,36,00)
	38788,02,28	37731,23,71
Tax refund / (Taxes paid)	(14859,49,11)	(8175,23,21)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>23928,53,17</b>	<b>29556,00,50</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in Investments in Subsidiaries/Joint Ventures/ Associates	(6031,06,06)	(63,53,05)
Profit/ (Loss) on sale of Investments in Subsidiaries/Joint Ventures/ Associates	5573,62,96	466,47,81
Dividend from Associates	14,66,77	11,71,87
(Increase)/Decrease in Fixed Assets	(3065,01,13)	(3005,51,02)
(Increase)/Decrease in Goodwill on Consolidation	184,08,19	1734,07,01
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(3323,69,27)</b>	<b>(856,77,38)</b>

( 000s omitted)

PARTICULARS	Year ended 31.03.2020 ₹	Year ended 31.03.2019 ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity shares including share premium (Net of share issue expenses)	-	(8,74,22)
Issue/redemption of Capital Instruments (net)	8495,81,80	3377,60,00
Interest on Capital Instruments	(4908,09,07)	(4222,27,24)
Dividend paid including tax thereon	-	-
Dividend tax paid by Subsidiaries/Joint Ventures	(65,04,00)	(120,69,39)
Increase/(Decrease) in Minority Interest	1906,83,07	1421,74,62
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>5429,51,80</b>	<b>447,63,77</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>	<b>2768,64,27</b>	<b>1076,28,67</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)</b>	<b>28802,99,97</b>	<b>30223,15,56</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	<b>225512,26,39</b>	<b>195289,10,83</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>254315,26,36</b>	<b>225512,26,39</b>
<b>Note:</b>		
<b>1 Components of Cash &amp; Cash Equivalents as at:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Cash & Balances with Reserve Bank of India	166968,46,05	177362,74,09
Balances with Banks and Money at Call & Short Notice	87346,80,31	48149,52,30
<b>TOTAL</b>	<b>254315,26,36</b>	<b>225512,26,39</b>
<b>2 Cash Flow from operating activities is reported by using indirect method.</b>		

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

**Shri Arijit Basu**  
Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**  
Managing Director  
(Global Banking & Subsidiaries)

In term of our Report of even date.  
**For J.C. Bhalla & Co.**  
Chartered Accountants

**Shri Rajnish Kumar**  
Chairman

**Shri Rajesh Sethi**  
Partner

**Place: Mumbai**  
**Date : 5<sup>th</sup> June 2020**

Mem. No. : 085669  
Firm Regn. No. : 001111N

**Place : New Delhi**

# INDEPENDENT AUDITORS' REPORT

To,  
**The Board of Directors,**  
**State Bank of India,**  
 State Bank Bhavan,  
 Madam Cama Road,  
 Mumbai-400021.

## REPORT ON AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:
  - a) Audited Results of the Bank which have been reviewed by all the fourteen Statutory Central Auditors including us;
  - b) Audited Results of 27 Subsidiaries, 8 Joint Ventures and 16 Associates (including 14 Regional Rural Banks) audited by other Auditors; and
  - c) Un-audited results of 1 Subsidiary and 2 Associates (including 1 Regional Rural Bank).

The above entities together with the Bank are referred to as the 'Group'.

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of Subsidiaries, Joint Ventures and Associates, the unaudited financial statements and the other financial information of subsidiaries and Associates as furnished by the management, the aforesaid consolidated financial statements are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2020;
- b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and
- c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

3. We draw attention to Note No.14 of Schedule 18 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements).</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/ directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following:</p> <ol style="list-style-type: none"> <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 norm in respect of the branches allotted to us;</li> </ol>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Advances constitute 58.85 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<ul style="list-style-type: none"> <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;</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 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 aforesaid RBI Circular/directions.</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> </ul>
ii	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements).</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 26.50 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p>	<p>Our audit approach towards Investments with reference to the RBI Circulars/ directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. In particular,</p> <ul style="list-style-type: none"> <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> </ul>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</p>	<ul style="list-style-type: none"> <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 the 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> </ul>
iii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 3.9 of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>a. 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>b. Understanding the current status of the litigations/tax assessments;</li> <li>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</li> <li>e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>f. Verification of disclosures related to significant litigations and taxation matters.</li> </ul>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government/ Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches/ LHOs/Business Units in the Corporate Office of the bank.</p> <p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/ Circle/ Administrative/ Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> <li>Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible.</li> <li>Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.</li> <li>Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</li> <li>Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.</li> </ol>

#### Information Other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon), which will be obtained at the time of issue of this auditors' report, and the Directors' Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after that date.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard 21- "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investment in Associates in Consolidated Financial



Statements“ and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture” issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group Entity or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity's financial reporting process.

### **Auditors' Responsibility for the Audit of Consolidated Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group Entity to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

8. Incorporated in these consolidated financial statements are the:
  - a) We along with 13 (thirteen) Joint Auditors did not audit the financial statements/ information of 9169 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of ₹30,87,788.72 crore at March 31, 2020 and total revenue of ₹ 1,20,151.17 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors;
  - b) We did not audit the financial statements of 27 (twenty-seven) Subsidiaries, 8 (eight) Joint Ventures whose financial statements reflect total assets of ₹2,60,823.39 crore as at March 31, 2020, total revenues of ₹ 69,349.38 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 2,948.53 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 16 (Sixteen) associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors
  - c) We did not audit the financial statements of 1(one) subsidiary whose financial statements reflect total assets of ₹6,848.63 crore as at 31st March, 2020, total revenues of ₹ 256.09 crore, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 14.61 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 2(two) associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report relates to the aforesaid subsidiaries, jointly controlled entities and associates, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

9. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, a subsidiary of the Group have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2020 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

## Report on Other Legal and Regulatory Requirements

10. The Consolidated Balance Sheet and the Consolidated Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

**For J. C. Bhalla & Co.**  
Chartered Accountants  
Firm Regn No. 001111N

**(Rajesh Sethi)**  
Partner  
Membership No. 085669  
UDIN: 20085669AAAABB7435

Place: New Delhi  
Date : 05 June, 2020



# PILLAR 3 DISCLOSURES (CONSOLIDATED)

as on 31.03.2020

## DF-1 : SCOPE OF APPLICATION

State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India which comprises the statutory provisions, Regulatory/ Reserve Bank of India (RBI) guidelines, Accounting Standards/guidance notes issued by the ICAI.

### (i) Qualitative Disclosures:

#### a) List of group entities considered for consolidation for the period ended 31.03.2020

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
1	SBI Capital Markets Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
2	SBICAP Securities Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
3	SBICAP Ventures Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
4	SBICAP Trustee Company Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
5	SBICAP (UK) Ltd.	U.K.	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
6	SBICAP (Singapore) Ltd.	Singapore	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
7	SBI DFHI Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
8	SBI Payment Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
9	SBI Global Factors Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
10	SBI Pension Funds Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
11	SBI -SG Global Securities Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
12	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
13	SBI Funds Management Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
14	SBI Funds Management (Intl.) Private Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
15	SBI Cards and Payment Services Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
16	State Bank of India (California)	USA	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
17	SBI Canada Bank	Canada	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
18	Commercial Indo Bank Llc, Moscow	Russia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
19	SBI (Mauritius) Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
20	PT Bank SBI Indonesia	Indonesia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
21	Nepal SBI Bank Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
22	Nepal SBI Merchant Banking Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
23	Bank SBI Botswana Ltd.	Botswana	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
24	State Bank of India Servicos Limitada	Brazil	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
25	State Bank of India (UK) Limited	UK	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
26	SBI Infra Management Solutions Private Limited	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	
27	SBI Life Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	
28	SBI General Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	
29	C - Edge Technologies Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
30	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
31	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
32	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
33	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
34	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
35	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
36	Jio Payments Bank Limited	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	
37	Andhra Pradesh Grameena Vikas Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
38	Arunachal Pradesh Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
39	Chhattisgarh Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
40	Ellaquai Dehati Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
41	Meghalaya Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
42	Madhyanchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
43	Mizoram Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
44	Nagaland Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
45	Purvanchal Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
46	Utkal Grameen Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
47	Uttarakhand Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
48	Jharkhand Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
49	Saurashtra Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
50	Rajasthan Marudhara Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
51	Telangana Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
52	The Clearing Corporation of India Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
53	Yes Bank Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	
54	Bank of Bhutan Ltd.	Bhutan	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	

**b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2020**

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
1	SBI Foundation	India	A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities	29.15	99.72%		29.45
2	SBI Home Finance Ltd.	India	Under winding up	N.A.	25.05%		N.A.

**(ii) Quantitative Disclosures:**

**c. List of group entities considered for regulatory consolidation as on 31.03.2020**

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ In crore)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$#	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)#
1	SBI Capital Markets Ltd.	India	Merchant Banking and Advisory Services	1,619.14	1,679.13
2	SBICAP Securities Ltd.	India	Securities Broking & its allied services and third party distribution of financial products	359.71	673.71
3	SBICAP Trustee Company Ltd.	India	Corporate Trusteeship Activities	112.71	116.39
4	SBICAP Ventures Ltd.	India	Asset Management Company for Venture Capital Fund	82.75	86.10
5	SBICAP (Singapore) Ltd.	Singapore	Business & management Consultancy Services	62.02	63.28
6	SBICAP (UK) Ltd.	U.K.	Arrangement of corporate finance & providing advisory services	-	-
7	SBI DFHI Ltd.	India	Primary Dealer in Govt. Securities	1,057.71	11,193.67
8	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Trusteeship Services to schemes floated by SBI Mutual Fund	32.18	32.22
9	SBI Global Factors Ltd.	India	Factoring Activities	318.43	1,237.39
10	SBI Pension Funds Pvt Ltd.	India	Management of assets of NPS Trust allocated to them	40.71	42.06
11	SBI Payment Services Pvt. Ltd.	India	Payment Solution Services	1,416.38	1,559.74

(₹ In crore)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$#	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)#
12	SBI Funds Management Pvt. Ltd.	India	Asset Management Services to schemes floated by SBI Mutual Fund	1,904.07	2,010.61
13	SBI Funds Management (International) Private Ltd.	Mauritius	Investment Management Services	1.95	3.19
14	SBI Cards and Payment Services Ltd.	India	Credit Cards Business	4,954.58	25,421.69
15	SBI –SG Global Securities Services Pvt. Ltd.	India	Custody and Fund accounting services	221.87	427.43
16	SBI Business Process Management Services Ltd	India	Card Processing and Other Services	-	-
17	State Bank of India (California)	USA	Banking Services	1,097.62	6,923.32
18	SBI Canada Bank	Canada	Banking Services	828.04	6,848.63
19	Commercial Indo Bank LLC., Moscow	Russia	Banking Services	205.13	366.42
20	SBI (Mauritius) Ltd.	Mauritius	Banking Services	1,094.58	6,472.07
21	PT Bank SBI Indonesia	Indonesia	Banking Services	667.56	2,509.80
22	Nepal SBI Bank Ltd.	Nepal	Banking Services	924.93	8,142.11
23	State Bank of India (UK) Limited	UK	Banking Services	1,737.01	16,391.60
24	Bank SBI Botswana Ltd.	Botswana	Banking Services	73.56	219.18
25	State Bank of India Servicos Limitada	Brazil	Representative Office Services	1.55	1.62
26	Nepal SBI Merchant Banking Ltd.	Nepal	Merchant Banking and Advisory Services	14.22	14.87

\$ Comprises of Equity Capital and Reserve &amp; Surplus

# In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

- (d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the Subsidiaries/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Capital Deficiency
NIL				

- (e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted:

Name of the Insurance entities/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method
NIL				

- (f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:

Subsidiaries	Restriction
SBI California	As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares or capital repatriation to parent bank.
SBI Canada	Prior permission from the regulatory (OSFI) before transferring any type of capital (equity or debt) to parent bank.
Bank SBI Botswana Ltd.	Only after permission of the Bank of Botswana the transfer of regulatory capital within the banking group/Group company is allowed. The same to be approved by the Board with Statutory Auditor certificate for the capital maintained by the bank on date.
SBI Mauritius Ltd.	There are regulatory restrictions for the reduction of the Bank's capital to be paid back to the shareholders including the parent bank. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the banking act and the companies Act of Mauritius. The amount to be paid is subject to SBIML maintaining adequate capital and the liquidity ratio as per the regulatory requirements.
(a)	The central bank shall not grant, and no bank shall hold, a banking license unless it maintains and continues to maintain in Mauritius, an amount paid as stated capital or an amount of assigned capital or not less than 400 million rupees of the equivalent.
(b)	Every bank shall maintain in Mauritius, capital of not less than 10 per cent, or such higher ratio as may be determined by the central bank, of such of that bank's risk assets and of other types of risks.
Bank SBI Indonesia	The Bank maintains a minimum regulatory capital to be able to operate as a Book II bank as well as a forex bank. However, transfer of funds as dividend to parent bank is allowed after generation of sufficient profit.
Nepal SBI Bank Ltd.	Under the laws of Nepal, Assets and Liabilities of the Company are exclusive and non-transferable. Hence, the transfer of funds or regulatory capital within the banking group is not possible.
CIBL	There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group.
State Bank of India (UK) Limited	Excess capital beyond the regulatory minimum can be paid back to the parent (via dividends or reduced capital) along with the approval of SBI UK Board and PRA. This will be based on the projected growth plans of SBI UK Limited and its capital requirements.

## DF-2 – CAPITAL ADEQUACY

As on 31.03.2020

### Qualitative Disclosures

- (a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities
- The Bank and its Banking Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis in line with the New Capital Adequacy Framework (NCAF) Guidelines of RBI. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:
    - ◆ Credit Risk
    - ◆ Operational Risk
    - ◆ Liquidity Risk
    - ◆ Compliance Risk
    - ◆ Pension Fund Obligation Risk
    - ◆ Reputation Risk
    - ◆ Residual Risk from Credit Risk Mitigants
    - ◆ Talent Risk
    - ◆ Risks related to Insurance Business
    - ◆ Market Risk
    - ◆ Credit Concentration Risk
    - ◆ Interest Rate Risk in the Banking Book
    - ◆ Country Risk
    - ◆ Strategic Risk
    - ◆ Model Risk
    - ◆ Contagion Risk
    - ◆ Cyber Risk
    - ◆ Underwriting Risk
  - Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic / Foreign). This analysis is done for the SBI and SBI Group separately.
  - CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPS) besides Equity as and when required.
  - Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

### Quantitative Disclosures

(b) Capital requirements for credit risk:

• Portfolios subject to standardized approach	₹ 1,58,699.61 crs.
• Securitization exposures	Nil
	-----
<b>Total</b>	<b>₹ 1,58,699.61 crs</b>

## (c) Capital requirements for market risk:

• Standardized duration approach;	
- Interest Rate Risk	₹ 9,913.47 crs.
- Foreign Exchange Risk(including gold)	₹ 172.00 crs.
- Equity Risk	₹ 6109.75 crs.
	-----
<b>Total</b>	<b>₹ 16,195.22 crs.</b>

## (d) Capital requirements for operational risk:

• Basic Indicator Approach	₹ 20,073.11 crs.
• The Standardized Approach (if applicable)	-----
<b>Total</b>	<b>₹ 20,073.11 crs.</b>

## (e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:

- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

CAPITAL ADEQUACY RATIOS AS ON 31.03.2020			
	CET 1 (%)	Tier 1 (%)	Total (%)
SBI Group	10.05	11.24	13.30
State Bank of India	9.77	11.00	13.06
SBI (Mauritius) Ltd.	24.52	24.52	25.38
State Bank of India (Canada)	13.04	13.04	14.72
State Bank of India (California)	15.63	15.63	16.74
Commercial Indo Bank LLC, Moscow	63.86	63.86	63.86
Bank SBI Indonesia	34.60	34.60	35.44
Nepal SBI Bank Ltd.	13.50	13.50	16.60
Bank SBI Botswana Ltd.	30.59	30.59	31.24
SBI (UK) Ltd.	13.27	13.27	17.06

**DF-3: CREDIT RISK: GENERAL DISCLOSURES**

As on 31.03.2020

**General Disclosures****Qualitative Disclosures**• **Definitions of past due and impaired assets (for accounting purposes)****Non-performing assets**

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31st March 2006, a non-performing Asset (NPA) is an advance where

- Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan
- The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC)
- The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted
- Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts
- A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season
- An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitization transactions undertaken in accordance with the RBI guidelines on securitization dated February 1, 2006.
- In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.



**‘Out of Order’ status**

An account is treated as ‘out of order’ if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank’s Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as ‘out of order’.

**‘Overdue’**

Any amount due to the Bank under any credit facility is ‘overdue’ if it is not paid on the due date fixed by the Bank.

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**● 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.

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**● Discussion of the Bank’s Credit Risk Management Policy**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

- (i) Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorized broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.
- (ii) Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with exposure of ₹ 20 cr. and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

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**DF-3: Quantitative Disclosures as on 31.03.2020****(Insurance entities, JVs & Non-financial entities excluded)**

General Disclosures:

(₹ In crore)

Quantitative Disclosures		Fund Based	Non-Fund Based	Total
b	Total Gross Credit Risk Exposures	2472284.18	438978.29	2911262.47
c	Geographic Distribution of Exposures: FB / NFB			
	Overseas	374084.61	57024.35	431108.96
	Domestic	2098199.57	381953.94	2480153.51
d	Industry Type Distribution of Exposures Fund based / Non-Fund Based separately	Please refer to Table "A"		
e	Residual Contractual Maturity Breakdown of Assets	Please refer to Table "B"		
f	Amount of NPAs (Gross) i.e. Sum of (i to v)			150130.73
	i. Substandard			36249.25
	ii. Doubtful 1			20239.55
	iii. Doubtful 2			38423.67
	iv. Doubtful 3			30527.51
	v. Loss			24690.75
g	Net NPAs			52126.72
h	NPA Ratios			
	i) Gross NPAs to gross advances			6.07%
	ii) Net NPAs to net advances			2.20%
i	Movement of NPAs (Gross)			
	i) Opening balance			173589.59
	ii) Additions			51204.07
	iii) Reductions			74662.94
	iv) Closing balance			150130.72
j	Movement of provisions for NPAs			
	i) Opening balance			107541.73
	ii) Provisions made during the period			44116.20
	iii) Write-off			53646.60
	iv) Write-back of excess provisions			7.32
	v) Closing balance			98004.01
k	Amount of Non-Performing Investments			9239.58
l	Amount of Provisions held for Non-Performing Investments			4288.75
m	Movement of Provisions for Depreciation on Investments			
	Opening balance			9252.41
	Provisions made during the period			5275.82
	Add: Foreign Exchange Revaluation Adj.			250.82
	Write-off			4696.46
	Write-back of excess provisions			-
	Closing balance			9580.95
n	By major industry or counter party type			82454.21
	Amt. of NPA and if available, past due loans, provided separately			
	Specific & general provisions; and			-
	Specific provisions and write-offs during the current period			-
o	Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions			-
	Provisions			-

Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2020

(₹ In crore)

Code	Industry	Fund Based [Outstanding-O/s]			Non-Fund Based(O/s)
		Standard	NPA	Total	
1	Coal	8456.68	317.84	8774.52	6203.22
2	Mining	6282.95	1896.56	8179.51	1986.38
3	Iron & Steel	66096.30	6110.88	72207.18	37022.37
4	Metal Products	26596.08	1677.15	28273.23	10706.22
5	All Engineering	36768.68	5917.66	42686.34	71070.97
5.1	Of which Electronics	4136.11	134.49	4270.60	5446.04
6	Electricity	5415.12	0.00	5415.00	4.10
7	Cotton Textiles	22392.79	2183.16	24575.95	1654.77
8	Jute Textiles	853.90	41.75	895.65	40.31
9	Other Textiles	11385.32	1863.94	13249.26	1716.81
10	Sugar	7191.20	625.29	7816.49	1145.08
11	Tea	793.38	131.45	924.83	21.82
12	Food Processing	60647.01	6100.64	66747.65	2528.53
13	Vegetable Oils & Vanaspati	4642.81	688.82	5331.63	3434.74
14	Tobacco / Tobacco Products	161.56	125.55	287.11	151.19
15	Paper / Paper Products	4740.53	649.54	5390.07	873.32
16	Rubber / Rubber Products	7196.72	858.33	8055.05	1842.16
17	Chemicals / Dyes / Paints etc.	96613.85	2897.30	99511.15	63456.40
17.1	Of which Fertilizers	18258.14	1069.21	19327.35	8483.48
17.2	Of which Petrochemicals	54873.15	141.55	55014.70	44492.92
17.3	Of which Drugs & Pharma	12710.78	267.91	12978.69	2516.48
18	Cement	14332.70	1172.06	15504.76	4104.73
19	Leather & Leather Products	3051.37	379.83	3431.20	338.31
20	Gems & Jewellery	11630.98	756.04	12387.05	1223.66
21	Construction	42944.59	1337.12	44281.71	15126.71
22	Petroleum	42678.63	1123.52	43802.15	22414.01
23	Automobiles & Trucks	17102.16	1181.13	18283.29	7369.36
24	Computer Software	6171.00	27.74	6198.74	1080.97
25	Infrastructure	321807.62	38742.83	360550.45	87327.04
25.1	Of which Power	188577.08	16970.28	205547.36	28493.66
25.2	Of which Telecommunication	29312.14	5930.94	35243.08	9789.95
25.3	Of which Roads & Ports	52943.37	7280.83	60224.20	23657.12
26	Other Industries	219181.11	33580.32	252761.43	37501.35
27	NBFCs & Trading	375216.28	18214.24	393430.51	32614.73
28	Residual Advances	901802.14	21530.04	923332.18	26019.03
<b>Total</b>		<b>2322153.45</b>	<b>150130.73</b>	<b>2472284.18</b>	<b>438978.29</b>

**Table- B**  
**DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2020\***

INFLOWS	(₹ In crore)										TOTAL
	1 days	2-7 days	8-14 days	15-30 days	31 days & upto 2 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
1 Cash	20315.47	0.01	0.00	0.10	20.16	0.45	0.20	0.32	0.40	0.00	20337.61
2 Balances with RBI	52586.03	2104.02	976.82	1583.05	2159.45	4295.30	21496.64	22604.64	10067.26	26882.94	146638.31
3 Balances with other Banks	33024.21	2801.88	38561.44	2349.56	2931.14	3273.60	2127.58	962.11	40.75	61.99	91559.26
4 Investments	10432.69	4468.56	4044.01	17336.59	21193.67	46163.43	71638.77	187248.85	156583.98	516539.78	1069533.38
5 Advances	17100.59	23668.40	23609.94	48931.65	44975.84	117399.52	220549.72	824170.09	408110.79	604569.39	2382762.48
6 Fixed Assets	4.05	0.00	0.00	0.00	0.00	0.46	0.00	11.52	13.85	39167.55	39197.43
7 Other Assets	7950.36	24382.42	25465.62	18786.54	17281.44	22073.48	33126.72	17222.65	34630.11	75797.18	292206.66
<b>TOTAL</b>	<b>141413.40</b>	<b>57425.29</b>	<b>92657.83</b>	<b>89987.49</b>	<b>88561.70</b>	<b>193206.24</b>	<b>348939.63</b>	<b>1052220.18</b>	<b>609447.14</b>	<b>1263018.83</b>	<b>4042235.13</b>

\*Notes:

- Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

**DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH**  
**As on 31.03.2020**

**Disclosures for Portfolios subject to Standardised Approach**

**Qualitative Disclosures**

• **Names of Credit Rating Agencies used, plus reasons for any changes**

- As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, Brickwork, ACUTE Ratings and Research and INFOMERICs (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

• **Types of exposures for which each Agency is used**

- For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
- For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.

• **Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book**

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

Long-term Issue Specific Ratings (For the Bank's own exposures or other issuance of debt by the same borrower-constituent/counter-party) or Issuer (borrower-constituents/counter-party) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases :

- If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari passu or junior to the rated exposure in all respects.
- In cases where the borrower-constituent/counter-party has issued a debt (which is not a borrowing from the Bank), the rating given to that debt is applied to the Bank's unrated exposures, if the Bank's exposure ranks pari passu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than the maturity of the rated debt.

**Quantitative Disclosures as on 31.03.2020**

(₹ In crore)

		<b>Amount</b>
(b) For exposure amounts after risk mitigation subject to the Standardized Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.	Below 100% Risk Weight	20,26,503.14
	100% Risk Weight	6,05,905.83
	More than 100% Risk Weight	2,78,853.50
	Deducted	0.00
	<b>Total</b>	<b>29,11,262.47</b>

**DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES**

As on 31.03.2020

**Credit Risk Mitigation: Disclosures for Standardised Approach****(a) Qualitative Disclosures**

- Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting**

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

Where bank,

- has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt;
- is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy :

- Classification of credit risk-mitigants
- Acceptable credit risk-mitigants
- Documentation and legal process requirements for credit risk-mitigants
- Valuation of collateral
- Margin and Haircut requirements
- External ratings
- Custody of collateral
- Insurance
- Monitoring of credit risk mitigants
- General guidelines.

● **Description of the main types of collateral taken by the Bank**

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)

Gold

Securities issued by Central / State Governments

Debt Securities rated BBB- or better/ PR3/P3/F3/A3 for Short-Term Debt Instrument

● **Main types of Guarantor Counterparty and their creditworthiness**

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

- ◆ Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- ◆ Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

**Information about (Market or Credit) risk concentrations within the mitigation taken:**

The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as: -

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates,
- Fixed assets and current assets of the counterparty.

<b>Quantitative Disclosures as on 31.03.2020</b>		(₹ In crore)
(b)	For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	1,18,787.09
(c)	For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	59,925.44

**DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH**

As on 31.03.2020

<b>Qualitative Disclosures</b>	
<b>(a)</b>	The general qualitative disclosure requirement with respect to securitisation including a discussion of:
	The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.
	Nil
	The nature of other risks (e.g. liquidity risk) inherent in securitised assets;
	Not Applicable
	The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them;
	Not Applicable
	@ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules.
	# A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.
	A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012).
	Not Applicable
	A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;
	Not Applicable
<b>(b)</b>	<b>Summary of the bank's accounting policies for securitization activities, including:</b>
	Whether the transactions are treated as sales or financings;
	Not Applicable
	Methods and key assumptions (including inputs) applied in valuing positions retained or purchased
	Not Applicable
	Changes in methods and key assumptions from the previous period and impact of the changes;
	Not Applicable

	Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.	Not Applicable
(c)	In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.	Not Applicable
<b>Quantitative Disclosures: Banking Book</b>		
(d)	The total amount of exposures securitised by the bank.	Nil
(e)	For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	Nil
(f)	Amount of assets intended to be securitised within a year	Nil
(g)	Of (f), amount of assets originated within a year before securitisation.	Not Applicable
(h)	The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
(i)	Aggregate amount of:	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type	Nil
(j)	Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	Nil
	Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil
<b>Quantitative Disclosures: Trading Book</b>		
(k)	Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	Nil
(l)	Aggregate amount of:	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type.	Nil
(m)	Aggregate amount of securitisation exposures retained or purchased separately for:	Nil
	Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and	Nil
	Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.	Nil
(n)	Aggregate amount of:	
	The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.	Nil
	Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil

**DF-7: MARKET RISK IN TRADING BOOK****As on 31.03.2020****(a) QUALITATIVE DISCLOSURES:**

- (1) The Bank follows Standardised Measurement Method (SMM) for computing capital requirement for Market Risk.
- (2) Market Risk Management Department (MRMD) is functioning as a part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- (3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
- (4) The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:

(a) Market Risk Management Policy

(b) Market Risk Limits

(c) Investment Policy

(d) Trading Policy

(e) Stress Test Policy for Market Risk

(5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.

(6) Risk management and reporting is based on parameters such as Modified Duration, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Lower and upper management Action Triggers, in line with global best practices.



- (7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (8) Value at Risk (VaR) is computed on a daily basis. Back-Testing of VaR number is carried out on daily basis. Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (9) Respective Foreign offices monitor risk of their investment portfolio, as per the local regulatory and RBI stipulations. Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.
- (10) Bank has submitted Letter of Intent (LOI) to RBI to migrate to advanced approach i.e. Internal Models Approach for calculating capital charge for market risk and.

**(b) QUANTITATIVE DISCLOSURES:**

**CAPITAL CHARGE ON MARKET RISK**

Bank maintains Capital Charge for Market Risk under the Standardised measurement method as under.

Category	31.03.2020
Interest rate Risk (including Derivatives)	9,913.47
Equity Position Risk	6,109.75
Foreign Exchange Risk	172.00
<b>Total</b>	<b>16,195.22</b>

(₹ in Crores)

**DF-8: OPERATIONAL RISK**

As on 31.03.2020

**Qualitative disclosures**

**A. The structure and organization of Operational Risk Management function**

- ◆ The Operational Risk Management Department functions in SBI as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer. In SBI, Chief Risk Officer reports to Risk Management Committee of the Board (RMCB)
- ◆ The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.

**B. Policies for control and mitigation of Operational Risk in SBI**

**Domestic Banking Entities (SBI)**

The following Policies, Framework Documents and Manuals are in place in SBI:

**Policies and Framework Documents**

- ◆ Operational Risk Management policy, encompasses Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks
- ◆ Loss Data Management Policy;
- ◆ External Loss Data Management Policy;
- ◆ IS Policy;
- ◆ IT Policy;
- ◆ Cyber Security Policy
- ◆ Group Cyber Security Policy
- ◆ Business Continuity Planning (BCP) Policy;
- ◆ Business Continuity Management System (BCMS) Policy;
- ◆ Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures;
- ◆ Policy on Fraud Risk Management;
- ◆ Bank's Outsourcing Policy;
- ◆ Policy on Insurance;
- ◆ Operational Risk Appetite Framework (SBI) Document;
- ◆ Capital Computation Framework Document;



**Manuals**

- ◆ Operational Risk Management Manual
- ◆ Loss Data Management Manual
- ◆ Business Continuity Planning (BCP) Manual
- ◆ Business Continuity Management System (BCMS) Manual
- ◆ External Loss Data Manual

**Domestic Non-Banking and Overseas Banking entities**

Policies and Manuals, as relevant to the business model of Non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc..

**C. Strategies and Processes****Domestic Banking entities (SBI)****Advanced Measurement Approach (Parallel Run)**

- ◆ In SBI, in order to successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at circles like RMCAOs, RMCCs, and also RMCs at the Business and Support Groups (RMC-R & DB, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- ◆ The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events and external losses are also captured to improve risk management practices.
- ◆ Excel based template for conducting Risk & Control Self-Assessment (RCSA) exercise through workshops has been introduced with the provision of Inherent Risk and Residual Risk, control element to arrive at and assess the effectiveness of the current control environment and heat maps to describe the Risk Levels. We have also introduced Theme Based RCSA recently. During current financial year RCSA exercise has been rolled out in selected branches/CPCs. Top risks identified in the RCSA exercises along with their mitigation plan are being addressed on an ongoing basis.
- ◆ Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism. KIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB. Top 10 KIs have been identified during current financial year for close follow up.
- ◆ Bank also periodically undertakes the process of Use-Test.
- ◆ Development of internal systems for quantifying and monitoring operational risk as required under Basel II guidelines is in place.
- ◆ The Bank had earlier received approval for the parallel run for AMA. However, due to recent revision in Basel III framework by the Basel Committee on Banking Supervision (BCBS), RBI has advised to discontinue submission of AMA Capital Computation.

**Others**

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- ◆ “Book of Instructions” (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- ◆ Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- ◆ Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- ◆ Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank’s Apex Training Institutes and State Bank Learning Centers.
- ◆ Insurance cover is obtained for most of the potential operational risks excluding frauds as per Bank’s policy on insurance.
- ◆ Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- ◆ In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity Management Policy and Manuals in place.
- ◆ Stringent Implementation of vacation policy.
- ◆ Conduct of RAW (Risk Awareness Workshop) at all branches.

**Domestic Non-Banking and Overseas Banking entities**

Adequate measures by way of systems and procedures and reporting has been put in place in the Domestic Non-Banking and Overseas Banking entities.

**D. The scope and nature of Risk Reporting and Measurement Systems**

- ◆ A system of prompt submission of reports on Frauds is in place in all the Group entities.
- ◆ A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- ◆ Significant risks thrown up in RCSA/RAW exercise, Scenario Analysis and loss data/NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- ◆ Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31st March 2020.

**DF-9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)**

As on 31.03.2020

**1. Qualitative disclosures****INTEREST RATE RISK:**

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive.

The Asset - Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through Asset Liability Management Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. ALCO also develops the market risk strategy by clearly articulating the acceptable levels of exposure to specific risk types (i.e. interest rate, liquidity etc). The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by Asset - Liability Management Committee (ALCO) for managing interest risk.

1.1 RBI has stipulated monitoring of interest rate risk through a Statement of Interest Rate Sensitivity (Repricing Gaps) to be prepared on a monthly basis. Accordingly, ALCO reviews Interest Rate Sensitivity statement on monthly basis and monitors the Earning at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

1.2 RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest rate sensitivity under Duration Gap Analysis (IRS-DGA). Bank also carries out Duration Gap Analysis as stipulated by RBI on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through Duration Gap Analysis by recognizing the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

1.3 The following prudential limits have been fixed for monitoring of various interest risks:

Changes on account of Interest rate volatility	Maximum Impact (as % of capital and reserve)
Changes in Net Interest Income (with 1% change in interest rates for both assets and liabilities)	5%
Change in Market value of Equity (with 2% change in interest rates for assets and liabilities) – Banking Book only	20%

1.4 The prudential limit aims to restrict the overall adverse impact on account of interest rate risk to the extent of 20% of capital and reserves, while part of the remaining capital and reserves serves as cushion for other risks.

**2. Quantitative disclosures****Earnings at Risk (EaR)**

(₹ in crore)

	Impact on NII
Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	5,716.23

**Market Value of Equity (MVE)**

(₹ in crore)

	Impact on MVE
Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	28,356.28
Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	14,178.14

**DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK**

As on 31.03.2020

**Qualitative Disclosure:**

Credit Risk Management Department of the Bank uses scoring models for setting limits for amounts of counterparty exposure for Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Small Finance Banks & Payment Banks.

Credit Risk Management Department allocates the exposure limits to all business units, viz., CAG, CCG, R&DB, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.

**Classification and recognition of collaterals**

The Bank will accept, recognize and attribute value to collateral, both for internal sanctioning and/or regulatory capital relief purposes, only when the following conditions are fulfilled:

- There is a legal certainty of enforceability and effectiveness of collateral in all relevant jurisdictions
- All contractual and statutory requirements with respect to the loan and collateral documentation are fulfilled.
- The Bank has obtained a legal charge to the said collateral (including second/subordinate or paripassu charges, in addition to first legal charge).
- The legal mechanism by which the collateral is pledged or transferred ensures that the Bank has the right to liquidate or take possession of it in a timely manner, in the event of a default, insolvency or bankruptcy on the part of the counterparty or any third party.
- The Bank has clear and robust procedures for the timely liquidation of collateral to ensure that any legal conditions required for declaring the default of the counterparty and liquidating the collateral are fulfilled and collateral can be liquidated promptly.

For the purposes of eligibility for IRB capital computation, collaterals are required to satisfy all operational criteria outlined in RBI IRB guidelines.

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty

limits for banks are assessed using internal models considering a number of financial parameters like networth, capital adequacy ratio, rating etc. For corporates, the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

**Quantitative Disclosure:**

(₹ in crore)

Distribution of Notional and Current Credit Exposure	Notional	Current credit exposure	Exposure under Current Exposure Method (CEM)
a) Interest rate Swaps	306848.09	8063.55	11026.29
b) Cross Currency Swaps	61487.87	1736.82	2612.90
c) Currency Options	34849.15	1709.51	5322.88
d) Foreign Exchange Contracts	581626.49	11507.12	28915.05
e) Currency Futures	2400.34	4.58	48.01
f) Forward Rate Agreements	245.94	0.00	0.00
g) Others (please specify product name)	0.00	0.00	0.00
<b>Total</b>	<b>987457.88</b>	<b>23021.58</b>	<b>47925.13</b>
<b>Credit Derivative transactions</b>	<b>NIL</b>		

**DF-11: COMPOSITION OF CAPITAL**

As on 31.03.2020

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

Common Equity Tier 1 capital: instruments and reserves			Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	80007.93	A1 + B3
2	Retained earnings	124820.10	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18359.54	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1291.04	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>224478.61</b>	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	1130.46	
8	Goodwill (net of related tax liability)	1549.99	D
9	Intangibles (net of related tax liability)	42.62	

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

<b>Common Equity Tier 1 capital: instruments and reserves</b>		<b>Ref No. (with respect to DF - 12: Step 2)</b>
10	Deferred Tax Assets	19.55
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	14.16
17	Reciprocal cross-holdings in common equity	337.85
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	28.68
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the common stock of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (26a+26b+26c+26d)	1396.52
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	1340.72
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	55.80
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
26d	of which: Unamortised pension funds expenditures	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	Total regulatory adjustments to Common equity Tier 1	4519.83
29	Common Equity Tier 1 capital (CET1)	219958.78
<b>Additional Tier 1 capital: instruments</b>		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	25605.65
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	25605.65
33	Directly issued capital instruments subject to phase out from Additional Tier 1	200.00
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	242.07
35	of which: instruments issued by subsidiaries subject to phase out	

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

<b>Common Equity Tier 1 capital: instruments and reserves</b>		<b>Ref No. (with respect to DF - 12: Step 2)</b>
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	26047.72
<b>Additional Tier 1 capital: regulatory adjustments</b>		
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	10.58
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a+41b)	0.00
41a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	Total regulatory adjustments to Additional Tier 1 capital	10.58
44	Additional Tier 1 capital (AT1)	26037.14
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	245995.92
<b>Tier 2 capital: instruments and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	24243.90
47	Directly issued capital instruments subject to phase out from Tier 2	6851.70
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	771.21
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	13289.17
51	Tier 2 capital before regulatory adjustments	45155.98
<b>Tier 2 capital: regulatory adjustments</b>		
52	Investments in own Tier 2 instruments	89.00
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	0.00
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
57	Total regulatory adjustments to Tier 2 capital	89.00
58	Tier 2 capital (T2)	45066.98
59	Total capital (TC = T1 + T2) (45 + 58)	291062.90

(₹ in Crore)

**Basel III common disclosure template to be used from March 31, 2017**

<b>Common Equity Tier 1 capital: instruments and reserves</b>		<b>Ref No. (with respect to DF - 12: Step 2)</b>	
60	Total risk weighted assets (60a + 60b + 60c)	2188803.87	
60a	of which: total credit risk weighted assets	1763329.04	
60b	of which: total market risk weighted assets	202440.32	
60c	of which: total operational risk weighted assets	223034.51	
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.05	
62	Tier 1 (as a percentage of risk weighted assets)	11.24	
63	Total capital (as a percentage of risk weighted assets)	13.30	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.98	
65	of which: capital conservation buffer requirement	1.88	
66	of which: bank specific countercyclical buffer requirement	0.00	
67	of which: D-SIB buffer requirement	0.60	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	4.55	
<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		
73	Significant investments in the common stock of financial entities	966.69	
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	3376.05	
<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)	13289.17	0.00
77	Cap on inclusion of provisions in Tier 2 under standardised approach	22041.61	0.00
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0.00	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0.00	
<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	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0.00	
82	Current cap on AT1 instruments subject to phase out arrangements	20%	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements	20%	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

## Notes to the Template

Row No. of the template	Particular	(₹ in Crore)	
10	Deferred tax assets associated with accumulated losses	19.55	0
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	3376.05	0.00
	Total as indicated in row 10	19.55	0
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	0.00	
	of which: Increase in Common Equity Tier 1 capital	0.00	
	of which: Increase in Additional Tier 1 capital	0.00	
	of which: Increase in Tier 2 capital	0.00	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	0.00	
	(i) Increase in Common Equity Tier 1 capital	0.00	
	(ii) Increase in risk weighted assets	0.00	
50	Eligible Provisions included in Tier 2 capital	13289.17	0.00
	Eligible Revaluation Reserves included in Tier 2 capital	0.00	
	Total of row 50	13289.17	0.00
# B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 Crore)			

## DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT

As on 31.03.2020

		(₹ in crores)		
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
<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	2,50,167.66	2,39,114.48	B
	of which: Statutory Reserve	70,882.28	70,882.24	B1
	of which: Capital Reserves	13,943.12	13,943.12	B2
	of which: Share Premium	79,115.47	79,115.47	B3
	of which: Investment Reserve	1,189.46	1,189.46	B4
	of which: Foreign Currency Translation Reserve	10,224.02	10,221.78	B5
	of which: Revaluation Reserve on Fixed Assets	23,762.67	23,762.67	B6
	of which: Revenue and Other Reserves	38,380.15	32,462.96	B7
	of which: Reserves under Sec. 36(1)(viii) of Income Tax Act, 1961	14,032.23	14,032.23	B8
	of which: Balance in Profit & Loss Account	(1,361.74)	(6,495.45)	B8
	<b>Minority Interest</b>	<b>7,943.82</b>	<b>3,589.74</b>	
	<b>Total Capital</b>	<b>2,59,003.94</b>	<b>2,43,596.68</b>	



(₹ in crores)

	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
	As on reporting date	As on reporting date	
<b>ii Deposits</b>	<b>32,74,160.63</b>	<b>32,74,908.94</b>	
of which: Deposits from banks	10,822.40	10,822.40	
of which: Customer deposits	32,63,338.23	32,64,086.54	
of which: Other deposits (pl. specify)			
<b>iii Borrowings</b>	<b>3,32,900.67</b>	<b>3,33,125.84</b>	
of which: From RBI	34,981.75	34,981.75	
of which: From banks	1,55,450.79	1,55,450.79	
of which: From other institutions & agencies	83,076.30	83,301.30	
of which: Others (pl. specify)	-	-	
of which: Capital instruments	59,391.83	59,392.00	
<b>iv Other liabilities &amp; provisions</b>	<b>3,31,427.10</b>	<b>1,68,145.03</b>	
of which: DTLs related to goodwill			
of which: DTLs related to intangible assets			
<b>Total</b>	<b>41,97,492.34</b>	<b>40,19,776.49</b>	
<b>B Assets</b>			
<b>i Cash and balances with Reserve Bank of India</b>	<b>1,66,968.46</b>	<b>1,66,947.51</b>	
Balance with banks and money at call and short notice	87,346.80	86,058.71	
<b>ii Investments</b>	<b>12,28,284.28</b>	<b>10,59,597.89</b>	
of which: Government securities	8,93,561.36	8,32,039.33	
of which: Other approved securities	19,689.48	583.30	
of which: Shares	42,183.28	8,250.24	
of which: Debentures & Bonds	1,74,243.37	1,34,333.27	
of which: Subsidiaries / Joint Ventures / Associates	12,512.66	8,407.05	
of which: Others (Commercial Papers, Mutual Funds etc.)	86,094.13	75,984.70	
<b>iii Loans and advances</b>	<b>23,74,311.18</b>	<b>23,73,945.53</b>	
of which: Loans and advances to banks	81,537.02	81,525.77	
of which: Loans and advances to customers	22,92,774.16	22,92,419.76	
<b>iv Fixed assets</b>	<b>40,078.17</b>	<b>39,325.46</b>	
<b>v Other assets</b>	<b>2,98,953.46</b>	<b>2,92,351.40</b>	
of which: Goodwill	-	-	
of which: Other intangibles (excluding MSRs)	-	-	
of which: Deferred tax assets	3,500.19	3,479.12	<b>C</b>
<b>vi Goodwill on consolidation</b>	<b>1,549.99</b>	<b>1,549.99</b>	<b>D</b>
<b>vii Debit balance in Profit &amp; Loss account</b>	<b>-</b>	<b>-</b>	
<b>Total Assets</b>	<b>41,97,492.34</b>	<b>40,19,776.49</b>	



Common Equity Tier 1 capital (CET1): instruments and reserves		Component of regulatory capital reported by bank	Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus	80007.93	A1 + B3
2	Retained earnings	124820.10	B1 + B2 + B7 + B8 + B9 (#)
3	Accumulated other comprehensive income (and other reserves)	18359.54	B5 * 75% + B6 * 45%
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	0.00
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1291.04	0.00
6	Common Equity Tier 1 capital before regulatory adjustments	224478.61	0.00
7	Prudential valuation adjustments	1130.46	0
8	Goodwill (net of related tax liability)	1549.99	D

# B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 Crores)

**DF 13 & 14**

The disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e. [www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures](http://www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures)

**DF-16: Equities - Disclosure for Banking Book Positions**

As on 31.03.2020

Qualitative Disclosures		
1	The general qualitative disclosure with respect to equity risk, including:	
	<ul style="list-style-type: none"> <li>Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;</li> <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>	<p>All equity investment in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.</p> <p>Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 para C-2 of Bank's Annual Report.</p>

**Quantitative Disclosures**

(₹ In crore)

1	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	762.43
2	The types and nature of investments, including the amount that can be classified as:	
	<b>Particulars</b>	<b>Type</b>
	Publicly traded	Subsidiaries
	Privately held	Associates, Subsidiaries, JVs & RRBs
		<b>Book Value (In crore)</b>
		2518.27
		3178.70
3	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	6216.46 (Gain)
4	Total unrealized gains (losses) <sup>13</sup>	29.11
5	Total latent revaluation gains (losses) <sup>14</sup>	Nil
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital	0.82 Crores
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements	0.04

<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: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE****AS ON 31.03.2020**

ITEM	(₹ In millions)
1 Total consolidated assets as per published financial statements	41974923.40
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-1777158.50
3 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4 Adjustments for derivative financial instruments	467158.68
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	3547430.62
7 Other adjustments	-45304.25
8 Leverage ratio exposure (State Bank Group)	44167049.95

**DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE****As on 31.03.2020**

ITEM	(₹ In millions)
<b>On balance sheet exposures</b>	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	40197764.90
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	-45304.25
3 <b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	40152460.65
<b>Derivatives exposures</b>	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	217141.59
5 Add-on amounts for PFE associated with all derivatives transactions	250017.09
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8 (Exempted CCP leg of client-cleared trade exposures)	0
9 Adjusted effective notional amount of written credit derivatives	0
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11 <b>Total derivative exposures (sum of lines 4 to 10)</b>	467158.68
<b>Securities financing transaction exposure</b>	
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14 CCR exposure for SFT assets	0
15 Agent transaction exposures	0
16 <b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	0
<b>Other off balance sheet exposures</b>	
17 Off-balance sheet exposure at gross notional amount	10390332.00
18 (Adjustments for conversion to credit equivalent amounts)	-6842901.38
19 <b>Off-balance sheet items (sum of lines 17 and 18)</b>	3547430.63
<b>Capital and total exposures</b>	
20 <b>Tier 1 capital</b>	<b>2459959.02</b>
21 <b>Total exposures (sum of lines 3,11,16 and 19)</b>	<b>44167049.95</b>
<b>Leverage ratio</b>	
22 Basel III leverage ratio (%) (State Bank Group)	5.57%

**State Bank of India (Standalone)**

Tier 1 Capital	2307691.55
Total exposure	43391167.21
Leverage ratio	
Basel III Leverage ratio (%) SBI (Solo)	5.32%

**DF- GR: Additional Disclosures on Group Risk****As on 31.03.2020****Qualitative Disclosure****In respect of Group entities \*****[Overseas Banking entities and Non-Banking entities]****General Description on**

Corporate Governance Practices	All Group entities adhere to good Corporate Governance practices.
Disclosure Practices	All Group entities adhere to / follow good disclosure practices.
Arm's Length Policy in respect of Intra Group Transactions	All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security.
Common marketing, branding and use of SBI's Symbol	No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.
Details of Financial Support, # if any	No Group entity has provided / received Financial Support from any other entity in the Group.
Adherence to all other covenants of Group Risk Management policy	All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support' #:

- inappropriate transfer of capital or income from one entity to the other in the Group;
- violation of the Arm's Length Policy within which the Group entities are expected to operate;
- adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;
- evasion of capital or other regulatory requirements;
- operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

\* Entities covered:

<b>BANKING - OVERSEAS</b>	<b>NON - BANKING</b>
State Bank of India (Canada)	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards & Payment Services Pvt. Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Pvt. Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI Global Factors Ltd.
State Bank of India (Botswana) Ltd.	SBI Life Insurance Co. Ltd.
State Bank of India (UK)	SBI Pension Funds Pvt. Ltd.
	SBI-SG Global Securities Services Pvt. Ltd.

**Disclosures on indicators for identification of Global Systemically Important Banks (G-SIBs) as on 31st March, 2020 have been disclosed separately on the Bank's website [www.sbi.co.in](http://www.sbi.co.in) under the link Corporate Governance.**