SBI

STATE BANK OF INDIA

TRANSFORMATION ON TRACK



ANNUAL REPORT 2018-19

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Notice

STATE BANK OF INDIA

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

The 64th Annual General Meeting of Shareholders of the State Bank of India will be held at the "SBI Auditorium", State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai-400021 (Maharashtra) on Thursday the 20th June, 2019, at 03.00 p.m. for transacting the following business:-

"To discuss and adopt the balance sheet and the profit and loss account of the State Bank of India made up to the 31st day of March 2019, the report of the Central Board on the working and activities of the State Bank of India for the period covered by the Accounts and the Auditor's Report on the Balance Sheet and Accounts".

Corporate Centre,
State Bank Bhavan,
Madame Cama Road,
Mumbai - 400 021
Date: 10th May, 2019

(RAJNISH KUMAR)
CHAIRMAN

VISION

Be the Bank of Choice for A Transforming India

MISSION

Committed to Providing Simple, Responsive, and Innovative Financial Solutions

VALUES

Service
Transparency
Ethics
Politeness
Sustainability

About SBI

With a legacy of over 200 years, State Bank of India (SBI) traces its ancestry to the Bank of Calcutta founded in 1806 and is the oldest commercial bank in the Indian subcontinent. SBI is an Indian multinational, public sector banking and financial services statutory body, fostering the nation's 2.6 trillion-dollar economy and serving the hopes of its vast population.

For SBI, the interests of the common man have always remained at the core of its business. With a customer-centric approach, the Bank has designed products and services to meet the expectations of the financial life cycle of its valued clientele. Keeping pace with the transforming landscape of the Indian economy, SBI has broadened its digital base in the recent years. The Bank plays a fundamental role in making the Government of India's Digital India initiative a reality.

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

yono by SBI



SBI's Journey Through Numbers

Largest Bank in India (Deposits, Advances, Customers and Banking Outlets)

Customers — No. (in crore) — **43.51**

Market Share — %
Deposits — **22.38**
Advances — **20.09**

Total Branches — No. — **22,010**

Pan-India ATMs, CDMs & Recyclers — No. — **58,415**

BC Outlets — No. — **57,467**

Share of Transactions on Alternate Channels — % — **88.1**

Market Share in no. of POS — % — **15.93**

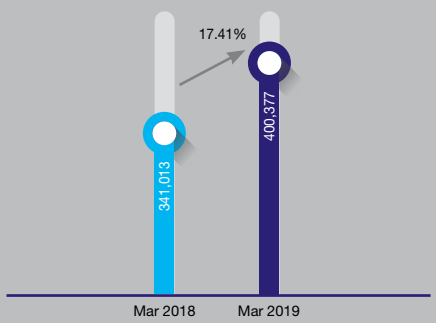
Market Share in Debit Card Spends — % — **29.89**

Financial Inclusion Accounts — No. (in crore) — **14.25**

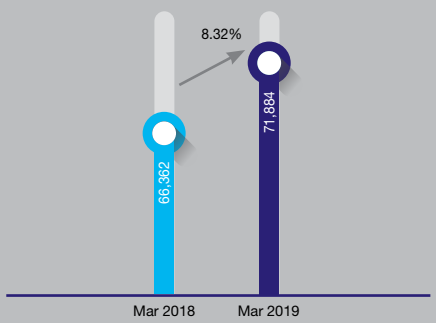
Financial Inclusion — Amt. (₹in crore) — **31,235**

Financial Inclusion Transactions Through BC Channel — No. (in crore) — **39.75**

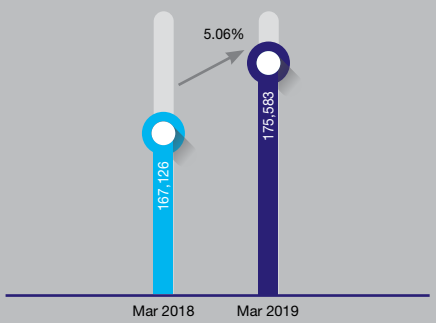
HOME LOANS
(₹ in crore)



AUTO LOANS
(₹ in crore)



OTHER P-SEGMENT LOANS
(₹ in crore)



Transformation on Track

Over the past few years, the predominant focus has been to enhance our Return on Assets as well as the Return on Equity. At every turn, we have addressed complex questions and benchmarked ourselves to the best in industry standards, so that we can enhance the Bank's performance across all parameters and in the process be completely self-reliant in the generation of capital.

FY2019 will be remembered as a major landmark in our journey of delivering quality growth across all our businesses. In this respect, we have reached an important inflection point. The hard work undertaken over the last 3-4 years is redefining us to "Be The Bank Of Choice For A Transforming India". Consequently, we are once again regaining the glory of a world class banking institution, with superior processes and practices. The values that define us are the ones that help us in consistently strengthening our market share, our sizeable balance sheet, our performance parameters and our ability to create sustainable value for our shareholders. We see ourselves once again firmly on this unending journey of leadership in all spheres of banking initiatives.

The challenges faced by your Bank over the recent years have led to revamping of our credit processes, reorganising Risk and creating strong underwriting practices for sanctioning quality loans; adding high quality values on the corporate loan book side; building a robust and growing retail business; strategically pursuing resolutions of stressed assets, with many cases seeing the light at the end of the tunnel; enhancing our branch experience and reach to serve India's vast population; rolling out of several IT initiatives and pathbreaking B2C platforms; maintaining a highly evolved treasury operations; maintaining our strong deposits franchise as a reliable liabilities foundation to fund credit growth; recalibrating our human resource skills through systematic improvements and innovations.

In addition to our sturdy domestic business, the Bank is having a very large footprint in international operations, for serving clients that are increasingly becoming global. With an array of industry-leading and synergetic businesses within our portfolio of subsidiaries, we aim to continuously look towards unlocking value in a carefully calibrated manner.

In the latter part of FY2019, we witnessed the early signs of the turnaround that we had diligently and systematically been working for and multi-pronged strategies yielded the desired results. Looking forward, we are well positioned on the back of a strong Business growth, Capital and liquidity and ability to charge spreads to be in leadership position, towards steadily improving our ROE to 15% and upwards, and an ROA of around 1% sustainably.

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TRANSFORMATION ON TRACK

Unlocking the Potential of Our Human Capital

Our employees are our partners. Their commitment towards our purpose allows us to efficiently deliver to our stakeholders viz. our customers, shareholders, and society. We are continuously investing in them so that they can develop and grow. At the same time, we are ensuring a diverse and inclusive workplace for them to thrive.

"We believe that the seamless contributions of our employees drive responsible growth. Our commitment to them is demonstrated by our continued investment in making State Bank of India an excellent place to work."



Our Human Resource (HR) function has been instrumental in implementing our business strategies. During the year, we have further centralised our HR for greater control and quality. In addition to this, we have adopted a data driven model for manpower planning to achieve optimal utilisation of our human resources. We have implemented various initiatives to enhance the productivity of our employees.

Our robust Career Development System has brought in greater transparency, inclusiveness, accountability, and effectiveness into the management of employee performance. A structured feedback mechanism has also been introduced to drive the performance review process. Additionally, we have formulated a succession planning policy to ensure the smooth transitioning of critical executive positions. We have also attracted new talent in the areas of Wealth management, Information Technology, Information Security, Risk, and Credit, among others.

We have consistently promoted a performance-driven culture, originated on ethically and financially sound business methods. We have developed an effective training system, which translates our vision into actionable plans by amplifying the strengths of our employees, bridging skill-gaps, and unleashing the potential of each employee. Additionally, every year, our training system caters to the multifaceted skill development requirements of a multigenerational and culturally diverse workforce. Moreover, we have conceptualised initiatives for reskilling our employees and preparing them for the fast-changing business environment. Not surprisingly, we have been awarded the Business World Award for 'Excellence in Learning and Development'.

Gender sensitivity and inclusiveness have always been the cornerstone of State Bank of India. Today, 24.34% of our total workforce are women. Our commitment comes from the leaders who are responsible for upholding diversity and inclusive practices.



"We have consistently promoted a performance-driven culture, originated on ethically and financially sound business methods."

24.34% of our total workforce are women

Around **690** specialists hired in FY2019

Over **90** years of training culture

TRANSFORMATION ON TRACK

Zeroing in on our Retail & Digital Banking Business as a Key Growth Driver

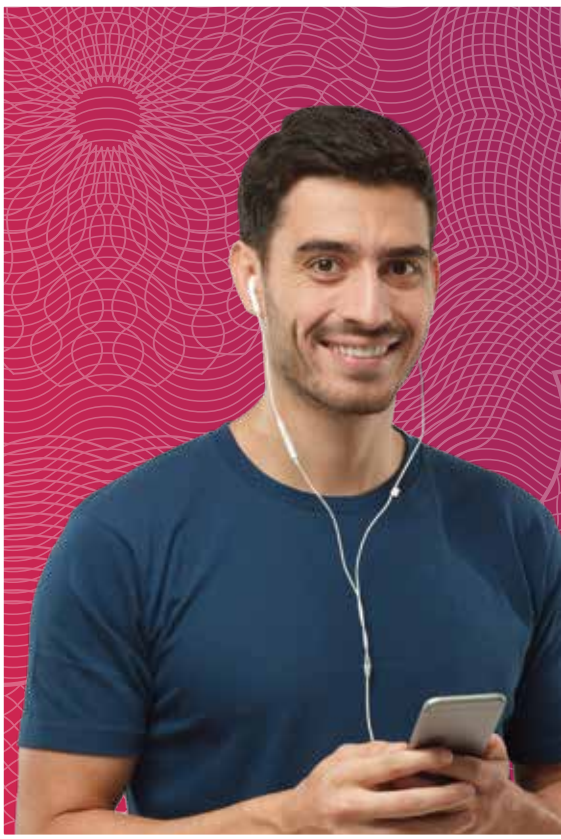
At State Bank of India, we habitually strive to be a friendly and efficient bank for our customers to do business with. Holding a preeminent leadership position in the Retail, Agri and SME marketplaces, we are continuously investing and innovating to keep raising the bar for customer service and experience.

> "With YONO, we have set a new benchmark for product accessibility and customer convenience. We believe that through modernisation and advancement from the judicious use of technology, we can partner with our customers and strengthen their loyalty to your Bank."

FY2019 was a year of strong performance for State Bank of India. With a portfolio exceeding ₹6.50 lakh crore in our Retail Personal Banking, we clearly led the pack within the financial marketplace. The Retail and Digital Banking Group consists of eight strategic business units and is the largest in India in terms of its branch network and human resources. Retail Banking is our most critical segment, both in terms of resource gathering through CASA and Term Deposits growth as well as extending customised credit for the basic requirements of customers. We continue to see a strong momentum in customer acquisition across the country, thereby ensuring a steady growth in retail deposits. Simultaneously, to meet the aspirations of this growing customer base, retail assets are being strategically positioned with a view to occupy a much larger proportion of total advances.

The evolving digital landscape is a key driver that is changing the way in which customers interact with their banks. A steady stream of technology driven innovations, necessitated by changing customer preferences, is transforming our retail banking landscape.

At State Bank of India, we have an evolved multi-channel delivery model, which allows our customers to carry out transactions through any channel, at any time or place. In particular, we have made impressive progress in enhancing client convenience by making our offerings from your Bank and our subsidiaries available in one place. To this end, we have made significant progress with our flagship venture, YONO, which is India's fastest growing omni-channel. This venture offers Banking, Insurance, and Investment products, as well as unmatched service and shopping experience, in one place.



Launched as recently as in November 2017, YONO now serves as a Digital Bank, an Online Market Place, and a Financial Super Store. it offers services from e-commerce companies, including online shopping, travel planning, taxi booking, online education, and offline retail. With over 2 crore downloads and more than 73.49 lakh registrations in FY2019 for YONO alone, it has approximately 27.50 lakh savings bank accounts opened on its platform.

YONO can be accessed through Android and iOS powered mobile phones, and on the web through a browser, allowing for a seamless omni-channel customer experience.

YONO is also among the top five finance applications on the App Store and Play Store. Since the launch of YONO, State Bank of India has further added 25 new e-merchants including IRCTC, Book My Show, SOTC, Expedia, kindle, booking.com, and Mozarto; along with auto majors like Tata Motors, Hyundai, and Ford, amongst others on the YONO Online Marketplace, bringing the total number of merchants available on the platform to 89.

Your Bank has also signed an MoU to collaborate with Reliance JIO to offer special connectivity and device solutions for all State Bank of India customers. YONO SBI is a big leap forward for improving the digitisation of financial and lifestyle services in the country.

Being the Banker to the Nation, your bank is at the vanguard of serving people previously left out of the formal financial system. In addition to this, our Business Correspondents channel with 57,467 outlets, has now reached a break-even and is making a positive contribution to your Bank. State Bank of India is focusing on leveraging its large customer base and strong backend, to unlock opportunities for offering selected lending services at highly competitive price points.



TRANSFORMATION ON TRACK

Zeroing in on our Retail & Digital Banking Business as a Key Growth Driver (cont...)

State Bank of India is committed towards transforming itself into a digitalised organisation, supported by technology enabled backend operations.

"Home loans on our online venture, YONO, is a significant step towards digitisation, which services our registered user's needs, 24*7."



Your Bank has a leading market share across digital channels. Transactions through our alternate business channels is 88.1%, of which around 31.7% is from ATMs and CDMs. Within our retail portfolio, Home and Auto loans are the major contributors. We want to assist our customers, who wish to buy a home with State Bank of India, to do so with ease and speed. Therefore, home loans on our online venture, YONO, is a significant step towards digitisation, which services our registered users' needs, 24*7. Our home loan portfolio (Inclusive of top up loans) has crossed the ₹4 lakh crore mark and is by far the largest portfolio of any bank / NBFC.

As we work through FY2020, your Bank also remains the largest dispenser of education loans, which demonstrates its unflinching commitment to serve our society at large. We are a pioneer and market leader in Agri financing. Our services cover the whole range of agriculture and allied activities with some of the unique features like low interest rates, no intermediaries, no hidden cost, quick loan sanction, and loan disbursement. Our products cover the entire gamut of agricultural activities from Farm to Fork. Furthermore, in our SME and MSME business, we focus on generating better returns from our assets and equity. State Bank of India has always held SMEs as an important segment, considering the role being played by them in the Indian economy in terms of their contribution to manufacturing output, exports and employment generation. Being committed to providing Simple and Innovative Financial Solutions, your Bank's approach in driving SME growth rests on the following three pillars namely, customer convenience, risk mitigation, and technology based digital offerings and process improvements.

In the year under review, we maximised our reach through dedicated Asset Management teams for efficiently running end-to-end customer relationships. In addition to this, GST has brought transparency in the business and is helping in monitoring our exposures in a more enhanced way. Besides, our credit underwriting engine concentrates on cash flow financing, analytics for improved underwriting, and TAT. Our SME portfolio stands at ₹2,88,583 crore of which MSME is at ₹2,33,294 crore.



TRANSFORMATION ON TRACK

Pipeline of Subsidiary Assets for potential Value unlocking

As a part of our mission to provide the entire gamut of financial services across India, the State Bank Group, through its various subsidiaries, provides a whole range of financial services, including Life and General Insurance, Merchant Banking, Trustee Business, Mutual Funds, and Credit Card, among others.

"Across the whole group of subsidiaries and JVs, we are able to take on opportunities of size and complexity, and successfully lead entities towards eventual value discovery. At all levels, across your Bank, our ventures continue to foster dynamic and long-term success for our stakeholders."



Our subsidiaries are exceptionally well positioned to address the market. Each one is shaped on the belief that customer experience is paramount. We are focused on leveraging the synergies of every entity to ensure efficient operational support. Consequently, we are using advanced technologies and other enablers to keep widening our bouquet of products on offer. Our CRM platform, IMPACT, is leveraging smart data mining and analytics for lead generation. Additionally, we have several best-in-class Joint Venture partners for various businesses, efficient processes, long term scalability, and high standards of Corporate Governance. With the success of synergised engagement with our customers, we expect to grow our cross-selling income by 50% in the near future.



One of our most successful subsidiaries to enter the capital markets in FY2018 was SBI Life Insurance, a joint venture between State Bank of India and BNP Paribas Cardif S.A. The successful IPO of this entity was a testimony to your Bank's ability to spawn and nurture businesses that become leaders in their domain areas. The company currently has a market capitalisation exceeding ₹58,300 crore and is ranked as the #2 private life insurer in terms of Individual New Business Premium (NBP). In FY2019, the Company's AUM recorded a growth of 21% reaching ₹1,41,024 crore. By leveraging its pan India reach through its network of 908 offices, SBI Life has systematically brought India's under penetrated rural areas within its ambit.

Another stellar performer, SBI Cards is the second largest credit card company in India with a Card base of 82 lakh. In FY2019, the company's Card base has grown by 32% YoY. During the year under review, the company launched a co-branded Card "Apollo SBI", offering benefits on health and wellness services. It also launched the "SBI Doctors Card", exclusively for doctors, in association with the Indian Medical Association. We are delighted at the prospects of making SBI Cards the next candidate for market listing in the near future.

Ranking #3 in India, with a market share of 11.59% in its AUM, SBI Mutual Fund is also a high performer within the group's stable. Grew by 7.36% vis-a-vis industry growth rate of 3.66% for the FY2019.

SBI General Insurance is a strategic joint venture between State Bank of India and IAG Australia, in which State Bank of India holds 70% stake. The cornerstone of this company's growth aspiration is focused on the Bancassurance channel, while developing other channels and products that meet its profitability and growth objectives. As of FY2019, the company's market ranking stood at #13 in the industry and #8 among the private players.

SBI Capital Markets Limited is amongst India's leading domestic investment banks. This subsidiary offers an entire bouquet of investment banking and corporate advisory services to a varied client base across three product groups - Infrastructure, Equity Capital Markets, and Debt Capital Markets.

TRANSFORMATION ON TRACK

Towards an ending NPA Cycle in Stressed Asset Resolution

Your Bank has refined its underwriting and credit risk management practices, to meet the changing economic environment. As the largest bank in the country, we strongly believe in operating within a secured risk framework and in growing responsibly.

> "Our main priority, as we work through 2019, remains the disciplined execution of our credit policies, to measure, assess, monitor, and manage risks methodically across all our portfolios."

Over the last few years, we have witnessed a significant rise in the Gross Non-Performing Assets (GNPA) within the Banking Industry at large. However, in the financial year under review, the GNPA of the SCBs declined due to robust economic growth of the Indian economy and the strengthening of due diligence, credit appraisals, and loan monitoring systems, among others.

The slippage ratio improved to 1.60% in FY2019 (down by 325 bps YOY) and credit cost improved to 2.66% (down by 96 bps YOY). The Provision Coverage Ratio (PCR) of your Bank has improved significantly by 1256 bps YOY from 66.17% as on March 2018 to 78.73% as on March 2019.



At your Bank, large accounts from the 1st and 2nd list of accounts referred to NCLT have now been resolved. The remaining are also being pursued for quick settlement, while the provisioning therein is already significantly higher than the level of haircuts envisaged. The resolutions have given us an opportunity to deploy the realised funds into income yielding assets and helped strengthen our balance sheet.

Furthermore, based on model already implemented by SBI, the Government of India has directed other Public Sector Banks for creation of a Stressed Assets Management Vertical (SAMV). We, therefore, take immense pride in being a pioneer for establishing a dedicated vertical, almost a decade and a half back, by establishing the Stressed Assets Management Group (SAMG). In order to focus on the resolution of stressed accounts, SAMG was renamed as Stressed Assets Resolution Group (SARG), which continues to work as a specialised vertical for efficient resolution of high value NPAs. In view of the progress achieved so far, SARG has evolved into a centre of excellence for the resolution of NPAs and stressed assets. As on 31st March, 2019, SARG had 20 Stressed Assets Management Branches (SAMBs) and 56 Stressed Assets Recovery Branches (SARBs) across the country, covering 70.62% and 83.71% of your Bank's Non-Performing Assets (NPAs) and Advances under Collection Account (AUCA), respectively.

Today, SARG stands as one of the important verticals within your Bank. With the advent of IBC and the no. of accounts already referred and in an advanced stage of resolution, the redeployment of funds parked in NPAs and the write back in provision contributing to the Bank's profitability, strengthening of Balance Sheet as well as capital ratios is likely to be significant.

At your Bank, we believe that our effective credit underwriting processes will help us attain quality growth and respectable shareholder returns. We have proactively worked towards making the banking system efficient and credible, to be able to serve a transforming India.



76 Branches under SARG

70.62% NPAs covered

SARG Portfolio of

2,36,687 crore

TRANSFORMATION ON TRACK

A Redefined Corporate Banking Business focused on Low Credit Risk

Your Bank is a valuable partner to Corporate India. We offer comprehensive banking solutions for the financial needs of our clients through our network of dedicated relationship teams, and the expertise to customise our products for client-specific requirements.

"The Corporate Banking business of your Bank has had another successful year, gaining share and witnessing healthy remodelling by focusing on well rated corporates and quality transactions."

Our Wholesale Banking business focuses on servicing corporate customers, through customised financial solutions. It comprises of teams focused on specific areas to facilitate specialisation and customisation of products offered to our clients.

In line with the changing banking landscape, we have remodelled our Corporate Banking structure and credit dispensation process. Consequently, Corporate Accounts Group (CAG) now handles top-rated Business Groups, while other Corporate accounts are handled in Corporate Clients' Group (CCG) vertical. In addition to credit relationships, we are focussing on credit light sectors, such as the Pharmaceutical, FMCG, and IT sectors, among others, through our newly established Credit Light Group (CLG) for non Interest Income as well as low cost deposits. Furthermore, the



CAG aims to leverage its corporate relationships to improve the value of relationships by increasing the penetration of fund-based, non-fund-based, and fee-based non-credit products. For the year under review, the total outstanding loans to clients in the CAG stood at ₹4,06,645 crore and ₹1,75,185 crore, with respect to non-fund-based products. CAG has also been instrumental and a co-participant in the development of schemes of the Government for supporting infrastructure projects on Roads and Ports, improving connectivity and also contributing to ease of business in the Power sector with the Government's Saubhagya Scheme of providing power to all households by March 2019. The Bank has actively participated in Renewable Energy projects, including wind power, solar roof top and hydro projects, amongst others, for sustainability. The Bank is also actively involved in funding other infrastructure projects such as Airports and Metro Rails, selectively.

Going forward, our strategy is to focus on investment grade companies and issuers. Additionally, with our tailormade Account Management plans to address specific client needs, we foresee higher growth rates and increasing market share in this vertical.

The banking scenario is changing and technology is revolutionising the way customers engage with their financiers. We offer technological products to our Corporate customers and use a robust Customer Relationship Management (CRM) application for customer management to meet the rapidly changing dynamics of the customer bank relationships.



SBI Group Structure

as on 31st March, 2019

NON-BANKING SUBSIDIARIES / JOINT VENTURES

- 100% SBI Capital Markets Limited
  - SBI CAP Securities Limited
  - SBI CAP Ventures Limited
  - SBI CAP (UK Limited)
  - SBI CAP Trustees Co. Limited
  - SBI CAP (Singapore Limited)
- 69.04% SBI DFHI Limited
- 100% SBI Mutual Fund Trustee Company Private Limited
- 86.18% SBI Global Factors Limited
- 60% SBI Pension Funds Private Limited
- 63% SBI Funds Management Private Limited
  - SBI Funds Mgt. (International) Private Limited
- 74% SBI Cards & Payment Services Private Limited
- 62.04% SBI Life Insurance Company Limited
- 65% SBI-SG Global Securities Services Private Limited
- 74% SBI Business Process Management Services Private Limited
- 70% SBI General Insurance Company Limited
- 49% C-Edge Technologies Limited
- 45% Macquarie SBI Infrastructure Management. Pte. Limited
  - Macquarie SBI Infrastructure Trustee Pte. Limited
- 45% SBI Macquarie Infrastructure Management Private Limited
- 45% SBI Macquarie Infrastructure Trustee Private Limited
- 50% Oman India Joint Investment Fund-Management. Co. Private Limited
- 50% Oman India Joint Investment Fund-Trustee Co. Private Limited
- 99.72% SBI Foundation
- 100% SBI Infra Management Solutions Pvt. Ltd.
- 30% JIO Payments Bank Ltd.
- 74% SBI Payment Services Pvt. Ltd.

FOREIGN BANKING SUBSIDIARIES / JOINT VENTURES / INVESTMENTS

- 100% State Bank of India (California)
- 100% SBI Canada Bank
- 100% State Bank of India (UK) Limited
- 60% CIBL Moscow
- 99% Bank SBI Indonesia
- 55.37% Nepal SBI Bank Limited
  - Nepal SBI Merchant Banking Limited
- 100% Bank SBI Botswana Limited
- 20% Bank of Bhutan Limited
- 96.60% SBI Mauritius Limited
- 8.86% Sterling Bank PLC
- 19.50% Kukuja Project Development Company

Foreign Non-Banking Subsidiary

- 99.99% SBI Servicos Limitada, Brazil

Financial Highlights: 10 years at a Glance

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-2019
Liabilities										
Capital (₹in crore)	635	635	671	684	747	747	776	797	892	892
Reserves & Surplus (₹in crore)	65,314	64,351	83,280	98,200	1,17,536	1,27,692	1,43,498	1,87,489	2,18,236	2,20,021
Deposits (₹in crore)	8,04,116	9,33,933	10,43,647	12,02,740	13,94,409	15,76,793	17,30,722	20,44,751	27,06,344	29,11,386
Borrowings (₹in crore)	1,03,012	1,19,569	1,27,006	1,69,183	1,83,131	2,05,150	3,23,345	3,17,694	3,62,142	4,03,017
Other's (₹in crore)	80,337	1,05,248	80,915	95,404	96,927	1,37,698	1,59,276	1,55,235	1,67,138	1,45,597
Total(₹in crore)	10,53,414	12,23,736	13,35,519	15,66,211	17,92,748	20,48,080	23,57,617	27,05,966	34,54,752	36,80,914
Assets										
Investments (₹in crore)	2,85,790	2,95,601	3,12,198	3,50,878	3,98,800	4,81,759	5,75,652	7,65,990	10,60,987	9,67,022
Advances (₹in crore)	6,31,914	7,56,719	8,67,579	10,45,617	12,09,829	13,00,026	14,63,700	15,71,078	19,34,880	21,85,877
Other Assets (₹in crore)	1,35,710	1,71,416	1,55,742	1,69,716	1,84,119	2,66,295	3,18,265	3,68,898	4,58,885	5,28,015
Total (₹in crore)	10,53,414	12,23,736	13,35,519	15,66,211	17,92,748	20,48,080	23,57,617	27,05,966	34,54,752	36,80,914
Net Interest Income (₹in crore)	23,671	32,526	43,291	44,329	49,282	55,015	57,195	61,860	74,854	88,349
Provisions for NPA (₹in crore)	5,148	8,792	11,546	11,368	14,224	17,908	26,984	32,247	70,680	54,529
Operating Result (₹in crore)	18,321	25,336	31,574	31,082	32,109	39,537	43,258	50,848	59,511	55,436
Net Profit Before Taxes (₹in crore)	13,926	14,954	18,483	19,951	16,174	19,314	13,774	14,855	-15,528	1,607
Net Profit (₹in crore)	9,166	8,265	11,707	14,105	10,891	13,102	9,951	10,484	-6,547	862
Return on Average Assets (%)	0.88	0.71	0.88	0.97	0.65	0.68	0.46	0.41	-0.19	0.02
Return on equity (%)	14.04	12.84	14.36	15.94	10.49	11.17	7.74	7.25	-3.78	0.48
Expenses to Income (%) (operating Expenses to total Net Income)	52.59	47.6	45.23	48.51	52.67	49.04	49.13	47.75	50.18	55.70
Profit Per employee (₹in 000)	446	385	531	645	485	602	470	511	-243	33
Earnings Per Share (₹)*	144.37	130.16	184.31	210.06	156.76	17.55	12.98	13.43	-7.67	0.97
Dividend Per Share (₹)*	30	30	35	41.5	30	3.5	2.60	2.60	Nil	Nil
SBI Share (Price on NSE) (₹)*	2,078.20	2,765.30	2,096.35	2,072.75	1,917.70	267.05	194.25	293.40	249.90	320.75
Dividend Pay out Ratio % (₹)	20.78	23.05	20.06	20.12	20.56	20.21	20.28	20.11	NA	NA
Capital Adequacy Ratio (%)										
(₹in crore)	90,975	98,530	1,16,325	1,29,362	1,45,845	1,54,491	1,81,800	2,06,685	2,34,056	2,41,073
Basel-II (%)	13.39	11.98	13.86	12.92	12.96	12.79	13.94	13.56	12.74	12.85
(₹in crore)	64,177	63,901	82,125	94,947	1,12,333	1,22,025	1,35,757	1,56,506	1,84,146	1,94,655
Tier I (%)	9.45	7.77	9.79	9.49	9.98	10.1	10.41	10.27	10.02	10.38
(₹in crore)	26,798	34,629	34,200	34,415	33,512	32,466	46,043	50,179	49,910	46,418
Tier II (%)	3.94	4.21	4.07	3.43	2.98	2.69	3.53	3.29	2.72	2.47
(₹in crore)	N.A	N.A	N.A	N.A	1,40,151	1,46,519	1,75,903	2,04,731	2,38,154	2,45,225
Basel-III (%)					12.44	12	13.12	13.11	12.60	12.72
(₹in crore)	N.A	N.A	N.A	N.A	1,09,547	1,17,157	1,33,035	1,61,644	1,95,820	2,05,238
Tier I (%)					9.72	9.6	9.92	10.35	10.36	10.65
(₹in crore)	N.A	N.A	N.A	N.A	30,604	29,362	42,868	43,087	42,334	39,987
Tier II (%)					2.72	2.4	3.20	2.76	2.24	2.07
Net NPA to Net Advances (%)	1.72	1.63	1.82	2.1	2.57	2.12	3.81	3.71	5.73	3.01
Number of Domestic Branches	12,496	13,542	14,097	14,816	15,869	16,333	16,784	17,170	22,414	22,010
Number of Foreign Branches /offices	142	156	173	186	190	191	198	195	206	208

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

Ratings

as on 31st March, 2019

	RATING	RATING AGENCY
BANK RATING	Baa2/P-2/Stable	Moody's
	BBB-/Stable/A-3	S & P
	BBB-/F3/Stable	Fitch
₹ DENOMINATED INSTRUMENTS		
INNOVATIVE PERPETUAL DEBT	'AAA/Stable'	CRISIL
	"CAREAAA/Stable"	CARE
UPPER TIER II SUBORDINATED BONDS	'AAA/Stable'	CRISIL
	"CAREAAA/Stable"	CARE
LOWER TIER II SUBORDINATED BONDS	'AAA/Stable'	CRISIL
	"CAREAAA/Stable"	CARE
	'(ICRA)AAA (Stable)'	ICRA
BASEL III TIER 2 DEBT	'AAA/Stable'	CRISIL
	"CAREAAA/Stable"	CARE
	'(ICRA)AAA(HYB) (Stable)'	ICRA
BASEL III AT 1 PERPETUAL DEBT	'AA + /Stable'	CRISIL
	"CAREAA + /Stable"	CARE
	[ICRA]AAA(HYB) (Stable)	ICRA

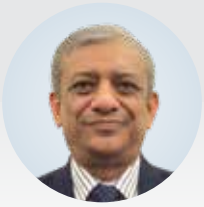
CARE : Credit Analysis & Research Limited
ICRA : ICRA Limited
CRISIL : CRISIL Limited
S&P : Standard & Poor

Central Board of Directors

as on 31.03.2019



Shri Rajnish Kumar
Chairman



Shri P. K. Gupta
Managing Director



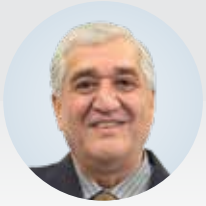
Shri Dinesh Kumar Khara
Managing Director



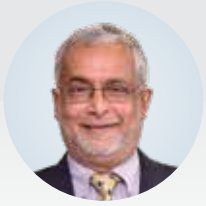
Shri Arijit Basu
Managing Director



Smt Anshula Kant
Managing Director



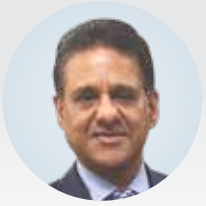
Shri Sanjiv Malhotra
Shareholder Director



Shri Bhaskar Pramanik
Shareholder Director



Shri Basant Seth
Shareholder Director



Shri B Venugopal
Shareholder Director



Dr. Girish K. Ahuja
Director Nominated by GoI



Dr. Pushpendra Rai
Director Nominated by GoI



Dr. Purnima Gupta
Director Nominated by GoI



Shri Rajiv Kumar
Secretary, DFS
Director Nominated by GoI



Shri Chandan Sinha
Additional Director, CAFRAL Director
Nominated by GoI

Chairman

Shri Rajnish Kumar

Managing Directors

Shri P. K. Gupta
Shri Dinesh Kumar Khara
Shri Arijit Basu
Smt Anshula Kant

Directors elected under Section 19(c) of SBI Act

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

Directors under Section 19(d) of SBI Act

Dr. Girish K. Ahuja
Dr. Pushpendra Rai
Dr. Purnima Gupta

Director under Section 19(e) of SBI Act

Shri Rajiv Kumar

Director under Section 19(f) of SBI Act

Shri Chandan Sinha

Committees of the Board

as on 31.03.2019

Executive Committee of the Central Board (ECCB)

Chairman, Shri Rajnish Kumar

Managing Directors,
Shri P. K. Gupta, Shri Dinesh Kumar Khara, Shri Arijit Basu and Smt Anshula Kant

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

Audit Committee of the Board (ACB)

Dr. Girish K. Ahuja,
Independent Director - Chairman of the Committee
Shri Bhaskar Pramanik, Independent Director - Member
Shri Basant Seth, Independent Director - Member
Shri B Venugopal, Independent Director - Member
Shri Rajiv Kumar, GOI Nominee Director - Member
Shri Chandan Sinha, RBI Nominee Director - Member
Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)
Smt Anshula Kant, MD - SARC - Member (Ex-Officio)

Risk Management Committee of the Board (RMCB)

Shri Sanjiv Malhotra,
Independent Director - Chairman of the Committee
Dr. Pushpendra Rai, Independent Director - Member
Shri Bhaskar Pramanik, Independent Director - Member
Shri Basant Seth, Independent Director - Member
Shri B Venugopal, Independent Director - Member
Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)
Smt Anshula Kant, MD - SARC - Member (Ex-Officio)

IT Strategy Committee of the Board (ITSC)

Shri Bhaskar Pramanik,
Independent Director - Chairman of the Committee
Shri Sanjiv Malhotra, Independent Director - Member
Dr. Pushpendra Rai, Independent Director - Member
Dr. Purnima Gupta, Independent Director - Member
Shri B Venugopal, Independent Director - Member
Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)
Smt Anshula Kant, MD - SARC - Member (Ex-Officio)

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

Shri Basant Seth,
Independent Director - Chairman of the Committee
Shri Bhaskar Pramanik, Independent Director - Member
Dr. Girish K. Ahuja, Independent Director - Member
Shri B Venugopal, Independent Director - Member
Shri Sanjiv Malhotra, Independent Director - Member
Dr. Pushpendra Rai, Independent Director -Member
Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)
Smt Anshula Kant, MD - SARC - Member (Ex-Officio)

Customer Service Committee of the Board (CSCB)

Dr. Pushpendra Rai,
Independent Director - Chairman of the Committee
Shri Sanjiv Malhotra, Independent Director - Member
Dr. Girish K. Ahuja, Independent Director - Member
Shri Bhaskar Pramanik, Independent Director - Member
Shri Basant Seth, Independent Director - Member
Dr. Purnima Gupta, Independent Director - Member
Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)
Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)

Stakeholders Relationship Committee (SRC)

Dr. Pushpendra Rai,
Independent Director - Chairman of the Committee
Shri Sanjiv Malhotra, Independent Director - Member
Dr. Girish K. Ahuja, Independent Director - Member
Dr. Purnima Gupta, Independent Director - Member
Shri B Venugopal, Independent Director - Member
Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)
Smt Anshula Kant, MD - SARC - Member (Ex-Officio)

Remuneration Committee of the Board

Shri Rajiv Kumar, GOI Nominee Director - Member (Ex-Officio)
Shri Chandan Sinha,
RBI Nominee Director - Member (Ex-Officio)
Shri Basant Seth, Independent Director - Member
Dr. Girish K. Ahuja, Independent Director - Member

Nomination Committee of the Board

Dr. Girish K. Ahuja,
Independent Director - Chairman of the Committee
Shri Sanjiv Malhotra, Independent Director - Member
Dr. Pushpendra Rai, Independent Director - Member

Board Committee to Monitor Recovery (BCMR)

Shri Rajnish Kumar - Chairman
Shri P. K. Gupta, MD - R&DB - Member (Ex-Officio)
Shri Dinesh Kumar Khara, MD - GB&S - Member (Ex-Officio)
Shri Arijit Basu, MD - CCG&IT - Member (Ex-Officio)
Smt Anshula Kant, MD - SARC - Member (Ex-Officio)
Shri Rajiv Kumar, GOI Nominee Director - Member

Corporate Social Responsibility Committee (CSR)

Shri P. K. Gupta, MD - R&DB - Chairman of the Committee
Shri Dinesh Kumar Khara, MD - GB&S - Member (Ex-Officio)
Shri Sanjiv Malhotra, Independent Director - Member
Dr. Pushpendra Rai, Independent Director - Member
Shri Bhaskar Pramanik, Independent Director - Member
Shri Basant Seth, Independent Director - Member
Dr. Purnima Gupta, Independent Director - Member
Shri B Venugopal, Independent Director - Member

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

Smt Anshula Kant, MD - SARC - Member (Ex-Officio)
Any two independent Directors of the Bank

Members of Central Management Committee

as on 31.03.2019

Shri Rajnish Kumar
Chairman

Shri P. K. Gupta
Managing Director
(Retail & Digital Banking)

Shri Dinesh Kumar Khara
Managing Director
(Global Banking & Subsidiaries)

Shri Arijit Basu
Managing Director
(Commercial Clients Group & IT)

Smt. Anshula Kant
Managing Director
(Stressed Assets, Risk & Compliance)

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

Smt. Anuradha Rao
Deputy Managing Director
(Strategy) & Chief Digital Officer

Shri B. C. Das
Deputy Managing Director
(Internal Audit)

Shri Prashant Kumar
Deputy Managing Director & CFO with additional charge of DMD (Human Resources) & Corporate Development Officer

Shri K. V. Haridas
Deputy Managing Director
(Retail Business)

Shri Anil Kishora
Deputy Managing Director &
Chief Risk Officer

Shri B. Ramesh Babu
Deputy Managing Director
(Chief Operating Officer)

Shri P. N. Prasad
Deputy Managing Director
(Commercial Clients Group- I)
with additional charge of DMD
(Commercial Clients Group-II)

Shri S. K. Varma
Deputy Managing Director
(Corporate Accounts Group)

Shri D. A. Tambe
Deputy Managing Director &
Chief Information Officer

Shri Partha Pratim Sengupta
Deputy Managing Director &
Chief Credit Officer

Shri C. S. Setty
Deputy Managing Director
(Stressed Assets Resolution Group)

Members of Local Boards, other than Managing Director (Retail & Digital Banking) - Nominated by Chairman in terms of Section 21(1)(a) of SBI Act, 1955 as on 31.03.2019

Ahmedabad
Shri Dukhabandhu Rath
Chief General Manager (Ex-Officio)

Amaravati
Shri Mani Palvesan
Chief General Manager (Ex-Officio)

Bengaluru
Shri Abhijit Majumdar
Chief General Manager (Ex-Officio)

Bhopal
Shri Rajesh Kumar
Chief General Manager (Ex-Officio)

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

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

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

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

Hyderabad
Shri Swaminathan J.
Chief General Manager (Ex-Officio)

Jaipur
Shri Vijuy Ronjan
Chief General Manager (Ex-Officio)

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

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

Mumbai
Shri Ajay Kumar Vyas
Chief General Manager (Ex-Officio),
Shri Sanjiv Malhotra*,
Shri B Venugopal

New Delhi
Shri Alok Kumar Choudhary
Chief General Manager (Ex-Officio)
Shri Bhaskar Pramanik*
Dr. Girish K. Ahuja*
Dr.Pushpendra Rai*
Dr. Purnima Gupta*

Patna
Shri Sandeep Tewari
Chief General Manager (Ex-Officio)

Thiruvananthapuram
Shri S. Venkataraman
Chief General Manager (Ex-Officio)

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

Bank's Auditors

M/s J C Bhalla & Co.
New Delhi

M/s Rao & Kumar
Visakhapatnam

M/s Brahmayya & Co.
Chennai

M/s Chaturvedi & Shah LLP
Mumbai

M/s S K Mittal & Co.
New Delhi

M/s Ray & Ray
Kolkata

M/s O P Totla & Co.
Indore

M/s N C Rajagopal & Co.
Chennai

M/s K Venkatachalam Aiyer & Co.
Kochi

M/s S K Kapoor & Co.
Kanpur

M/s Karnavat & Co.
Mumbai

M/s G P Agrawal & Co.
Kolkata

M/s De Chakraborty & Sen
Kolkata

M/s Kalani & Co.
Jaipur

Chairman's Message



Dear Shareholders,

It gives me great pleasure to place before you the highlights of your Bank's performance during the financial year 2018-19. Details of the achievements and initiatives taken by your Bank are provided in the enclosed Annual Report for the year 2018-19.

ECONOMIC OVERVIEW

After picking up pace in 2017, global growth moderated to 3.6% in 2018 with both the developed and the emerging markets witnessing slow growth. Fiscal support in the form of US$1.5 trillion tax cuts and enhanced Government spending enabled the US economy to advance strongly. However, the protectionist policies by the US, uncertainty over Brexit and slowing GDP growth in other advanced economies including Euro Zone, Japan, the UK, Canada accentuated the slowdown. Meanwhile continued easing in China's GDP growth also pulled down overall growth of the developing world.

The financial markets also witnessed increased volatility in 2018. Oil prices remained volatile throughout the year. However, with supply cuts by OPEC and sanctions by the US on Venezuela and Iran, crude prices are now showing an upward bias. Financial volatility that eased somewhat after the adoption of dovish stance by the Fed has increased recently amidst enhanced trade tensions between the US and China. Looking ahead, global economic growth is expected to decelerate to around 3% in 2019.

Against this backdrop, India is still a beacon of growth. Structural changes such as IBC and stabilisation of GST are expected to provide impetus to economic activity. Low inflation, accommodative monetary policy and Government income support to farmers are also likely to support domestic economic activity. However, prolonged US-China trade war and rise in oil prices remain the key risks to growth momentum.

YOUR BANK'S PERFORMANCE

DEPOSITS GROWTH

In the year FY19, your bank's total deposits grew by 7.58% to ₹29,11,386 crore from the previous year's level of ₹27,06,343 crore. The domestic deposits grew by 8.27%, while there was a contraction in deposits of foreign offices by 9.17%, due to the formation of subsidiary State Bank of India (UK) Ltd and transfer of the Bank's existing business to the same. The growth in domestic deposits was mainly due to robust growth in CASA deposits, which grew by 8.42%. The Bank's overall CASA ratio improved from 45.68% in FY18 to 45.74% in FY19.

CREDIT GROWTH

After a significantly low credit growth in the last couple of years, the banking industry's credit growth has picked up in FY19, due to a strong revival in credit to corporate sector driven largely by Government investment and continued demand from personal loan segment. In line with the ASCBs double digit credit growth, your bank's domestic advances grew by 13.99% to ₹19,90,746 crore, while the foreign offices advances grew by 0.23% to ₹3,02,708 crore. Therefore, the gross advances of your Bank grew by 11.96% to the level of ₹22,93,454 crore by March 2019 from the previous year level of ₹20,48,387 crore. The credit to corporates increased by 14.83% to ₹8,51,638 crore in FY19 and major share of the credit went into sectors such as Infrastructure (Power, Roads & Ports) and Services especially NBFCs. The corporate and NBFC credit growth was mostly driven by either PSUs/Govt. sector or the GoI undertakings.

With the revival of credit to corporates, the share of Retail segment (Personal, SME & Agri) in the domestic loan book declined marginally to 57.22% from 57.53% last year. Much of the growth in domestic advances came from Personal segment including Home Loans. Overall, the Personal loans showed a robust growth of 18.52% in FY2019, which is in line with the Bank's strategy towards this segment. Within retail, Home loans and Xpress credit grew substantially by 17.41% to ₹4,00,377 crore and 40.79% to ₹1,04,906 crore respectively in FY19. The growth in Xpress credit is mainly driven by our YONO and INB platforms.

Your Bank's home loan portfolio now constitutes around 62% of the Personal loans. Additionally, your Bank continues to be the largest home loan provider in the banking sector, with a market share of 34.51% as on 31st March 2019 amongst ASCBs.

INVESTMENTS

Your Bank's investment portfolio has declined to ₹9,78,124 crore (domestic portfolio was ₹9,26,651 crore and foreign portfolio was ₹51,473 crore) in FY19 compared to ₹10,73,097 crore in FY18, due to pick up in corporate lending coupled with calibration of term deposit rates to ensure a more optimal Asset Liability structure.

CUSTOMER CONVENIENCE

With a view to build and ensure customer convenience at all times, the Bank has created a large network of touch points. The Bank has 57,467 operating BCs, over 22,000 branches and 58,415 ATMs including 7,658 Automated Deposit & Withdrawal Machines (ADWMs). More than 36% of the financial transactions of your Bank are routed through ATMs/ADWMs. On an average, over 1.4 crore transactions per day are routed through your Bank's ATM network.

Your Bank's first global footprint was with the branch of Bank of Madras in Colombo, Sri Lanka in July, 1864 (first amongst Indian banks). With presence across all time zones through 208 offices in 34 countries, State Bank of India has gradually spread its wings across the globe and has become a pioneer of International Banking among the Indian PSBs. During FY2019, your Bank has endeavoured to consolidate and strengthen its overseas operations and in line with our growth strategy in SAARC region, Nepal SBI Bank Limited, a subsidiary of State Bank of India has opened 10 offices. Furthermore, 12 retail branches of UK were carved out from your Bank's UK operations to form the overseas Subsidiary-State Bank of India (UK) Limited.

TECHNOLOGY AND INNOVATION

A steady stream of technology driven innovations, necessitated by changing customer preferences, is transforming the retail banking landscape. State Bank of India has a multi-channel delivery model, which allows it to offer its customers a choice to carry out transactions through any channel, at any time and at any place. In FY2018-19, your Bank has increased its offerings across various channels - digital, mobile, internet, social media, along with additions to its branches, ATMs and Customer Service Points.

The digital offering, YONO is expected to bring a paradigm shift in terms of customer convenience through more efficient deliveries at lower costs and greater reach for the Bank. The digital application is steadily strengthening in terms of reach as well as value. YONO caters to various banking & financial services as well as lifestyle requirements and delivers world class customer experience through distinctive, omni-channel and seamless customer journeys. YONO has achieved 2 crore downloads and around 73.49 lakh registered users. Over 10 lakh users log in daily and around 25,000 digital accounts are opened per day which is over 75% of all eligible accounts being opened by the bank with 30-40% higher balances than regular accounts.

With 29.67 crore active Debit Cards as of March 2019, your Bank continues to lead in Debit Card issuance in the country. Additionally, your Bank has launched various innovations and functionalities around Debit Cards such as Contactless Debit Cards, Bharat QR, Samsung Pay, Visa Checkout and Personalized Image Debit Card "My Card".

Your Bank has set up over 2,200 e-Corners across the country where customers can avail the entire gamut of services through ATMs, ADWMs, SWAYAMs, Check deposit Kiosk and online banking kiosk.

To ensure safety of ATMs and customers, coverage under electronic surveillance is being enhanced. Your Bank has covered approximately 13,000 ATMs under e-surveillance as on 31st March 2019, while process for 15,000 ATM sites is slated to commence shortly.

Your Bank has installed around 3,200 SWAYAMs (Barcode based Passbook Printing Kiosks) during FY2019, taking the total number of SWAYAMs deployed to 17,400 units. Your Bank has also deployed "Through the Wall" SWAYAMs, offering extended working hours for printing. More than 3.45 crore transactions are recorded at these kiosks per month.

Green Channel Counters (GCC) installed at all retail branches extend services such as cash withdrawal, cash deposit, funds transfer within State Bank of India, in addition to balance enquiry and Mini Statement. On an average 8.20 lakh transactions are being routed through GCC per day.

Your Bank's Unified Payments Interface (UPI) based App is an interoperable offering, which provides the convenience of transferring funds across different Bank accounts using Virtual Payment Address (VPA), Bank Account Number + IFSC and scanning a QR Code. Over 553 lakh users have registered and are availing UPI services, resulting in more than 129 crore transactions, amounting to more than ₹2.96 lakh crore, processed through the SBI UPI channel during FY2018-19.

With the introduction of new features and several add-ons provided on the 'Onlinesbi' to enhance customer comfort and experience, the platform handled transaction volume exceeding 162 crore with transaction value of nearly ₹127.78 lakh crore, recording a quantum jump over the last year. This reflects the growing customer confidence in our offerings and deliverables.

A unique facility 'YONO-Cash' has been made available to our esteemed customers for card-less cash withdrawal through ATM using YONO app.

PROFITABILITY

The FY2019 has been a year of reversal of the negative trend and has brought about significant improvement on asset quality front, provision coverage, NIM and yield on advances. This coupled with reduction in cost of deposits and overall control on the overheads has been a significant improvement over the previous years. The profit of the Bank could have been much higher but for the provisions, mark to market losses on Government securities leading to fall in trading income and pension and enhanced provision on gratuity payable to employees.

The Net Interest Income of the bank stood at ₹88,349 crore registering a healthy growth of 18.03%. The growth is owing to focused efforts in retail credit, corporate credit as well as control in slippages, thereby resulting in good growth under interest income and a simultaneous control on interest expenses by CASA oriented deposit accretion. The Operating Profit of the Bank stood at ₹55,436 crore. The Bank made a standalone profit of ₹862 crore and consolidated profit of ₹2,300 crore.

During the year, the domestic bond yields have seen volatile movements due to unpredictable crude oil prices, US sanctions on Iran, US dollar movements, the trade tensions between US and China and other geo-political risks which captured the headlines for major part of the year. The relatively high domestic interest rates also added to the hardening of G-Sec yields. All these factors led to a fall in trading income and MTM losses eventually impacting the Non-interest income. The Recovery in Written-Off Accounts, however, registered a robust growth of 57% and the trend is expected to continue with better recoveries in FY2019-20.

On the cost front, the Bank has been very conscious in controlling the overheads and strong awareness has been created across the branches and offices of the Bank. As a result of the ongoing measures of cost optimisation, the increase in overheads was restricted to below 7%. Staff expenses is another major head, which recorded an increase of 23.74% during FY19, but that is on account of higher growth in largely one time provisions made for employees.

ASSET QUALITY

Steep growth in provisioning due to rise in stressed assets in FY18 had pushed the profitability of the Bank into negative territory. However, concerted efforts toward recovery in stressed assets and strict monitoring were undertaken in FY19. While the gross NPA ratio of the bank fell to 7.53% in March 2019 from 10.91% the previous year, the net NPA ratio of the Bank also declined by 272 bps to 3.01% in March 2019.

The all-round effort in managing stressed accounts in FY19 resulted in the fresh slippages being contained to ₹32,738 crore, a reduction of 65.5% from previous year through strict monitoring. Recoveries and upgrades during FY19 more than doubled from last year's level of ₹14,530 crore to ₹31,512 crore in March 2019. NPA ratios declined in all segments, with corporate segment registering the steepest decline. The NPA in corporate segment declined from 21.92% in FY18 to 13.62% in FY19.

Despite the ups and downs, the average recovery rate in stressed accounts under the NCLT route was in excess of 60%.

CAPITAL STRUCTURE

The capital adequacy of the Bank improved during the financial year on the back of better Capital planning, including raising of additional Tier I as well as Tier II capital, some amount of internal resource generation and containment of risk in trading and banking books. Accordingly, the Credit Risk Weighted Assets (RWA) on Advances to Gross Advances ratio of the Bank declined to 56.60% in March 2019 from 60.66% in the previous year. The Total RWA to Total Asset ratio also declined by 2.34% to 52.37% in March 2019. The modified duration of the AFS portfolio was also reduced to 2.62 years in line with evolving risk to conserve capital.

The Bank raised AT1 Bonds to the tune of ₹7,317 crore in FY19. This was further supplemented by raising of ₹4,116 crore of Tier II Bonds.

The combined impact of above efforts saw the capital adequacy position of the Bank improving from 12.60% in March last year to 12.72% in March 2019. The Tier I capital and AT1 capital ratios put together increased by 29 bps to 10.65%. With satisfactory recoveries under NPA accounts lined up going forward and slowdown in fresh slippages, internal accruals are expected to support normal credit growth during FY20. However, Bank retains the option to raise capital at an opportune time to build a suitable buffer to support higher than expected credit growth as well as risk absorption capacity.

STRATEGIC INITIATIVES

During FY19, your Bank has undertaken certain strategic initiatives to give an additional thrust to each and every business segment of the Bank. Some of the important initiatives are as under:

- Your Bank has conducted a mass communication program, Nayi Disha Phase 1, for all the employees to improve the customer centric approach in the Bank. The Bank has also revised the assessment of customer satisfaction measures, redesigned 'customer service index' with weightage to critical parameters.
- To revamp the corporate credit structure and systems, the Bank has strengthened the credit risk process and credit review process independent of the Appraisal/Sanction process. The credit risk function has been strengthened by onboarding sector specialists and improved due diligence.
- In HR, the Bank has taken substantial efforts in identifying potential leaders and developing them through customized training programs to create leadership pipeline. With this, your Bank was ranked top among the PSBs in EASE Index for "Developing Personnel for Brand PSBs". Additionally, your Bank's performance management system, Career Development System (CDS) has now made 95% of the roles measurable.
- To increase the reach of its subsidiaries, your Bank is at the forefront in driving Cross Sell Products of the subsidiaries. The Bank expects cross selling income to grow more than 50% over the medium term, for which, your Bank has initiated a CRM Platform for SBG entities (Project IMPACT) to leverage data analytics for lead generation by leveraging the technology enablers in the bank. The Bank is also training more and more officials/employees and encouraging them to acquire the professional certification to cross sell products.
- Your Bank has introduced niche products such as 'SBI Smart Home Top-Up' for existing Home loan customers, SBI 'Wealth' for HNI/High-end customers and Flexible Margin Schemes for real-estate developers.
- Your Bank has started an IFSC Banking Unit (IBU) at International Financial Services Centre (IFSC) located at the GIFT-SEZ, Gandhinagar, Gujarat. This centre aims to provide suitable regulatory regime and create a business environment to attract talent and capital.
- As a responsible corporate citizen, your Bank has taken several initiatives for a better and cleaner environment. Under the Green initiative and cleanliness drive, your Bank has discontinued printing of transaction slips for 43 types of unsuccessful transactions. It has installed solar panels on around 2,400 ATM sites. Your Bank intends to become a plastic free organisation by 2nd October 2019 as part of Bank's sustainability commitment. This major initiative by your Bank is in sync with the Honourable Prime Minister's Swachh Bharat Abhiyan and the national commitment to abolish single use plastic by the year 2022.

SUBSIDIARIES

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

SBI Capital Markets Limited posted a PAT of ₹168.19 crore on a standalone basis for FY19 against ₹236.26 crore in FY18 whereas on a consolidated basis it has posted a profit of ₹236.73 crore as against ₹323.53 crore in the previous year. SBICAP Securities Limited, a subsidiary of SBI Capital Markets Limited has booked gross revenue of ₹408.36 crore during FY19 as against ₹357.56 crore in FY18.

SBI Life Insurance has continued to maintain the leadership position amongst private players in the number of policies issued, which reflects mass coverage and strong market acceptance across geographies amongst life insurers. The Company recorded PAT of ₹1,327 crore in FY19 against ₹1,150 crore in FY18.

SBI Cards and Payment Services Private Limited delivered PAT of ₹788 crore for FY19 vis-à-vis ₹581 crore in FY2018. The company is positioned at Rank 2 with 17.2% Spends share and 17.4% Cards base. SBI Funds Management Private Limited, the Asset Management Company (AMC) of SBI Mutual Fund, is one of the fastest growing AMCs with growth of 7.36% against the industry growth of 3.66% in FY19. It has posted PAT of ₹428 crore during FY19 against PAT of ₹336 crore during FY18.

SBI General Insurance Company Limited (SBIGC) recorded 32.83% growth in Gross Written Premium YoY against an industry growth of 12.95%.The PAT has increased to ₹334 crore for FY2019 vis-à-vis ₹265 crore (excluding onetime reinsurance income from Fire business) in FY2018. The Company's market ranking stands 13th in the industry and 8th among the private players in FY2019.

SBI Global Factors Private Limited, a leading provider of factoring services for domestic and international trade, displayed turnover of ₹4,387 crore for FY19 as compared to turnover of ₹3,555 crore in FY18. SBI Pension Funds Private Ltd, one of the Pension Fund Managers (PFM) to manage the pension corpus, maintained lead position amongst PFM in terms of Assets Under Management (AUM) in both Government and Private Sectors. The total AUM of the company as on 31 March 2019 was ₹1,21,959 crore (YoY growth of 37%) against ₹89,283 crore on 31 March, 2018.

RECOGNITION & AWARDS

Your Bank has over the years garnered numerous awards and accolades and this year was no different. Your Bank was rated the Best Transaction Bank in India by "The Asian Banker" for the second time in a row. Your Bank was awarded as "The Best Trade Finance Bank (India)-2019" for the eighth consecutive year by Global Finance Magazine. Your Bank received "Green Bond Pioneer Award" for being the largest new emerging markets Certified Climate Bond issuer of 2018 by Climate Bond Initiative. Your Bank was also awarded 'Best MSME Bank Award-Large bank' by CIMSME. YONO, our digital initiative, won the "Mobile Banking Initiative of the Year - India" at the Asian Banking and Finance Retail Banking Awards, Singapore and ET BFSI Innovation Awards among many others. At the Asian Banker Financial Technology Innovation Awards 2018 SBI received awards in a number of categories including The Risk Data and Analytics Technology Implementation of the Year for OFSAA.

Among the subsidiaries, SBI Cards won the 'Excellent Compliance Performer Award 2018' at the coveted Compliance 10/10 awards. SBI General has been conferred the title "General Insurance Company of the Year" at the India Insurance Summit and Awards 2019, which is the biggest strategic business summit for the entire insurance industry in India.

CORPORATE SOCIAL RESPONSIBILITY

Social Responsibility is deeply ingrained in the culture of your Bank. Consequently, Your Bank has been undertaking social welfare initiatives much before the formal CSR concept was coined. The Bank believes that it owes a solemn duty to the less fortunate and underprivileged members of the society to make sustainable social change in their lives. State Bank of India always places the interest of the common man, especially the most marginalised, at its core. In addition to this, the Bank earmarks 1% of the previous year's net profit as the budget for CSR spend for the year. Its CSR activities are widespread and deep-rooted and have made a true difference in the lives of millions from underserved communities. The Bank is committed towards the economic and social wellbeing of the downtrodden.

During the year, the Bank has made donation of an amount of ₹5 Crore towards Chief Minister Distress Relief fund, Kerala for floods. Apart from that, Bank has also donated an amount of ₹1.24 crore under CSR mainly towards Healthcare and Sanitation.

ENVIRONMENT AND SUSTAINABILITY

State Bank of India is committed towards environment protection and to reduce its carbon footprints. Hence, your Bank prioritises responsible interaction with environment to avoid depletion and degeneration of natural resources to maintain its long term quality. Some of these initiatives are:

Waste to gold: An initiative to motivate and develop the skills of vulnerable youth to address waste management in the city; and develop small sustainable businesses for their livelihood.

SBI Corbett: An initiative to provide villages a sustainable waste management system and conduct trainings of SHG Workers to spread awareness in nearby schools and hotels.

Swachh Belur Math: SBI Foundation supported Ramkrishna Mission for construction of 201 toilets at new Pilgrims Abode in Belur Math that will serve 13 lakh visitors each year by contributing ₹1.67 crore to this project.

Beat Plastic Pollution: State Bank of India's Local Head Office (LHO) Mumbai organised Cleanliness Drive with the theme 'Beat Plastic Pollution', on the eve of "World Environment Day" at Dadar Beach. More than 125 staff members actively participated collecting 2 tractor load of garbage.

WAY FORWARD

FY20, in all respects, will be a turning point for your Bank. Not only will the financials improve going forward, efforts will also be directed to achieve a more sustainable mix of business, both domestically and in overseas operations.

Taking cues from the last year, the Bank has set the goal to achieve a healthy credit growth of 10-12% in FY2020. To an extent the credit revival and recoveries in FY19 have already set the tone and the Bank is confident of achieving the target set for FY20. It was envisaged last year that growth in business will be achieved by portfolio reordering that will reduce the Credit RWA to Total advances ratio and internal reorganisation of the corporate banking. My message this year highlights the progress in the revival strategy.

However, a sustainable recovery is not just a mechanical arithmetic but it also requires deep structural transformation and strategic shifts in portfolio. Such an exercise should ultimately improve the RoA, minimise asset liability mismatches and reduce the payback period of our investments. Accordingly, our transformation strategy going forward will continue to focus predominantly on five areas: Customer Service, Corporate Credit Revamp, Digitisation of Banking operations, Synergy between subsidiaries and Development of our human resource.

The Bank already has a large customer base in every business segment. The benefits of retaining the existing customer base far outweigh the cost of acquiring new. Accordingly, in the coming year the Bank will roll out revised customer satisfaction measures to gauge customer satisfaction. Our unique training programme - 'Nayi Disha- Phase 2', will be focusing on a customer centric approach for employees, thus linking our human resource training with customer service.

The Corporate Credit area had attracted considerable attention in the last two years. Revamping of Corporate Credit structure and system within the Bank on lines that will widen the universe of clients and focus on new segments has already been initiated and the results are visible. Strengthening of credit processes and increased product penetration across high priority relationships has been and will be our guiding principle going forward. Deficiencies in human resource, if any, will be mitigated and human resources will be strengthened by on-boarding sector specialists.

The use of technology in delivering banking services has become more broad-based. The Bank is already in leadership position in digital channels, ATMs and mobile banking. Asset and liability side product offerings through the YONO platform will be scaled up. Encouraged by successful implementation of e-DFS, our Dealer Finance Scheme, we shall try more technology enabled products for our esteemed corporate clients.

Our subsidiaries have leading market share in their respective products and services. Going forward your Bank will explore technology options to leverage upon the synergies with subsidiaries for distribution of Life and General Insurance, Mutual Funds, Credit Card and Demat Account ensuring instant Customer satisfaction.

I thank all our shareholders for their continued faith in our strength and capabilities, our customers for their valuable support and trust and our employees for their tireless efforts towards achieving our goals.

"Alone we can do so little; together we can do so much". -Hellen Keller

Yours Sincerely,

(Rajnish Kumar)

Directors' Report

I. ECONOMIC BACKDROP AND BANKING ENVIRONMENT

GLOBAL ECONOMIC SCENARIO

Global economic momentum eased moderately in 2018 with GDP growth estimated at 3.6%, as per IMF. Persistent moderation in China, owing to financial tightening amidst rising shadow banking and local government debt, coupled with continuing trade conflict with the US had a dampening effect on overall emerging market and developing economies' performance.

As far as developed economies were concerned, US economic activity picked up against the backdrop of fiscal stimulus. However, there now seems to be a question mark over the continuation of such momentum. The Euro Area grew less than expected, with uncertainty over Brexit and threat of US tariffs on EU automobiles taking a toll on their manufacturing sector.

BRICS countries were also no exception to this trend. For example, drag on mining, construction and agriculture pulled down economic growth in South Africa to a mere 0.8%. Even economic activity in Brazil remained subdued owing to truck drivers' strike and restrained public and private consumption spending.

Global merchandise trade is also expected to have slowed down markedly to around 3.9% in 2018 from 4.7% in 2017. Furthermore, as per the world trade outlook indicator, which gives the "real time" information on the trajectory of world trade relative to recent trends, the recent level of 96.3 (the lowest since March 2010) indicates that trade growth in coming months will be below long term averages.

Meanwhile, financial conditions tightened moderately in 2018 with monetary normalisation in the advanced economies. The US Fed raised the interest rate four times last year consequent to which capital outflows increased from developing economies. However financial volatility has reduced after the Fed adopted a dovish stance.

Going forward, with waning fiscal stimulus in the US and weaker European economy, global growth slowdown is expected to continue in 2019 with GDP growth of around 3%. No deal-Brexit, lingering of trade tensions between the US and China and more than expected tightening of global financing conditions remain the key risks to growth prospects.

INDIA'S ECONOMIC SCENARIO

After decelerating sharply from 8.2% in FY2017 to 7.2% in FY18 and then to 7.0% in FY2019, India's GDP growth is expected to grow by 7.2% (RBI projection) in FY2020. Going forward, several factors appear crucial regarding economic growth. First, private consumption is expected to get a fillip from measures such as public spending in rural areas and increase in disposable income of households due to income tax benefits. Second, resolution of stressed assets and decline in the level of nonperforming advances (NPAs) on Bank balance sheets is expected to improve credit flows, which augurs well for economic activity. Third, improving capacity utilisation, tailwinds from lower oil prices and rate cuts are likely to support economic activity. Fourth, projection of 'near normal' monsoon this year with weak El Niño will be helpful for food grains production and subsequently for food inflation.

Nevertheless, a few downside risks also persist, both on the domestic and global fronts: (i) the slowing down of the global economy may impact prospects of India's exports and the risk may get accentuated if trade tensions remain unresolved and (ii) investment has been supported largely by government-led infrastructure spending and there is now a dire need to boost private investment across sectors.

Growth in agriculture and allied activities decelerated in H2 FY2019 on account of a number of factors operating in conjunction viz., the poor performance of the southwest and northeast monsoons, lower water reservoir levels in the eastern and western regions, low prices for farm produce depressed by the supply glut caused by two bumper harvests in succession and the lack of agricultural markets to deal with large excess supplies. As monsoon is projected to be near normal (due to weakening of El Niño), it may have positive impact on agricultural production, going forward.

In the industrial sector, GVA decelerated to 6.4% in H2 FY2019 from 8.1% in H1 and 8.3% a year ago, pulled down by a fall in the growth of manufacturing activity, as subdued demand was reflected in a moderation in sales growth. Activity in the services sector picked up and became broad-based in H2 FY2019, boosted by resilience in construction activity and acceleration in financial, real estate and professional services and public administration, defence and other Services.

Headline CPI inflation has declined sharply since mid-2018, driven by the sustained fall in food inflation, the waning away of the direct impact of house rent allowances for central government employees, and more recently, by a sharp fall in fuel inflation. Owing to that the average CPI inflation for FY2019 stood at 3.43% compared to 3.58% in FY2018.

The outlook for inflation may be impacted by various upside and downside risks. The major upside risks include: geopolitical tensions and supply disruptions in the global crude oil market, volatility in international and domestic financial markets, the risk of a sudden reversal in the prices of volatile perishable food items, fiscal slippages and possibility of below-normal monsoon this year. Among the downside risks are: a sharper than anticipated slowdown in global growth and its softening impact on crude oil and other commodity prices, and the persistence of a food supply glut. For FY2020, we expect average inflation would be less than 4%.

Against the backdrop of slowing global trade and commerce-inhibiting trade tensions, India's merchandise exports (Y-o-Y) grew by 9.1% in FY2019 vis-à-vis 10.0% in FY18. An important feature of India's export basket in recent years has been a shift away from primary and traditional low value-added exports to higher value-added manufacturing and technology-driven items. This shift has imparted a measure of resilience to export demand in a hostile international trading environment. The Current Account Deficit (CAD) increased to 2.6% of GDP during Apr-Dec'18 from 1.8 % during Apr-Dec'17 due to widening of the trade deficit on account of higher oil prices. As oil prices started moderating from November'18, the CAD has moved down from 2.9% in Q2 FY2019 to 2.1% in Q3 FY2019.

BANKING ENVIRONMENT

The Indian banking sector has been facing a large overhang of balance sheet stress. In the year 2017-18, the persisting deterioration in asset quality necessitated sharp increase in provisions and for the first time since 1993-94, the banking system as a whole, particularly driven by public sector Banks (PSBs), registered losses.

To manage the crisis, the regulator and supervisor, RBI, has tried for the revival of the banking system by following a three-pronged approach: (i) Through Asset Quality Reviews (AQRs) a fuller recognition of stressed assets is nearing completion and provisioning is being policy-driven; (ii) In consonance, the implementation of a new framework for resolution of stressed assets under the overarching mandate of the Insolvency and Bankruptcy Code (IBC) is speeding up the de-stressing of balance sheets and (iii) the Government has undertaken steps for recapitalisation of the PSBs. Reflecting such resolution efforts, asset quality of the banking sector currently appears to be on course to recovery as the load of impaired assets recedes; the first half-yearly decline in gross NPA ratio since September 2015 and improving Provision Coverage Ratio, being positive signals. Stress test results suggest further improvement in NPA ratio. Notwithstanding the significant costs in lieu of enhanced recognition of asset impairment in PSBs, it appears to have led to a greater discipline in credit assessment, higher sensitivity to market risk and better appreciation of operational risks. Meanwhile, the Insolvency and Bankruptcy Code (IBC) has bridged an important institutional gap to strengthen the much-needed credit discipline. Some of the resolutions, however, are lagging behind the envisaged timelines. A time-bound resolution of impaired assets will go a long way in unclogging the credit pipeline, thus improving the allocative efficiency in the economy.

The shift in credit intermediation from Banks to non-Banks has given the corporate sector a diverse choice of financing instruments. Such market-intermediated credit flows require robust supporting infrastructure in the form of appropriate valuation regime as also informative and responsive credit rating framework. However, the stress in the NBFC sector have underscored the need for greater prudence in risk-taking. While the role of Banks and non-Banks in supporting the growth needs of an emerging economy like India is well recognised, emphasis should continue to be on diligent, prudent and sound risk management practices.

With the sustained efforts, the Bank credit has picked up momentum in 2018-19, after remaining depressed for nearly two years, and grown by 11.96%, its highest level in the last five years, compared to last year growth of 10%. Aggregate deposits grew by 7.58% in 2018-19, compared to 6.2% growth in 2017-18. The incremental credit flows are also getting increasingly broad-based, with services accounting for the highest share as against personal loans a year ago. Credit growth to industry, which has turned positive in November 2017 after more than a year-long contraction, has improved, particularly in respect of Infrastructure, Chemical and Chemical products, Engineering and Petroleum, Coal products and Nuclear fuels. The share of credit to agriculture, however, moderated.

The up-tick in credit growth is likely to be supported by the progress being made under the aegis of the IBC in addressing stress on balance sheets of both corporates and Banks, recapitalisation of PSBs, and a positive outlook on the economy. The prevailing negative credit-to-GDP gap indicates that there is sufficient scope for credit absorption and expansion in Bank lending on a sustained basis.

OUTLOOK

The last financial year was particularly challenging for Banks in India. Operational risk increased and there was considerable market volatility, adversely impacting treasury operations. Although the resolution of stressed assets has reached an advanced stage, counter litigations have elongated the realisation of final leg of resolution process. The consolidation in PSB space has changed the landscape of competition and this process may gather pace in the next financial year.

The cumulative effect of policy decisions over the last five years has been positive in FY2019. Reform measures such as GST, IBC, Roads and Inland waterways etc. have stabilised. There is now a larger appreciation of the fact that there will be greater use of digital technology in every sector of the economy. Report of the Taskforce on Artificial Intelligence talks about the use of advanced data and AI techniques in financial services. The credit growth, which has improved in FY2019 and is supported by accommodative policy stance articulated in the First Bi-monthly monetary policy, will remain robust in this financial year as well.

The external environment continues to be challenging. IMF's latest Financial Stability Report observes that rising financial vulnerabilities point to elevated medium-term risks to financial stability. Accordingly, the trend to reorganise foreign business in light of the emerging challenges and new opportunities such as regional trade agreements will shape the things to come. Your Bank has already taken many initiatives in this direction, such as reorganisation of its UK operations. Close monitoring of risk in all overseas operations will be pursued.

Lastly, the first quarter of current financial year is punctuated by the results of general elections. Once this short-term uncertainty is cleared, the course of policy direction will also be visible. With monetary policy already accommodative, a low inflation coupled with manageable fiscal position, the future outlook of growth is positive. The risks in banking sector is likely to ebb with the resolution of large ticket IBC cases. This will create room for business expansion and structural transformation of Banks.

II. FINANCIAL PERFORMANCE

ASSETS AND LIABILITIES

Total assets of your Bank have increased by 6.55% from ₹34,54,752.00 crore at the end of March 2018 to ₹36,80,914.25 crore as at the end of March 2019. During the period, the loan portfolio increased by 12.97% from ₹19,34,880.19 crore, to ₹21,85,876.92 crore. Investments decreased by 8.86% from ₹10,60,986.71 crore to ₹9,67,021.95 crore as at the end of March 2019. A major portion of the investment was in the domestic market in government securities.

Your Bank's aggregate liabilities (excluding capital and reserves) rose by 6.93% from ₹32,35,623.44 crore as on 31st March 2018 to ₹34,60,000.42 crore as on 31st March 2019. The deposits rose by 7.58% and stood at ₹29,11,386.01 crore as on 31st March 2019 against ₹27,06,343.28 crore as on 31st March 2018. The borrowings also increased by 11.29% from ₹3,62,142.07 crore at the end of March 2018 to ₹4,03,017.12 crore as at the end of March 2019.

NET INTEREST INCOME

Net interest income increased by 18.03% from ₹74,853.72 crore in FY2018 to ₹88,348.87 crore in FY2019. Total interest income increased from ₹2,20,499.31 crore in FY2018 to ₹2,42,868.65 crore in FY2019 registering a growth of 10.14%.

Total interest expenses increased from ₹1,45,645.60 crore in FY2018 to ₹1,54,519.78 crore in FY2019. Interest expenses on deposits during FY2019 recorded an increase of 3.35%, compared to the previous year.

NON INTEREST INCOME AND EXPENSES

Non-interest income decreased by 17.55% to ₹36,774.89 crore in FY2019 as against ₹44,600.69 crore in FY2018. During the year, your Bank received an income of ₹348.01 crore (₹448.52 crore in FY2018) by way of dividends from subsidiaries and joint ventures in India and abroad, and ₹3,146.86 crore (₹13,423.35 crore in FY2018) by way of profit on sale of investments.

OPERATING PROFIT

The Operating Profit of your Bank for FY2019 was at ₹55,436.03 crore as compared to ₹59,510.95 crore in FY2018 (including exceptional item of ₹1,560.55 crore in the FY2018-19 and ₹5,436.17 crore in FY2017-18). Your Bank posted a Net Profit of ₹862.23 crore for FY2019, as compared to Net Loss of ₹6,547.45 crore in FY2018.

PROVISIONS AND CONTINGENCIES

Major provisions made in FY2019:

Provision of ₹54,529.06 crore for non-performing assets (as against ₹70,680.24 crore in FY2018) and a write back of ₹762.09 crore towards Investments Depreciation (as against provision ₹8,087.57 crore in FY2018) was made during the year.

RESERVE AND SURPLUS

An amount of ₹258.67 crore (as against nil in FY2018) was transferred to Statutory Reserves. An amount of ₹379.21 crore (as against ₹3,288.88 crore in FY2018) was transferred to Capital Reserves. An amount of ₹371.84 crore (as against withdrawal of ₹1,165.14 crore in FY2018) was transferred to Investment reserve. An Amount of ₹194.05 crore (as against ₹192.32 crore in FY2018) was transferred from Revaluation Reserve to General Reserve.

PROGRESS ON IMPLEMENTATION OF IND AS

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

III. CORE OPERATIONS

1. RETAIL & DIGITAL BANKING GROUP

The Retail and Digital Banking Group is the largest business vertical of your Bank, constituting 97.05% of total Domestic Deposits, and 54.89% of total Domestic Advances, as of 31st March 2019. The Group comprises of eight strategic business units which drive the largest branch network across the country with its vast human resources.

Your Bank's customer base is steadily increasing across the country making Retail Banking the most critical segment of your Bank, both in terms of deposit mobilization, as well as extending customised credit for all basic requirements of Retail customers. Simultaneously, to meet the aspirations of this growing customer base, retail assets are being strategically positioned with a view to occupy a much larger proportion of total advances. Within the retail portfolio, Home and Auto loans are the major contributors. Your Bank continues to be the largest Home Loan provider in the country and the largest dispenser of Education Loans, which demonstrates its unflinching commitment to serve society at large.

The ever-evolving customer preferences, especially of the younger population, are transforming the retail banking landscape. Your Bank is at the forefront in digital banking domain and maintains a steady stream of technology-driven innovations. State Bank of India has a multi-channel delivery model, which allows it to offer its customers a choice to carry out transactions through any channel, at any time and at any place. In FY2019, your Bank has increased its offerings across various channels - digital, mobile, internet, social media, with additions to its branches, ATMs, YONO Cash Points and Customer Service Points. YONO, the banking and lifestyle app of your Bank is steadily strengthening its base, individually.

With a view to enhance its customers' experience, your Bank is making continuous efforts in providing a pleasing ambience within customer service areas, with proper seating arrangements, clean and uncluttered surroundings, along with courteous and smartly attired staff at all its branches.

A. PERSONAL BANKING

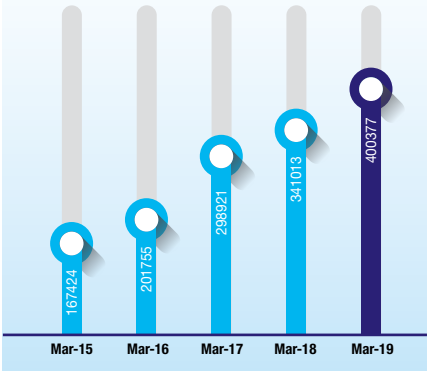
1. Home Loans

As on 31st March 2019, the Home Loan portfolio of your Bank was the largest in the country, with a market share of more than 34.51% amongst All Scheduled Commercial Banks (ASCB). The total Home Loan stood at ₹4,00,377 crore, which was 20.11% of your Bank's domestic advances.

Affordable Housing was a key driver of growth in the overall Housing sector, based on the Government's thrust to bridge the massive Demand-Supply gap of dwelling houses in India, along with the relaxation of the CLSS (Credit Linked Subsidy Scheme) norms under Prime Minister's Awas Yojana (PMAY), covering more beneficiaries, Government has also extended the PMAY MIG Scheme up to 31st March 2020. As of 31st March 2019, State Bank of India has 64.46% of its Home Loan portfolio under Affordable Housing. Your Bank was recognised by the National Housing Board (NHB) as the Best Home Loan provider in the country, under the PMAY MIG category, for FY2017-18.

During FY2019, various initiatives were taken by your Bank to give an additional boost to its Home Loan portfolio, some of which are:

Individual Mortgage Business Level (In Crs)



(March'17 figure includes that of merged Associate Banks too)

- Home Loans on YONO was a significant step towards digitisation and provided the registered YONO customers with 24*7 access to Home Loan needs, such as exploring SBI Home Loan products, calculating eligibility, and getting instant In-principle approval. To meet the personal needs of existing Home Loan customers, Insta Home Top-Up Loan was also introduced on YONO.



- Sanctioning of Home Loans and Home related products from non-BPR centre branches through centralised Rural Assets Credit Centres (RACCs), and Loan Processing Cells (LPCs), has brought about uniformity in processes and better quality of underwriting, resulting in pan-India growth of quality assets. The overall fresh NPA during FY2019 was below 1% of the total Home Loans portfolio.
- In order to help and support the flood affected people of Kerala, within a month of the calamity, your Bank introduced Home Loan Schemes for Repair and Renovation within the Kerala Circle on softer terms, irrespective of category, gender, LTV ratio and risk score of the customers.
- Your Bank introduced niche products such as 'SBI Smart Home Top-Up' for existing Home loan customers; SBI 'Wealth' for HNI / High-end customers; and Flexible Margin Schemes for real-estate developers.
- Your Bank is leveraging its vast branch network and the strength of its committed staff, with the latest state-of-the-art technology to improve the Home Loan journey of the customer. Namely making it faster, more transparent and easier. Your Bank continues to work towards being the first choice Home Loan provider of customers.

2. Auto Loans

Your Bank is helping with upgrading the living standards of its customers by providing auto loans at competitive rates, and by making owning a car an affordable proposition. The auto loan products of your Bank are available in many variants to suit the requirements of various customer segments viz. - salaried, businessmen, self-employed, professionals, senior citizens, NRIs, agriculturists and existing borrowers, amongst others. Multi-channel sourcing of proposals and quick TAT has made the auto loan products highly popular. This has helped your Bank to increase its penetration in financing cars sold by various manufacturers such as Maruti, Hyundai, TATA Motors, to name a few. The Auto Loan portfolio reached a level of ₹71,884 crore by FY2019, and the market share of Your Bank in Auto Loans rose from 34.97% in FY2018, to 35.45% in FY2019, amongst All Scheduled Commercial Banks (ASCBs). Additionally, State Bank of India plans to start financing high-value super bikes, a new and fast emerging segment.

3. Education Loans

Education is the key prerequisite for creating human capital, as it helps in developing skilled and productive human resources. Loans provided for this purpose contribute to the development of the nation and is a growth driver for any economy. Therefore, the financing of up to ₹10 lakh under Education Loans is considered as Priority Sector Advance. Your Bank takes pride in being the largest Education Loan provider in the country, with a market share of 30%. During FY2019, it helped more than 66,947 meritorious students to realise their dreams by providing financial assistance to the tune of ₹6,635 crore. Out of this, 35% of the loans were extended to girl students. To broaden the scope of Education Loans, book quality business and enhance customer satisfaction, your Bank has taken following steps:

- Shortlisted 158 top-rated, premier and reputed institutions to extend Education Loans under the Scholar Loan scheme at relaxed norms and concessional interest rates.
- Door-step services were extended for sourcing high-value education loan applications for studying abroad at select centres.
- To ensure better tracking of the loan applications and faster sanctioning of loans, your Bank's Loan Origination System was integrated with Vidya Lakshmi Portal (VLP) of the Government of India.

4. Personal Loans

Personal Loan is amongst the most popular products of your Bank, and your Bank is a leader in this market segment. Your Bank was aggressively catering to the needs of salaried class (both government and private), pensioners and self-employed/ other customers. During FY2019, your Bank has provided Personal Loans to more than 15 lakh customers, amounting to ₹56,873 crore, while maintaining a market share of around 30%. With a much higher rate of return on parameters such as ROA and RORWA, your Bank's delinquency under this segment is one of the lowest in the industry. The products are delivered through multiple channels such as Branches, Internet Banking and through YONO. Utmost caution in selection of borrowers and careful due diligence has made it possible for your Bank to achieve much lower delinquencies despite aggressive portfolio growth.

Personal Loans for e-Commerce Purchases:

Your Bank provides EMI based loans to pre-selected elite customers for purchase of consumer durable goods worth up to ₹1,00,000 from online shopping portals such as Flipkart and Amazon on a real time basis. Online e-commerce financing under tie-up with Flipkart was launched in May 2018 and with Amazon in October 2018. The portfolio is 19,974 accounts with an outstanding of ₹19 crore as on March 2019.

SBI Debit card holders were empowered to fulfil their shopping needs on POS enabled swipe machines with an EMI facility, given to the pre-selected ones for purchasing consumer durable goods from the approved shops, mall, stores, and show rooms worth up to ₹1 lakh. The facility was launched during the latter part of FY2019.

5. Liability and Investment Products

The overall P-Domestic CASA Deposits of your Bank has grown from ₹8,36,294 crore as on FY2018 to ₹9,16,442 crore as on FY2019, registering a growth of ₹80,148 crore (9.58% annualised). The CASA improved to 48.49% as on FY2019, compared to 48.23% as on FY2018.

6. Corporate and Institutional Tie-ups for Salary Package

Salary Accounts of employees of Corporates, Central/State Government establishments, Defence, Para Military and, Police personnel amongst others, are opened/serviced through Key Accounts Managers (KAMs), who provide personalised service along with a bouquet of products under the Corporate Salary Package (CSP) at the customer's door step. The total Salary Account customer base for FY2019 reached 145.93 lakh accounts, registering a growth of 22% over FY2018.

7. Digital Personal Loan Offerings

While offering products on multiple platforms for portfolio growth with higher profit margins, we have kept in mind the ease of Banking for our Customers, and have implemented following digital products:

- On the YONO Platform, your Bank is providing Pre-Approved Personal Loans (PAPLs) to pre-selected customers through four product lines, viz., Pre-approved Xpress Credits up to ₹5 lakh, Pre-approved Pension loans up to ₹2.5 lakh, Xpress Credit Insta Top-up up to ₹3 lakh, and Pre-Approved Personal Loans (PAPLs) up to ₹2 lakh to CSP and Non-CSP customers.
- Xpress Credit Insta Top-up loans on INB Platform: Top-up loans up to ₹3 lakh are being offered to pre-approved Xpress Credit customers through INB platform.
- Tatkal e-Personal Loan: Loans up to ₹1 lakh are being offered to cater to the needs of pre-selected unserved and under- served non-salaried customers, based on selected parameters. This product was launched in May 2018 and has a portfolio of 27,853 accounts worth ₹122 crore as on March 2019.
- Personal loans were extended against security of Sovereign Gold Bonds of Government of India.

8. NRI Business

As on 31st March 2019, your Bank has around 37 lakh NRI Customers, who are being catered to by 93 dedicated NRI branches in India and a well-connected network of foreign offices. We also have correspondent banking relations with 234 global Banks and tie- ups with 55 exchange houses and six Banks (in the Middle-East) to facilitate remittances. The Indian diaspora, spread across the globe, has always reposed immense trust on us. As a result, a quarter of their deposits (within the Indian Banking system) is with us.

Your Bank has launched the following products/services in FY2019 for the benefit of its NRI clientele:

- SBI Tax Savings Scheme for NRIs (NRO Deposits) was introduced in which customers can avail Tax benefits under section 80C of Income Tax Act, 1961 (minimum tenor of deposit is 5 years and tax-relief is available up to ₹1,50,000 per Financial Year).
- Missed call and SMS Banking facilities were launched for NRIs, in which customers can get their latest balance and mini statements of their accounts via SMS, just by giving a missed call on a predefined number. This is especially useful for customers who are not using Internet Banking facilities. Customers can also block or restrict ATM card usage through this functionality.
- NRIs can now plan and secure retirement with the National Pension System (NPS) scheme. The product is now available to all SBI NRI customers. They can open and maintain NPS account through their Internet Banking portal as well.
- SBI Wealth, the wealth management initiative of your Bank, which offers a platform to create, preserve and grow wealth, is now available to NRI clientele from Gulf Cooperation Council Countries.

9. Wealth Management Business

Your Bank's Wealth Management Services are now made available at 44 Centres with 121 Wealth Hubs, four e-Wealth Centres and a Global e-Wealth Centre by adding 31 new Centres and 45 new Wealth-Hubs during the year. The Wealth-Hubs are managed by a team of dedicated Relationship Managers and Investment Counsellors who have in-depth knowledge on products and markets, along with Senior Internal Officials for operational roles.

For greater connect and visibility, your Bank re-branded the Wealth Management Business as 'SBI Wealth', which was earlier known as 'SBI EXCLUSiF'.

An open Investment Platform, with a state-of-the-art technology and right selling approach based on Risk Profiling, provides the best possible experience to the Bank's clients by offering exclusivity in its services and benefits.

Your Bank added a new e-Wealth Centre at Kolkata during the year. The e-Wealth Centres, with extended banking hours, are equipped with transaction execution facilities over voice and video calls. With an endeavour to provide a best in class holistic experience to clients, your Bank has launched a new version of 'SBI Wealth Mobile App' enabling investment transactions.



During the year, your Bank posted Relationship Managers (NRI Wealth) at Abu Dhabi, Bahrain and Dubai. NRIs residing in Bahrain, Kuwait, Qatar, Sultanate of Oman and UAE are eligible to be on-boarded as Wealth Clients. They have an option to access Wealth Management Services either through e-Wealth Centres or Wealth Hubs during their visit to India. Your Bank has also opened a state-of-the-art Global e-Wealth Centre at Kochi for extending services to NRIs.

Your Bank has conducted Signature Investment Conclaves addressed by experts from the Financial Industry and Markets on prevalent market conditions and investment opportunities. These Conclaves were well attended by existing and prospective SBI Wealth Clients.

To commemorate the 3rd Anniversary of SBI Wealth, the Bank conducted a Signature Client Engagement Program at Mumbai to build a deeper and valued relationship with Wealth Clients. It released the 2nd edition of the Financial Planning reference publication during the launch of its 100th Wealth Hub at Coimbatore.

Your Bank's Wealth Management Business has shown an exponential growth in terms of client acquisition and Assets Under Management during the financial year. The number of Clients increased from 24,168 in March 2018 to 55,502 in March 2019 and AUM reached ₹30,270 crore against ₹14,284 crore during the period.

B. ANYTIME CHANNELS

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

Kiosks are scrapped and not in use * Merged

1. ATMs/ ADWMs

Your Bank has one of the largest ATM networks in the world with 58,415 ATMs including Automated Deposit and Withdrawal Machines (ADWMs) as on 31st March 2019. To provide 24x7 cash deposit and withdrawal facilities, it has installed 7,658 ADWMs and CDMs.

Nearly, 36% of the financial transactions of your Bank are routed through ATMs/ ADWMs. With a market share of 28.73% (as per RBI Data) in ATM network in India, it transacts 50.81% of the country's total ATM transactions. On an average, over 1.40 crore transactions per day are routed through your Bank's ATM network.

Under the Green initiative and cleanliness drive, your Bank has discontinued printing of transaction slips for 43 types of unsuccessful transactions. It has installed solar panels on around 2,400 ATM sites.

Your Bank has set up over 2,200 e-Corners across the country where customers can avail the entire gamut of services through ATMs, ADWMs, SWAYAMs, Check deposit Kiosk, and online banking kiosk.

To ensure safety of ATMs and customers', coverage under electronic surveillance is being enhanced. Your Bank has covered approximately 13,000 ATMs under e-surveillance as on 31st March 2019, while the next 15,000 ATM sites are slated to commence shortly.

2. SWAYAMs: Barcode based Passbook Printing Kiosks

Your Bank installed around 3,200 SWAYAMs (Barcode based Passbook Printing Kiosks) during FY2019, making the total number of SWAYAMs deployed cross 17,400 units. Using these kiosks, customers can print their own passbooks using barcode technology. Your Bank has also deployed "Through the Wall" SWAYAMs, offering extended working hours for printing. More than 3.45 crore transactions are recorded at these kiosks per month.

3. Green Channel Counter (GCC)

GCC installed at all retail branches extend services such as cash withdrawal, cash deposit, funds transfer within State Bank of India, balance enquiry, and Mini Statement. On an average 8.20 lakh transactions are being routed through GCC per day.

4. Green Remit Card (GRC)

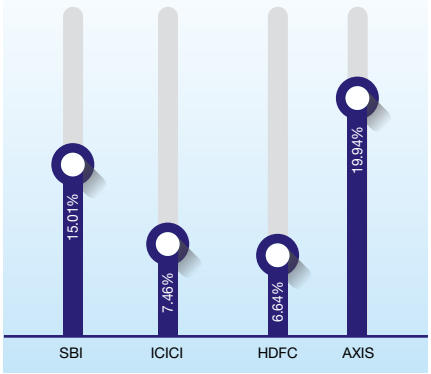
GRC, especially useful for migrant depositors, is a card through which one can remit money using GCC/CDMs/ ADWMs in a specified account of State Bank of India. As a daily average, over 1.50 lakh transactions are being routed through GRC.

5. Banking on Mobile

YONO Lite - Your Bank's Mobile Banking App for retail customers, YONO Lite, as it is now known offers Intra and Inter Bank funds transfer (NEFT/RTGS/IMPS/ UPI amongst others.), opening of fixed deposits, e-MOD Accounts and add / manage beneficiaries etc. Additional value-added services such as Aadhaar Linking, Voice Assisted Banking, e-statement subscription/download, Stop / Revoke cheque instructions, and facility to submit Form 15G/ 15H online for TDS exemption and a host of other features are also available.

SBI Anywhere Corporate - Your Bank's Mobile Banking App for proprietorship firms allows businesses to transfer funds across Banks, open and operate fixed deposit accounts, payment to EPFO, view account statements, schedule transactions, and Recharge/bill payment amongst others. Furthermore, it facilitates large Corporate firms with multiple users and allows business houses to operate accounts, transfer funds through NEFT/ RTGS, make bill payments/supplier payments, authorise e-cheques /e-STDR, open and operate fixed deposit accounts amongst others. With above 141 Lakh registered users, the Mobile Banking channel has processed transactions amounting to ₹2,74,029 crore.

Mobile Banking: Market Share in No. of Transactions (in%)

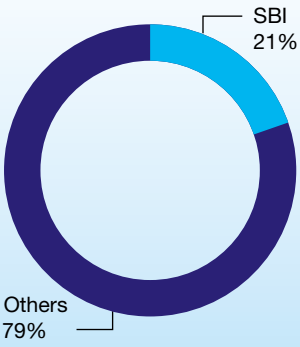


6. SBI Pay (BHIM)

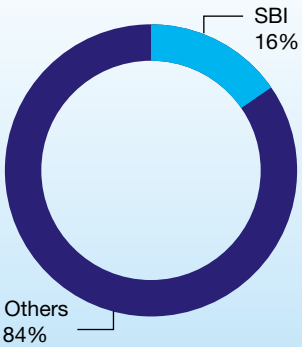
Your Bank's Unified Payments Interface based App is an interoperable offering, which provides the convenience of transferring funds across different Bank accounts using - Virtual Payment Address (VPA), Bank Account Number + IFSC and scanning a QR Code. Over 553 lakh users have registered and are availing UPI services, resulting in more than 129 crore transactions, amounting to more than ₹2.96 lakh crore, processed through the SBI UPI channel during FY2019. Additionally, users have the convenience of making bill payments, travel bookings and ordering food through BHIM SBI Pay making it an all-in-one UPI App. A facility to help donation for a variety of noble causes such as - Clean Ganga Fund and various Chief Minister's Relief Funds, has also been enabled on the app.

Large multinational corporations have implemented digital payments bandwagon to help achieve a Less Cash India. State Bank of India has partnered with Google India to offer UPI services to the users of their App - Google Pay under the UPI Multi-Bank Integration Model. Consequently, over 312 lakh Google Pay users have linked their Bank accounts with their @OKSBI handle till 31st, March 2019.

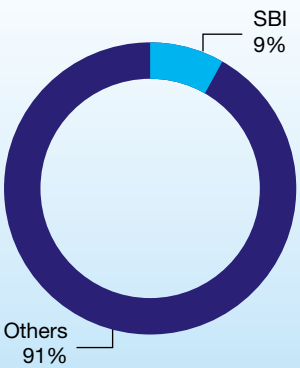
As a Remitting Bank Mkt. Share (%)



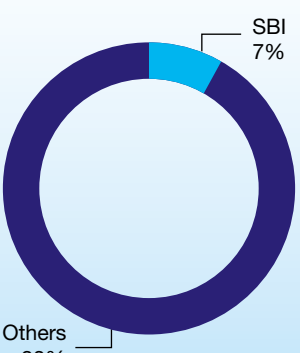
As a Beneficiary Bank Mkt. Share (%)



As Payer PSP Mkt. Share (%)



As a Payee PSP Mkt. Share (%)



SBIePay - Your Bank's Payment Aggregator

SBIePay, started in March 2014, is the first and only Bank based Payment Aggregator in India. In its essence, SBIePay is a platform for merchants to acquire a Bank agnostic large customer base and provides a bouquet of online payment options to the merchant's online customers. During last year, SBIePay has witnessed exceptional growth, as a result of an increase in the number of merchants on-boarded, which rose from 125 in FY2018 to 225 in FY2019. Moreover, your Bank has added four new channels to the bouquet of online payment offerings - NEFT, Prepaid Card, UPI, and SBIePay-POS and have made direct integration with INB of other Banks such as HDFC, ICICI, Bank of Baroda, amongst others. This has resulted in a 115% YoY growth in number of transactions. The value of the transactions settled has jumped from ₹24,487 crore in FY2018, to ₹38,207 crore in FY2019, leading to an increase in the commission/revenue earned by your Bank. SBIePay has achieved a revenue of ₹49.68 crore during FY2019, a growth of 54% over FY2018.

7. Digital Banking

The digital payments landscape in India is evolving rapidly and State Bank of India is playing an effective role in building momentum for transforming India through digitalisation of the economy. In sync with the Government of India to create a less-cash economy, your Bank has expanded its digital footprint across the length and breadth of the country.

YONO: YONO, our flagship customer-facing digital Bank caters to various banking, financial services, lifestyle requirements and delivers world class customer experience through distinctive omni-channel and seamless customer journeys. It is also an employee facing platform that enables end-to-end digitisation of regular banking services.

With YONO our customers today can:

- Open an account digitally and do all banking transactions on a mobile app or website.
- Get advice on and purchase a host of non-banking financial services products such as mutual funds, life and general insurance, credit cards, among others.
- Get the widest variety and lowest prices on beyond banking products, across 89 merchant partners and 21 categories on the platform.
- At the same time, our employees can provide the same services to our customers when they need assisted services. Besides, processes that take up close to 60% of branch activities have been digitised with a view to streamline processes, deliver superior in-branch customer experience and free up capacity for value creating activities.

YONO Impact achieved:

A year since launch, YONO has already generated significant value for the Bank in terms of business growth, new customer on-boarding and customer engagement

YONO has achieved 2 crore downloads and approximately 73.49 lakh registrations till date. Over 10 lakh users login daily.

Significant momentum on new customer on-boarding achieved with approximately 25,000 digital accounts opened per day, which was over 75% of all eligible accounts being opened by the Bank with 30-40% higher balances than regular accounts.

YONO is the fastest growing major channel for personal loans. It has crossed over ₹300 crore of monthly disbursements through a completely paper-less process.

The non-banking financial services product suite, that is, insurance mutual funds, amongst others are achieving all-time highs.

The market place has also been very successful in getting us engagement from our customers. 25% of customers who log in on a monthly basis do so to access the marketplace. For these customers, 45% of the time spent on the app is on the marketplace.

On end-to-end digitisation, we have drastically reduced the TAT for account opening from over 50 minutes to less than 10 minutes and are in process of eliminating the back-office for few key transactions.

Various other intangible benefits were achieved through YONO, for example simplified CKYC process, elimination of paper-based application forms, automated customer validations, amongst others.

Awards won by YONO :

- "CSI IT Innovation & Excellence Awards 2018" - Best BFSI for Implementation of Digital Trasnformation (Dec 2018)
- "ABP News BFSI Award 2018" - Best Bank in Technology Orientation (November 2018).
- "Mobile Banking Initiative of the Year - India" at the Asian Banking and Finance Retail Banking Awards, Singapore (July 2018).
- Indian Express Award 2018 - Enterprise Mobility Category (June 2018).
- ET BFSI Innovation Awards (September 2018).

Performance Highlights of YONO as on 31st Mar 2019 :

- 2 crore + application downloads
- 73.49 lakh Registrations
- App rating on Android is at 3.7 and 2.8 on iOS
- 10 lakh+ daily logins
- 98.31+ lakh Fund Transfers (₹13,413.64 crore) executed
- 2.40+ lakh Fixed Deposits opened
- 13.84+ lakh Bill payments done
- 27.50 lakh+ Digital Savings accounts
- ₹3,800 crore worth disbursals of Digital paperless Pre-Approved Personal Loans to 3.14+ lakh customers, having delinquency rate of less than 0.01 %.
- 89 merchant partners live on the B2C Market Place platform across 21 categories, witnessing approximately 1,37,000 transactions (around ₹60 crore Gross Merchandise Volume), 1.66 crore merchant clicks, and approximately 54,115 IRCTC ticket bookings.
- Mutual Funds Gross Sales worth ₹8,324.79 lakh
- General insurance policies worth ₹981.46 lakh (No: 3,19,936)
- Life Insurance Policies value ₹1,315.47 lakh (renewal) and ₹550.93 lakh (New) achieved on the YONO platform.
- 2.16+ lakh SBI Credit Cards linked; 5.79 lakh card payments worth ₹678 crore done; 1.93 lakh new Card leads generated.
- Online lead generation and issuance of In-principle approval and sanction of Retail Loans for Home Loan (existing customers), approximately 45,475 leads generated, out of which around 9,356 in-principle approval generated (around ₹1,402 crore).
- Innovative product 'YONO Cash' - Cardless, paperless withdrawals at 'YONO cash Points' (ATM) launched Pan India. The innovative YONO Cash feature provides cardless, fast, convenient, and safe cash withdrawal facility at nearly 19,601 ATMs across the country. The enhanced journey to include the scope of paperless/cardless cash withdrawal at POS terminals, branches, and BC channel under YONO Cash is under development.

Debit Cards: State Bank of India has focused on shifting the usage of Debit Cards by customers from ATMs (for cash withdrawals) to PoS terminals/e-Commerce websites. Highest one day spends at PoS/e-Commerce was achieved with ~₹1,000 crore on Dhanteras.

Additionally, your Bank has launched various innovations and functionalities around Debit Cards such as Contactless Debit Cards, Bharat QR, Samsung Pay, Visa Checkout, and Personalised Image Debit Card "My Card". Moreover, it has tied up with various institutions such as Mumbai Metro, Chennai Metro, College of Engineering - Pune, IOCL, and others for launching co-branded Debit Cards/ Combo Cards.

These initiatives made State Bank of India a market leader in terms of share in Debit Card spends, which is at a high of 29.89% as on 31st March, 2019. With approximately 29.67 crore actively used Debit Cards as on 31st March, 2019, State Bank of India continues to lead in Debit Card issuance in the country.

State Bank Foreign Travel Cards (FTC): The State Bank Foreign Travel Card (SBFTC), is a chip based EMV compliant card and is issued on VISA and MasterCard schemes providing safety, security, and convenience to overseas travellers. On VISA it is available as single currency card in 8 currencies - US Dollar, British Pound Sterling, Euro, Canadian Dollar, Australian Dollar, Japanese Yen, Saudi Arab Riyal, and Singapore Dollar. On MasterCard it is available as Multicurrency Card in 7 currencies - US Dollar, British Pound Sterling, Euro, Canadian Dollar, Australian Dollar, Singapore Dollar, and UAE Dirham. Your Bank has also introduced corporate variants of SBFTC to cater to varying needs of corporate customers. Additionally, your Bank is aggressively promoting tie-ups with FFMCs (Full Fledged Money Changers).

FASTags: Your Bank has issued more than six lakh SBI FASTags to customers. Consequently, Toll transactions through SBI FASTags have crossed a mark of 216 lakh with a total transaction amount of over ₹395 crore as on 31st March, 2019. State Bank of India has put onboard, State Road Transport Corporations in Uttar Pradesh, Punjab, Uttarakhand, Odisha, Tamil Nadu, Karnataka, and West Bengal for FASTag services.

Metro and Transit Projects: Your Bank has implemented a first- of-its-kind end to end ticketing solution for the Noida Metro Project using the National Common Mobility Card (NCMC) specifications based RuPay Prepaid Card. State Bank of India has also been awarded the Hyderabad and Nagpur metro project for implementation of Open Loop Automatic Fare Collection System based on the NCMC card specifications, the work of which is under way.

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

Cash@PoS: To reach out and facilitate maximum number of people looking for convenient cash withdrawal, State Bank of India, provides facilities of cash through 'Cash@POS' initiative. Debit card holders of State Bank of India and all other Banks can withdraw cash from PoS machines installed by your Bank across various merchant locations. As per the RBI guidelines customer can withdraw ₹1000 in Tier I and Tier II cities whereas ₹2000 can be withdrawn in Tier 3 to Tier 6 cities

per day per card. Presently, your Bank is not charging any fee. State Bank of India has a total of 5.75 lakh PoS machines of which 4.78 lakh PoS machines are enabled to dispense cash to the customers of your Bank and the Banks who have enabled this facility for their customers.

Merchant Acquisition: The digital payments landscape in India is evolving at a rapid rate and your Bank is playing an effective role in building momentum for transforming India through digitalisation of the economy. In sync with the focus of the Government of India to create a less-cash economy, your Bank has expanded digital payment acceptance infrastructure across the length and breadth of the country. During the year, your Bank introduced a multi option payment acceptance device named MOPAD facilitating payments via cards, Bharat QR, UPI, and SBI Buddy (e-wallet) on a PoS terminal. In addition, your Bank continued to expand digital footprint across the country and deployed 5.75 lakh PoS terminals, 4.19 lakh Bharat QR code and on-boarded 6.31 lakh merchants on BHIM-Aadhaar-SBI. In total, the number of merchant payment acceptance touch points crossed 27.91 lakh as on 31st March 2019. Your Bank has acquired nearly 54 crore transactions during FY2019 with 24% increase on Y-o-Y basis. In addition to offering basic acquiring services, your Bank is also providing other services such as:

- NFC acceptance on PoS terminals
- DCC-Dynamic Currency Conversion
- EMI
- Cash@POS
- Acceptance of AMEX, DINERS, DFS, JCB, and UPI

Your Bank continued the efforts to onboard merchants from premium segments like OMCs, retail chains, life style stores, and holiday resorts apart from consolidating the existing business. Your Bank has tied up with major Corporates and with Government departments to migrate their operations from cash to digital mode. This involve customisation and integration of its systems with those of corporate and Government departments to ensure seamless flow of digital transactions. Some of the notable integrations are with Indian Railways, SOUTHCO (Odisha), APDCL (Assam Power Distribution Co. Limited), Goa - GBSS project (Government of GOA), Cyber Treasury (Govt of Madhya Pradesh), IGR (Inspector General of Registrar) Pune, Noida, and Nagpur Metro. Your Bank has also initiated the development of acceptance infrastructure for NCMC (National Common Mobility Card) on our PoS terminals to push the government initiative of 'One Nation One Card'.

State Bank of India has transferred merchant acquiring business to its subsidiary SBI Payment Services Private Limited (SBIPSPL) and has subsequently inducted Hitachi Payment Services Private Limited, a domain player as a JV Partner with minority shareholding. This will enable SBIPSPL to offer innovative technology driven products in digital payment acceptance system, which will boost Digital India Initiative and offer improved merchant experience.



Chairman, SBI, announing the launch of SBI Wealth in the presence of CGM, SBI Bengaluru Circle and CGM, (Wealth).



8. Customer Value Enhancement

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

Performance Highlights: (Commission on Cross Selling)

	ACTUALS	
J Vs	**YTD March 2018 (₹in crore)**	**YTD March 2019 (₹in crore)**
SBI LIFE	714.75	951.90
SBI MF	560.51	503.00
SBI GENERAL	212.57	270.86
SBI CARDS	135.83	190.69
SSL	5.14	6.70
NPS	2.44	4.11
TOTAL	**1631.24**	**1927.26**

INITIATIVES AND SUCCESSES

SBI LIFE

- Digital sale has gone up from 22% to 92% in FY2019.
- Number of Specified Person for Life insurance has increased to 54,317 as on March 19 as against 46,180 in March 18 (Increase of 17.6%)

SBI MF

- SBI has become India's No.1 Bank distributor in terms of AUM (more than ₹72,000 crore).
- SBI continues to be the market leader in terms of Live SIP numbers (more than 22 lakh) and SIP Book Value as on March 19.

SBI GENERAL

- Number of Specified Person for General Insurance has increased to 22,034 as on March 19 as against 20,646 in March 18 (Increase of 6.72%)

SBI CARD

- No of cards issued through Banca Channel crossed 15 lakh in FY2019.
- Cards sourced from Banca Channel has increased from 45% in FY2018 to 55% of total cards issued by SBI Card in FY2019.

SSL/NPS

- Bank continues to maintain its dominance in mobilising maximum number of NPS accounts this year as well.
- Bank was qualified as Top Performing Point of Presence (POP) under various campaigns observed by PFRDA.
- Bank has shown a significant growth in income earned by sourcing Demat accounts and by opening NPS accounts.

9. Internet Banking and e-Commerce

State Bank of India continues to grow and lead the digital banking space propelled by the enhanced outreach of 'Onlinesbi' across all customer segments. The channel has expanded its footprint with over 129.23 lakh new user additions during the first nine months showing a marked increase over the last year's reach (see Table).

With introduction of new features and several add-ons provided in 'Onlinesbi' to enhance customer comfort and experience, the platform handled transaction volume exceeding 162 crore with transaction value of nearly 127.78 lakh crore, recording a quantum jump over the last year (see Table). This reflects on the growing customer confidence on our offerings and deliverables.

Key Performance Indicators	2017-18	2018-19
New User Registration (₹in lakh)	94.63	129.23
Transaction Volume (₹in crore)	156.56	162.06
Transaction Value (₹in crore)	95,07,340	127,77,976

Key Enablers:

- Green Password has been launched during the year to enhance customers' ease in joining our digital platform with a hassle-free self-registration process. This is set to expand the INB coverage among existing and new customers.
- Launch of Virtual Account Number (VAN), a customised collection tool for big corporates with its unique alphanumeric code that masks the account details of the corporates from the remitter, is another big milestone reached during the year.
- Facility for the **non-INB customers** to update their email ID in CBS records by accessing the option **'Register / Update your E-Mail ID'** under the tab **'Useful Links'**.
- One of the key enablers provided to customers is the facility, which enables them to reply to transaction alerts received through SMS and email for instant reporting of unauthorised transactions.
- Mobile registration was made mandatory to facilitate receipt of SMS alerts by customers.
- Online download of Form 16 A is now made available through OnlineSBI.

C. SMALL AND MEDIUM ENTERPRISES

Your Bank is pioneer and market leader in SME financing. With over ten lakh customers, the SME portfolio of ₹2,88,583 crore, as on 31st March 2019 accounts for nearly 12.58% of your Bank's total advances. State Bank of India has always held SMEs as an important segment, considering the role being played by them in the Indian economy in terms of their contribution to manufacturing output, exports and employment generation. Being committed to providing Simple and Innovative Financial Solutions, your Bank's approach in driving SME growth rests on the following three pillars:

a) Customer Convenience,
b) Risk Mitigation,
c) Technology based digital offerings and process improvements

1. Customer Convenience

With a view to build and sustain the momentum for transforming India, your Bank has created the highest units of touch points in terms of branches and other modes. With a view to enhance ease of business for the Small and Medium Enterprises, State Bank of India modified its existing delivery model of Small and Medium Enterprises Centre (SMEC) and created Asset Management Teams (AMTs) to maintain end to end relationship with the customers for micro loans up to ₹50 lakh. The SMECs have also been strengthened in terms of manpower, which has resulted in improvement in the service.

2. Digital offerings:

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

Loan Life-Cycle Management

Lead Management System (LMS): Your Bank is hosting an online loan application and tracking facility for MSME borrowers on the Corporate Website www.sbi.co.in. It is an internet-based Credit Proposal Tracking System called Lead Management System (LMS), which allows customers to apply for a loan online and receive an acknowledgement in the form of application reference number.

Customer Relationship Management (CRM): Leads sourced are tracked and monitored for delivery through this system.

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

Contactless Lending Platform

State Bank of India is one of the members of SIDBI led PSB consortium and your Bank's path-breaking initiative, psbloanin59minutes.com, provides easy access for loans to SMEs registered on GST platform and filing income tax. On this Contactless Lending Platform (CLP), in-principle sanction of loans up to ₹1 crore is processed. 8,377 in-principle sanctions were generated through CLP by FY2019, amounting to ₹3,250 lakh.

Project Vivek

Project Vivek heralded a paradigm shift in your Bank's appraisal system from traditional Balance Sheet based funding, to a more objective appraisal system of leveraging cash flow and other information sources. It is a promising initiative launched by State Bank of India to implement a new Credit Underwriting Engine (CUE) for the SME segment, thereby bringing objectivity in better risk assessment. Moreover, it reduces Turn Around Time (TAT) resulting in better customer experience. By FY2019, a total of 34,477 proposals were processed under Project Vivek. Further, during the year, technical enhancements were done in the project to improve the underwriting process.

SBI and QCI sign MoU on Zero Defect Zero Effect (ZED) Certification for MSMEs: State Bank of India becomes the first Bank to sign a Memorandum of Understanding (MoU) with Quality Council of India on the Zero Defect Zero Effect (ZED) Certification Scheme of Ministry of Micro, Small and Medium Enterprises, Government of India.

As part of this MoU with QCI, your Bank has decided to offer concessions in Pricing/processing charges for MSMEs having better ZED ratings. State Bank of India is also considering incorporating ZED rating as a parameter in its Bank's internal rating system.

Briefly, this MoU will pave way for a collaborative arrangement on implementation of ZED on a nation-wide scale on specific activities aimed for the benefit of MSMEs. Both your Bank and QCI will define a strategic framework to take forward the vision of Hon'ble Prime Minister for making our MSMEs adopt Zero Defect and Zero Effect practices.

The ZED Certification Scheme of Ministry of MSME is aimed at enhancing the global competitiveness of Indian MSMEs on quality and environment aspects in their systems and processes. It is a continual improvement and rating scheme involving handholding and certification of MSMEs with financial support from the Government of India. Ministry of MSME has nominated QCI as the National Monitoring and Implementing Unit (NMIU) of this Scheme.

So far more than 20,000 MSMEs have registered for ZED and many State Governments are already incorporating ZED in their Industrial Policies.

Trade Receivables Discounting System (TReDS)

State Bank of India was the first among all PSBs to register as a financier during the year on the TReDS platform RXIL and M1xchange, set up to provide finance to MSMEs. With this we now have our presence on all the 3 TReDS platforms in the country. Your Bank was actively participating in the online biddings on the platform and was offering very competitive rates for the benefit of MSMEs. Your Bank rediscounted bills worth ₹72.51 crore, which were discounted by SBI Global Factors Limited on the 3 TReDS platforms.





State Bank of India was awarded 'Best MSME Bank Award-Large Bank' by CIMSME.



MOU with KIA Motors India Private Limited (KMIPL), to finance dealers of KIA Motors under Electronic Dealer Financing Scheme (e-DFS) in the gracious presence of MD (R&DB).

3. Business Partnerships/ Tie-ups

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

Warehouse Receipt Finance:

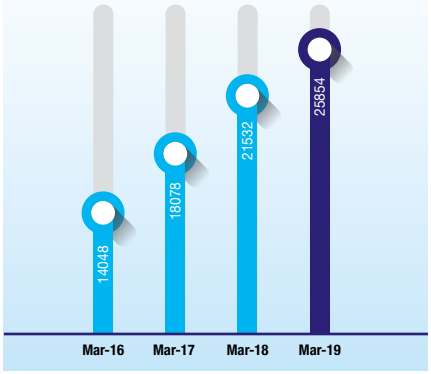
Your Bank has introduced Warehouse Receipt Financing scheme (WHR) to extend finance to traders/owners of goods/manufacturers for processing, provided against Warehouse Receipts issued by Collateral Managers having a tie-up with State Bank of India. Further, WHR issued by Central Warehousing Corporation (CWC) and State Warehousing Corporation (SWC) would also be eligible for WHR finance. The WHR portfolio as on 31st March, 2019 stands at ₹6,111 crore.

Supply Chain Finance:

Leveraging state-of-the-art technology and branch network, your Bank has emerged as a major player in Supply Chain Finance by strengthening its relationship with the corporate world.

During the fiscal year, State Bank of India entered into 61 new e-DFS (Electronic Dealer Finance Scheme) and four new e-VFS (Electronic Vendor Finance Scheme) tie-ups covering 351 Industrial Majors, 25,921 of their dealers and 16,572 vendors. The number of oil dealers (Petrol Pumps) on e-DFS crossed 14,806 during the last fiscal.

There was 20.07% Y-O-Y growth in e-DFS portfolio.



4. Risk Mitigation:

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

Pradhan Mantri Mudra Yojana:

In line with the initiatives of the Government of India, your Bank has laid considerable emphasis on extending credit facilities to eligible units under different variants of Pradhan Mantri Mudra Yojana and has disbursed ₹33,612 crore for FY2019 under PMMY, against a target of ₹33,550 crore.

Credit Flow to Micro and Small Enterprises under CGTMSE:

State Bank of India was a pioneer in supporting MSMEs and Micro and Small business, by extending collateral free lending up to ₹2 crore under guarantee of CGTMSE. Your Bank has a portfolio of ₹7,830 crore under CGTMSE as on 31st March, 2019.

D. RURAL BANKING

1. Agri Business

Credit support for agriculture and allied activities gained greater momentum during this year, although the external environment was marred by farm distress and the effects of debt waivers announced by various State Governments. In line with the past trends, the credit flow to agriculture set by the Government for FY2019 was surpassed by your Bank.

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



World Soil Testing Day 05.12.2018 ADB Jaora, Distt. Ratlam (Bhopal).

Your Bank has launched nine products for Dairy, Fisheries, Poultry, Sheep rearing, Goat rearing, Piggery, Bee-keeping, Sericulture, and Mushroom Cultivation wherein loans with a limit up to ₹10 lakh are being sanctioned without obtaining any collateral security under the Mudra scheme with liberalised terms, as allied agricultural activities are means of increasing farmers' income.

During the year, the Agri portfolio growth was ahead of the YTD ASCB trends. The YTD growth in total Agri advances, as on 31st March, 2019 is ₹14,430 crore. The comparative growth in overall Agri Advances portfolio is as under:

(₹in crore)

Year	Total Agri Advances	YoY Growth Amount	YoY Growth %
FY2019	2,02,681	14,430	7.67%
FY2018	1,88,251	(3014)	(1.58%)

Your Bank has witnessed an impressive pickup under Risk Mitigated loans such as Gold Loan, ABAL (Asset Backed Agri Loan) and Portfolio Purchases from MFIs, resulting in an increase in the share of Risk-mitigated loans from 27.6% in FY2018, to 30.3% in FY2019 at a whole Bank level. In Portfolio Purchases from MFIs under Direct Assignments, a total of 29 proposals worth ₹9,555 crore were sanctioned during FY2019.

A new product designed to meet the general-purpose needs of farmers against the collateral of property, called the Asset Backed Agri Loan (ABAL), picked up momentum during the year with a growth of about 142%, albeit on a lower base. This product was readily accepted by customers because of the flexibility it offers.

Your Bank is de-risking its Agri portfolio and supporting farmers at the same time by tying up with local and national level Agri Corporates, wherein the supply chain will ensure cash flows for timely renewal of loan and better incomes for the farmers. Additionally, it is lending under a Cluster-based approach to tap opportunities revolving around areas and centres, which have traditionally been known for shrimp farming, dairy, poultry and, higher value horticulture crops such as pineapple and mango.

Micro credit (SHGs Bank Linkage):

Your Bank has the highest market share in SHG loans outstanding, among all Banks with outstanding loans of ₹13,444 crore to 6.09 lakh SHGs as on 31st March, 2019 including more than 50 lakh women members.

Deendayal Antyoday Yojana: National Rural Livelihood - Mission (DAY-NRLM):

Since inception of DAY-NRLM on 1st April, 2013, your Bank has financed 14,25,670 SHGs under Bank-SHG Linkage and disbursed ₹23,939 crore.

State Bank of India has won the National Award for highest SHG Bank linkages for the year 2018, instituted by Ministry of Rural Development, New Delhi on 11th May, 2018. Your Bank's market share of loans under National Rural Livelihood Mission among PSB is 25.42% as on 31st March, 2019.

Other Initiatives

Recognising the contribution of rural India to the nation's economic growth, your Bank is striving to meet the financial needs of the rural segment through various new channels and services. To create focused attention on the importance of soil health card and advocating for sustainable management of soil resources aimed at enhanced Agri production, State Bank of India has observed World Soil Testing Day on 5th December, 2018 across the country at selected branches by inviting Agriculture Scientists and farmers at field level. The programme was themed "Be the Solution to soil pollution" to encourage Organic Farming.

As widely reported, the Agriculture sector saw developments with a few States announcing waiver of farm loans in response to demands made by the farmers.

Your Bank announced Rinn Samadhan:2018-19 scheme, covering farm sector loans and achieved the set internal targets.

Keeping in view the large number of customers served by your Bank, it organised mass contact programmes on five occasions during the year. Under this initiative, all Rural and Semi-urban branches held informal meetings with farmers to improve customer connect and spread awareness about your Bank's and Government's schemes. As estimated, at least 14 lakh farmers attended these meets.

Other remarkable initiatives taken during the year included issuance of 72 lakh KCC-ATM-RuPay Cards to Kisan Credit Card (KCC) borrowers for ease and operational convenience. KCC RuPay Cards work seamlessly with ATMs and PoS machines, enabling farmers to purchase their day-to-day farm requirements on 24x7 basis.

State Bank of India, organised Kisan Mela at nearly 14,000 rural and semi-urban branches across the country. It is an initiative by your Bank to connect with farmer customers, resolve their grievances, and educate them about their rights and your Bank's initiatives.

As part of Kisan Mela, your Bank also offers KCC farmers an enhancement of 10% to their credit limit on renewing the account. In addition to this, State Bank of India has taken this initiative to reach out to the farmers to educate about the benefits of renewing KCC account to get maximum benefits of interest subvention from Government and coverage under Pradhan Mantri Fasal Bima Yojana. Your Bank has also made farmers aware about the benefits of timely renewal of KCC account and usage of KCC Rupay Card for transactional convenience.

Furthermore, your Bank will sensitise farmers on various Agri-products of your Bank like Asset Backed Agri-loan, Mudra Loan and loans on other allied Agri activities.

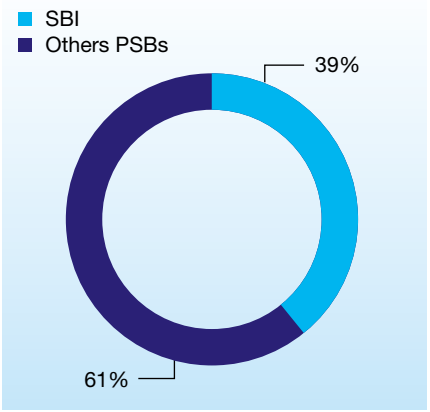
2. Financial Inclusion (FI):

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

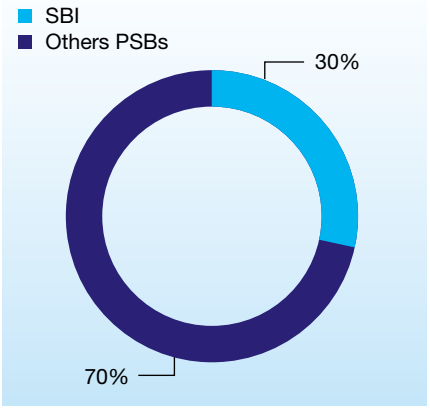
Your Bank has 57,467 operating BCs and 22,010 branches across the country to offer banking services. The BC channel, which provides customers in unbanked areas an access to various banking products and services while reducing footfalls in the branches, has recorded 39.75 crore transactions amounting to ₹1,73,381 crore in FY2019, translating to around 15 lakh transactions per day.

Under the flagship Pradhan Mantri Jan Dhan Yojana (PMJDY) of Government of India, State Bank of India has paved the way for universal financial access by being a pioneer in implementing the programme. Your Bank has opened 10.97 crore accounts by FY2019 and issued 9.20 crore RuPay debit cards to the eligible customers. These initiatives taken under financial inclusion as part of key economic policy agenda of the Government over the last decade, has ensured access to Bank accounts for the excluded persons.

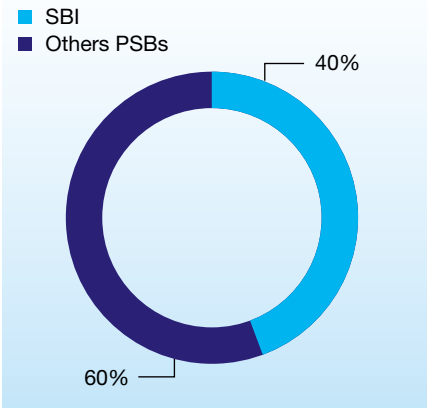
No. of PMJDY Accounts



Deposits Accounts (PMJDY)



No of Rupay cards issued (PMJDY)



To fulfil the needs of Social Security measures, low cost Micro insurance products (PMJJBY, PMSBY) and pension schemes (APY) are provided to the unorganised sector in a big way, covering around 3 crore customers.

Imparting Financial Literacy

With the objective of imparting financial literacy and facilitating effective use of financial services, your Bank has set up around 338 Financial Literacy Centres (FLCs) across the country. During FY2019, a total of 29,450 financial literacy camps were conducted by these FLCs across the country. As a part of the pilot project implemented by RBI, your Bank has set up 15 centres for Financial Literacy at Block level, five each in the state of Maharashtra, Chhattisgarh and Telangana in association with NGOs identified by RBI.

State Bank of India hosted a panel discussion on 'India-China: Financial Inclusion - Experiences and Challenges'. The discussion was attended by a high-level delegation from China, which included Mr. Li Wei, President, Development Research Centre, PRC, and Minister. Furthermore, it was centred around the initiatives taken by the Indian and Chinese governments towards financial inclusion, the experiences and the challenges thereto.

Rural Self Employment Training Institutes (RSETIs) play an important role in skill development by imparting comprehensive quality training programme to rural youth. Additionally, it facilitates them in setting up micro enterprises. Your Bank has set up 151 RSETIs spread across 27 States and one Union Territory.

RSETIs have trained over 96,999 rural youth in FY2019. Over 70% of the candidates trained are women and 92% of the candidates trained belong to non-general categories (SC/ST/ OBC/ Minorities). More than seven lakh candidates were trained by SBI-RSETIs since 2012 of which 69% were settled, in gainful vocation.

E. NBFC ALLIANCES

Reserve Bank of India has issued guidelines on co-origination of loans with Banks and NBFCs. Based on the guidelines, your Bank has created a new department 'NBFC Alliances' in the month of October, 2018. The main objective of the Department is to partner with Non-Banking Finance Companies and Micro Financial Institutions across the country in Co-origination of loans for creation of assets under priority sector.

To achieve this objective, your Bank has formulated a detailed policy approved by The Central Board. Additionally, the NBFC Alliances Department focuses on engaging NBFC/MFIs (other than NBFC-ND-SI) as Business Associates to achieve a growth in Priority Sector Advances. Moreover, the Department also facilitates portfolio purchase and securitisation of loan portfolio with respective Business Units, viz., ABU, SMEBU, REHBU and PBBU.



Your Bank has stepped up the target for purchase of good quality portfolio of assets from NBFCs, as it believes that there is good opportunity to expand its loan portfolio at attractive rates. Your Bank is looking for opportunities both in priority and non-priority sectors. Your Bank had initially planned for a growth of ₹15,000 crore through portfolio purchase during the current year, which is now being enhanced.

F. OTHER NEW BUSINESS INITIATIVES

1. Special Projects

IFSC Banking Unit at GIFT SEZ: The Chairman, inaugurated your Bank's IFSC Unit (IBU) at International Financial Services Centre (IFSC) located at the GIFT-SEZ, Gandhinagar, Gujarat. Many developed countries have financial hubs, which have evolved over a period as International Financial Centres (IFC). These centres provide suitable regulatory regimes and create a business environment to attract talent and capital. Successful IFCs are places where business is conducted between organisations from all over the world using latest financial technologies and products.

While the 100% tax concession available till 2020 and 50% for the next 5 years till 2025 are surely an attraction, they are not the only reason why your Bank has set up an Office in IFSC. The proceeds of ECBs (External Commercial Borrowings) which were hitherto being parked at high cost jurisdictions like London, New York, Singapore and Hong Kong, are now being parked at IFSC GIFT City, to optimise on the cost.

Initiatives for pilgrims at Kumbh Mela: With an aim to provide banking services to millions of pilgrims and visitors at the Kumbh Mela, State Bank of India undertook various initiatives. For the 50-day Prayagraj Kumbh Mela, your Bank provided all the necessary assistance to the devotees in the form of two 14-hours working State Bank of India branches, four ATMs, three mobile ATMs as well as a forex counter.

2. Strategy

Following the best global practice, your Bank has created the position of Chief Strategy Officer (CSO) during 2018-19 with the objective of defining journey towards realising Mission Statement of your Bank and transforming vision of Top Management into reality. The position of CSO in your Bank will help in establishing robust strategy framework for enhancing value. The CSO's role also aims for strategic synergy amongst all verticals for enhancing value for Customers, Shareholders and Employees.

The CSO addresses both the business and operational strategy of your Bank. The key areas for CSO organisation have been envisaged as below:

Data Analytics - With support of a core effective group of Analytics professionals, CSO's role is to churn the Bank's own data as well as external data to prepare long term insights and actions. The CSO and his team also assist the senior management with quick analytics for decision making.

Market Research, Benchmarking and Competition - The CSO undertakes market research and analysis of the key products, processes and service lines of the competitors on a continuous basis vis-a-vis our products. This includes service delivery to formulate responsive and creative strategies, mostly in collaboration with the leaders of our Business Units and Field Operations.

Key Project Monitoring - CSO work as a bridge between Top Management and Business Unit owners and Field Managers to keep key strategic projects on track and ensure their speedy and timely implementation.

Few of the projects taken up by CSO for comprehensive improvement of Market Share in major cities of the country include

- Strategic Tie-up for enhancing the Brand value
- Marketing and Branding of YONO
- Realising group synergy

Another strategic initiative taken up by CSO is for Branch Transformation and Re-Imagining of Branch Experience. The objective of the project is to decongest the branches, re-design the desks and transform the branches from being transaction oriented to business oriented and improve service delivery. Besides, several initiatives have been taken up for de-cluttering of branches and uniform branch layout for overall improvement in customer experience.

G. GOVERNMENT BUSINESS

Your Bank has traditionally been the banker of choice to the Government and is the accredited Banker to the major Central Government Ministries and Departments. Being the market leader in Government Business (with a market share of more than 80% in Government commission), your Bank is at the forefront in the development of e-Solutions for both Central and State Governments. This has facilitated their transition to the online mode, resulting in greater efficiency and transparency. Your Bank is an active stakeholder in the Government's latest initiatives namely, Government e-Marketplace, and is continuously engaged in developing customised technology solutions such as e-Tendering, e-BG, e-Trade, amongst others, to keep pace with the Government's digital initiatives.

(₹in crore)

Particulars	FY2017-18	FY2018-19
Turnover	55,61,295	57,47,997
Commission	3,409	3,974

With a view to facilitate e-Governance, digitisation and bringing in more efficiency and transparency, the following initiatives were implemented during the year:

1. GeM (Govt. e-Marketplace)

State Bank of India is the pioneer amongst Banks for financial integration of payments to suppliers for procurement of common goods and services through GeM portal. Five State GeM Pool Accounts were opened at Uttar Pradesh, Tamil Nadu, Himachal Pradesh, Puducherry, and Gujarat. GeM Pool Accounts of more than 70 Autonomous bodies were opened.

2. e-Tendering

Your Bank has implemented the e-Tendering solution for various departments of Maharashtra, Punjab, Kerala, UP, and Assam State Government.

3. PMJAY-Ayushman Bharat

Settlement accounts under the scheme were successfully opened in nine States/ UTs viz Uttar Pradesh, Maharashtra, West Bengal, Assam, Puducherry, Sikkim, Nagaland, Tripura, and Andaman and Nicobar Islands.

4. Indian Railways

State Bank of India has completed integration for collection of Application fee for recruitment in Railway Protection Force through SB MOPS. MOU with Northern Railways for Cash Pickup through our empanelled agencies was executed in FY2019 covering a Total of nine Railway Zones out of 16.

5. Direct Benefit Transfer (DBT)

State Bank of India is the sole Banker for processing Direct Benefit Transfer of LPG subsidy (DBTL). Total number of transactions and amount processed in FY2019 are as following:

(₹in crore)

Particulars	No. of transactions (crore)	Amount (₹in crore)
DBTL	128.95	36,653
DBT (others)	33.06	2,07,526

6. Auction of items gifted to Honourable Prime Minister

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

7. National Testing Agency

Successful Payment Gateway integration with National Testing Agency for collection of examination fees.

8. CBSE

SBMOPS was integrated with CBSE platform for fee collection of CBSE affiliated schools.

9. Pension Payments

State Bank of India has been administering pension payment to 55.57 lakh pensioners through its 16 CPPCs making disbursment of total pension amount of more than ₹1,56,835 crore. During FY2019 2.79 lakh new pension accounts and eight Autonomous Bodies were on boarded for Pension payments. A number of pensioner connect programmes were conducted across the country.

10. Small Savings Schemes

State Bank of India services more than 75.79 lakh PPF and 14.79 lakh SSA accounts making it the highest among all the authorised Banks. Additionally, 5.78 lakh PPF accounts and 3.16 lakh SSA accounts were added during this FY.

11. Other

Your Bank was accorded an approval for opening 33 Accounts for Enforcement Directorate under Ministry of Finance. Your Bank was chosen as an Aggregator Bank for collection of tax and non-tax revenue of the Government of West Bengal. Workshops were conducted across the country for training the personnel of Implementing Agencies.

12. Awards

Your Bank was awarded First Prize for opening the largest Number of Sukanya Samriddhi Accounts amongst all Banks (Pan India). The award was given at National Savings Institute, New Delhi on 30th October, 2018 to celebrate "World Thrift Day".

H. TRANSACTION BANKING UNIT

Your Bank's Transaction Banking Unit (TBU) leverages technology to provide comprehensive solutions for bulk transaction requirement of clients, facilitating their efficient funds management along with other value-added services such as customised MIS, integration with Corporate ERP and dedicated single point Client Support Cell. Transaction Banking services not only facilitate your Bank to maintain close relationship with clients, but also to assess their other Banking requirements such as Credit, Fund Management and Cross Selling.

Your Bank offers a wide range of TBU products and services to Corporate, Government Departments, Financial Institutions and SME Clients. While Corporate and Government clients continue to be the key focus segment, Bank is also marketing among existing clients as well as start-ups in SME sector.

Keeping in line with market trends, your Bank is continuously updating/evolving the bouquet of TBU products/services offered to clients to match the competitors' products/services.

- TBU Fee Income increased by 48.50% from ₹893.66 crore in FY2018 to ₹1,327.08 crore in FY2019. A 30% plus annual growth has been consistently achieved in fee income during the last few years.
- TBU Float Income increased by 81.15% from ₹356.69 crore in FY2018 to ₹646.15 crore in FY2019.
- Turnover registered a Y-o-Y increase of 78.39% with transactions amounting to ₹38,08,314 crore in FY2019 over ₹21,34,867 crore in FY2018.
- Your Bank was recognised as "The Best Transaction Bank in India" by The Asian Banker for the second time in a row in 2018.

2. GLOBAL BANKING

The Wholesale Banking Business in your Bank focuses on servicing Corporate clients through customised financial solutions such as working capital finance, export finance, trade transactions and foreign currency loans. It comprises of several teams focused on specific areas such as specialisation of product offerings, acquiring new business and generating new income streams with continuous focus on profitability and risk mitigation.

A. CORPORATE ACCOUNTS GROUP

The Corporate Accounts Group (CAG) is a dedicated vertical handling the "large credit portfolio" of your Bank through 4 offices in 3 Centres viz., Mumbai with two branches and one each in Delhi and Chennai. CAG now is a super specialised set-up handling 29 top rated Business Group accounts and 66 Non-group accounts to ensure that the quality of service for these prioritised relationships is maintained as the best in the class.



Mundra UMPP, Coastal Gujarat Power, financed by CAG, Mumbai.

The business model of CAG is anchored on the Relationship Management Concept wherein each client group is mapped to a Relationship Manager who leads across -functional Client Service Team. The Account Management Teams (AMTs) work on a central strategy of delivering integrated and comprehensive financial solutions to the clients, through structured products, within a strict Turn-Around-Time. The principal objective of the strategy is to make your Bank the first choice of top corporates.

To firmly align with the changing Banking landscape, in June 2018, your Bank undertook a major revamp of Corporate Credit dispensation Structure making it a future ready set-up to drive sustainable growth. Core objectives of this holistic revamp were, strengthening credit risk management function, leveraging analytics, making a paradigm shift of focus in business from 'Fund to Fee" and Originate to Distribute (O-t-D) so as to improve Bank's overall wallet share in Corporate Banking Business. In addition to credit relationship, Bank is now actively looking at customer 360 requirements especially in credit light sectors viz - Pharma, FMCG, IT, Auto etc. through its newly established Credit Light Group (CLG) set within the CAG set up.

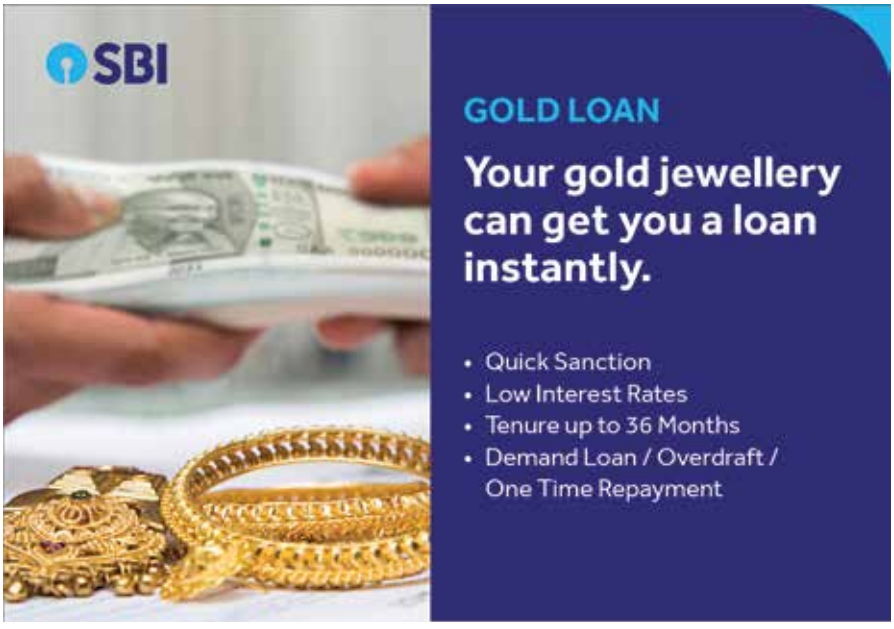
A Specialised Group, FIG (Financial and Institutional Group) to address credit and transactional banking needs of Insurance Companies, Brokering Firms, Banks (Private and Foreign) and Mutual Funds has also been created within CAG. Both the newly created groups have taken off and have started contributing to the Bank's business growth.

Banking technology is revolutionising the way customers engage with their finances. Convenience, speed and flexibility are no longer considered attractive add-ons, but have become a standard expectation of the rapidly changing customer-Bank relationship. Towards this end, your Bank is investing continuously in building technological capabilities to become more agile towards customers' needs. We are currently offering cutting edge technology products to our Corporate customers and are using the latest CRM application for customer management.

Overall, the Corporate Accounts unit has reoriented itself to focus on the highest priority and quality individual and group relationships with differentiated coverage.

The total post revamped outstanding loans to clients in the Corporate Accounts unit stood at ₹2.33 lakh crore and ₹1.68 lakh crore in respect of fund-based and non-fund-based products as on 31st March 2018 and the corresponding fund based and non-fund based outstanding are ₹4.07 lakh crore and ₹1.75 lakh crore as on 31st March 2019 respectively.

Corporate Account Group has been a partner in the industrial growth of the country, especially in creation and development of critical infrastructure viz Roads and Highways, Ports, Power, Telecom, Petrochemicals etc. and your Bank wishes to continue its contribution to Nation's growth as hitherto.



B. TREASURY OPERATIONS

The Global Markets Unit (GMU) performs the Treasury Operations of your Bank with the objective of managing its liquidity in compliance with regulatory requirements, mitigating related risks like liquidity risk, market risk and operational risk. GMU deploys the surplus funds in various investment options based on economic research and scenario analysis and optimises risk and returns. The investment book under Global Markets stood at ₹9,26,651 crore at FY2019 as against ₹10,26,438 crore as on FY2018. It also provides Foreign Exchange services and hedging instruments to customers across the country.

(i) INTEREST RATE MOVEMENTS & SLR AND NON-SLR PORTFOLIO OF THE BANK

GMU is responsible for managing regulatory requirements such as your Bank's SLR/CRR management, maintaining HQLAs for LCR, amongst others. As interest rate markets saw wild movements during the year, RBI increased the overnight repo rates twice during the year, on 7th June 2018 and 2nd August 2018. After low CPI prints and easing of crude price, RBI reduced the Repo Rate in its Sixth Bi-Monthly Monetary Policy dated 07th February 2019 along with change in stance from Calibrated Tightening to Neutral. The repo rate stands at 6.25% post February 2019 policy and has further been reduced to 6% on 4th April 2019. US Federal Reserve was also on a hiking spree by increasing the Fed Target rates four times during the calendar year 2018. With the last rate hike in December 2018, the Fed rate now stands at 2.50% as on 31st March 2019.

On the domestic front, the movement of Interest rates was volatile. The benchmark 10Y security (7.17 CG-Sec 2028), which was trading at 7.40% at the beginning of FY2019 touched a peak of 8.18% on 11th September, 2018 before touching a low of 7.22% on 19th December, 2018. Excess supply in State Development Loans, depreciation in domestic currency, increase in crude prices made the year a roller coaster ride for yields. Due to this volatility, your Bank made provisions on investments.

By the beginning of Q2 FY2019, the system liquidity turned negative, which got aggravated due to the NBFC crisis in the month of September 2018. The liquidity shortfall prompted RBI to conduct Open Market Operations (OMO) to improve the system liquidity. The OMO helped to reduce the excess SLR holding of Banks and alleviated the supply pressures. This resulted in easing of 10-year G-Sec yield.

During the year, with the credit growth outstripping the deposit growth, your Bank's SLR portfolio was brought down in a calibrated manner to generate liquidity. However, in view of the elevated yield levels, your Bank increased the Corporate Bond portfolio as a measure of improving the overall portfolio yield. Net Interest Income stood at ₹88,349 crore as against ₹74,854 crore for FY2018. Profit on sale of investments is at ₹1,023 crore against ₹12,303 crore for FY2018.

(ii) EQUITY MARKETS

The equity markets touched its all-time high levels in FY2019. Post default by IL&FS and on NBFC liquidity concerns, market saw sharp correction in the Benchmark indices. However, market rallied sharply towards the end of the financial year due to strong inflows from FIIs and Nifty ended with 14.93% gains in FY2019. The outcome of General elections, Fed Policy actions, expectation of Global economic slowdown and the increasing tension on trade war is expected to keep volatility on the higher side. Your Bank has managed its equity portfolio following a strategy of actively rebalancing the portfolio based on key events, global and domestic market conditions, quarterly earnings of the companies and, their future outlook. In addition to the secondary market, your Bank continues to profitably invest in IPOs to improve the return on the portfolio.

(iii) FOREX MARKETS

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

GMU manages the FCNR (B) deposit corpus of your Bank and provides FCNR (B) loans and Pre and Post shipment Export Finance in foreign currency to its customers. Your Bank also provides funding support to Bank's Foreign Operations whenever required. On technological front, your Bank keeps pace with the best currently in vogue.

Treasury Marketing Group (TMG) is the customer engagement arm of Global Markets and plays a pivotal role in marketing of Treasury Products to Institutional and Corporate clients of your Bank. Treasury Marketing Units located across the country are the face of Global Markets to the customers. They interact with the customers daily, identify their needs, and coordinate with other business units for pricing, product structuring and delivery.

Foreign Investments and Institutional Treasury sales desk is part of TMG. It is responsible for mobilising treasury business from Foreign Portfolio Investors (FPI)/Foreign Direct Investment (FDI) clients and financial institutions.

Private Equity/Venture Capital Fund

The JV setup with Macquarie and IFC in 2008, to manage the US$ 1.2 billion India-focused PE fund, is currently in the exit phase and has successfully exited from two road assets during FY2019.

The Oman India Joint Investment Fund (OIJIF), a JV set up in 2010 in partnership with State General Reserve Fund of Oman, has completed its investments for Fund-I of US$ 100 million. Fund-I has made two full exits and one partial exit. On the other hand, Fund-II with a target corpus of US$300 million launched in 2017 has raised commitments of US$ 230 million and has deployed ₹450 crore across three assets. Fund-II continues to assess various investment opportunities.

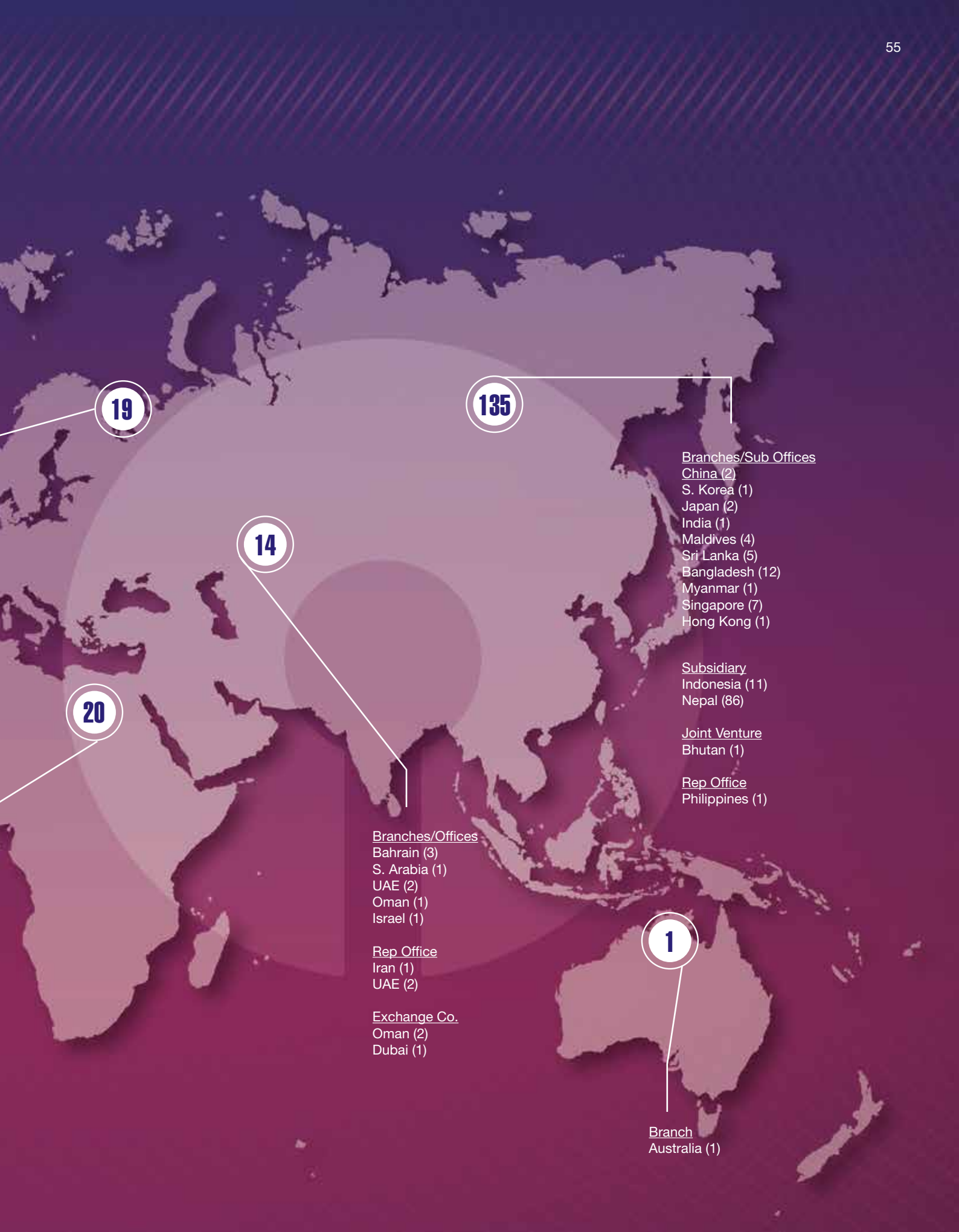
During FY2019, your Bank made partial divestment from its strategic investment in National Stock Exchange. Additionally, it made investment commitments in its Alternative Investment Funds portfolio across investment themes such as Special Situations Funds, funds focused on investing in mid-market growth stage companies and technology.

Portfolio Management Services (PMS)

The Bank is the largest retirement benefit fund manager in the country with an impeccable track record. The total AUM as on 31st March 2019 is ₹5,08,230 crore. Major clients include Employees' Provident Fund Organisation, SBI Retirement Benefit Funds, Coal Mines Provident Fund Organisation, Kendriya Vidyalaya Sanghthan Employees' Provident Fund and Seamen's Provident Fund Organisation. The Bank also assists its RRBs in managing their SLR Portfolio. However, the PMS activity of the Bank is being closed by 31st March 2019, as per RBI's directives.

C. INTERNATIONAL OPERATIONS




19
135
14
20
1
Branches/Sub Offices
China (2)
S. Korea (1)
Japan (2)
India (1)
Maldives (4)
Sri Lanka (5)
Bangladesh (12)
Myanmar (1)
Singapore (7)
Hong Kong (1)
Subsidiary
Indonesia (11)
Nepal (86)
Joint Venture
Bhutan (1)
Rep Office
Philippines (1)
Branches/Offices
Bahrain (3)
S. Arabia (1)
UAE (2)
Oman (1)
Israel (1)
Rep Office
Iran (1)
UAE (2)
Exchange Co.
Oman (2)
Dubai (1)
Branch
Australia (1)

Global Presence

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

Your Bank's first global footprint was with the branch of Bank of Madras in Colombo, Sri Lanka in July, 1864 (First amongst Indian Banks). With a presence across all time zones through 208 offices in 34 countries, State Bank of India has gradually spread its wings across the globe and has become a pioneer of International Banking among the Indian PSBs. These offices are being managed by the IBG.

The breakup of overseas offices of our Bank:

	Overseas Offices as on 31.03.2018	Offices opened during last 12 months	Offices closed during last 12 months	Overseas Offices as on 31.03.2019	Total Overseas Business Volume
Branches /Sub-Offices / Other Offices	73	1	17*	57	USD 57,499 mio
Subsidiaries	(8)	(1)		(9)	
Offices of Subsidiaries	122	21	3	140	
Representative Offices	7		1	6	Net Profit USD 499.31 mio
JV/ Associates / Managed exchange Cos /Investments	5			5	
TOTAL	**207**	**22**	**21**	**208**	

*12 Branches shifted to SBI UK Limited (Subsidiary)

During FY2019, your Bank has endeavoured to consolidate and strengthen its overseas operations in line with the Public-Sector Banks Reforms Agenda envisaged by the Department of Financial Services, Government of India, in order to achieve capital conservation, cost efficiencies, and to build synergies in overseas markets. As a result, your Bank has rationalised its overseas operations by closing two Sub-offices- Laudium and Capetown in South Africa, one branch in Jaffna, Sri Lanka, one Representative office in Cairo, Egypt and consolidated its India Visa Application Centres (IVACs) in Bangladesh by merging three IVACs at Shyamoli (Previously Dhanmondi), Uttara and Dhaka at Jamuna Park. In the overseas subsidiary-SBI Indonesia Limited, two Sub-branches Jatinegra, Kebonjeruk were merged with Jakarta Main branch and one Sub-branch Buah Batu was merged with Bandung branch. During this period, a Remittance Centre was started in Singapore to facilitate remittances for expat blue collar workers. Further, in line with our growth strategy in SAARC region, Nepal SBI Bank Limited, a subsidiary of State Bank of India has opened ten offices. Furthermore, twelve retail branches of UK were carved out from your Bank's UK operations to form the overseas Subsidiary- State Bank of India (UK) Limited.

Year after year, your Bank is consistently creating value for investors by generating good returns and profits. The International Banking arm has consistently been a major contributor in profit, even during the recent troubled times.

The IBG has contributed immensely in transforming the industry landscape of the country by positioning itself in the growth trajectory of the economy with its specialised verticals offering their expertise and services on various fronts, thus playing its part in building the momentum for a transforming India in tandem with the following other drivers:

1. Credit Contribution: Business Driver

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

State Bank of India has sanctioned Foreign Currency loans to the tune of USD 12.91 billion to Indian corporates and USD 10.36 billion loans to overseas entities. Your Bank has also funded a top Indian pharmaceutical company for its overseas acquisition during the year. In the field of Energy, your Bank was active in funding Oil Marketing companies for their working capital requirement after recent Special Dispensation, which has significant strategic importance to India, both in terms of augmenting India's Energy Security amid unstable Crude and Forex prices. In the field of Power, your Bank has always been the leader in providing the External Commercial Borrowings to power sector companies and NBFCs engaged in on-lending to power sector. Presently, your Bank offers a wide range of products and services to exporters and importers through an extensive, well equipped branch network that operates domestically and internationally.

2. Retail and Remittances Strategy

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

- Remittance business strategy was re-imagined by focusing on developing various area specific payment and remittance corridors, such as Gulf to Nepal and Gulf to Sri Lanka.
- SBI Rupee Express, which provides real time, convenient, reliable, and cost saving remittance system to expatriates for remittance to India, was launched in SBI Indonesia (SBI Subsidiary).
- Remittance through UPI launched in Singapore
- ATM Card Hot listing and ATM Card requests through Internet Banking (FEBA) installed in 11 identified territories.
- CRM Solution is successfully launched in 13 identified countries.
- Remittance from USA to India through Transfast Remittance LLC, USA was launched.

3. Global Payments and Services

Global Payments and Services (GP&S), a unit of your Bank, facilitates online inward remittances from overseas locations to India, Foreign Currency Cheque collection, Opening and Maintenance of Vostro Accounts, Asian Clearing Union (ACU) Transactions, and Bank for Foreign Economic Affairs (BFEA) of USSR section. The highlights of the year are:

- Tie-up with 55 Exchange Companies, and six Banks and one Money Service Business for channelising inward rupee remittances from overseas to India
- Compliance framework strengthened for enhanced post transaction monitoring through an application called AMLOCK, related to remittances.

4. Trade Finance

State Bank of India provides a slew of Trade Finance products and services to exporters and importers through an extensive, well equipped branch network that operates in all time zones in India and abroad. The business is monitored through a focused Department, Global Trade Department (GTD) in IBG. Trade Finance forms a significant part of the International Asset portfolio. State Bank of India being one of the top global Banks, provides low cost trade finance to Indian corporates for their imports.

To support Trade Credit for imports to India, your Bank has introduced a new product namely - Non-LC Reimbursement Finance (NLRF) to cater import financing for Bank's domestic branch customers and also, through its another product called SBLC backed Buyers Credit, your Bank renders its trade finance service to importer customers of other Indian Banks.

State Bank of India has recently been awarded as "The Best Trade Finance Provider (India) -2019" for the eighth consecutive year by Global Finance Magazine and as the "Best Trade Finance Bank in South Asia - 2018" by Global Trade Review.

5. International Banking-Domestic (IBD)

IB-Domestic department at IBG of your Bank, serves as a single point of contact for the Domestic Offices and Foreign Offices in areas related to Trade Finance and International Banking on domestic front. A Centralised Co-ordination Cell for processing Inward Foreign Bank Guarantee (CCC-FBG) had been set up under the ownership of IB-Domestic to provide a single stop solution for Correspondent Banks/ Foreign Offices seeking Foreign Bank Guarantees based on their counter Guarantees. Recently, Outward Foreign Bank Guarantee cell has started functioning under CCC-FBG, with a view to further provide momentum to Inward Foreign Bank Guarantee business.

In order to provide momentum to Domestic Trade activity and to address the regulatory concerns as well as to keep in line with the market forces, IB-Domestic is vigorously involved in introducing latest technological tools and product innovations. Moreover, IBD is coordinating and liaising with trade bodies and ICC subgroups for developing relations and strengthening ties. It contributes immensely in synergising Forex business flows from Domestic Offices to Foreign Offices / Foreign Correspondent Banks and trade community by acting as a robust link between them and addressing regulatory gaps.

6. Overseas Treasury Management

Treasury Management Group at IBG of the State Bank of India, known for managing the liquidity, dealing room operations and investments of foreign offices, has priced your Bank's inaugural USD denominated public green bond for USD 650 million under MTN Program in September, 2018 and Standalone Reg-S/ 144A USD issuance for USD 1250 million in January, 2019. The green bond was the first public USD bond issued by an Indian public sector Bank in the fiscal year for which your Bank has received "Green Bond Pioneer Award" for being the largest new emerging markets Certified Climate Bond issuer of 2018 by Climate Bond Initiative. These issues were listed on the Singapore Exchange Securities Trading Limited (Singapore SGX) and the India International Exchange (India INX). Nimble footed transactions were executed in a narrow window during a period of currency and rate market volatility. The successful issuances demonstrate a strong investor base, which the Bank has created for itself in offshore capital markets, allowing it to efficiently raise funds from world's leading fixed income investors, even during the periods of heightened currency and rates volatility.

Investment book of IBG currently stands at USD 6.80 billion, holding investments in high rated and liquid scrips, which provide stable interest income for IBG with low/ medium risk. The Treasury Management group monitors Dealing Rooms at major centres, to facilitate Money Market, Forex and Derivative functions at Foreign offices. Currently there are four major dealing rooms at London, New York, Hong Kong and Bahrain, which work on a hub and spoke model to help smaller Foreign Offices in their operations. Dealing room operations also provide hedging solutions to the balance sheet in optimum manner.

7. Overseas IT Initiatives

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

1. YONO (You Only Need One), one of the most ambitious and secure digital offerings of your Bank, is being extended to overseas offices during FY2020.
2. Online Account Opening Facility is being extended to customers at overseas offices.
3. Additional functionalities were introduced in Finacle E-Banking Application (FEBA) for a better digital banking experience to the customers.

4. Implementation of a new Anti-Money Laundering solution (FICO Tonbeller) to efficiently counter money-laundering risks and events through online screening of transactions / SWIFT messages, customer on-boarding, risk scoring, and transaction monitoring.
5. Enhancing the security of ATM/Debit Cards by introducing additional card management functionalities in the online banking platform (FEBA viz., Hot listing of Cards, New Card Activation, New Card Request, Green PIN, Limit change).
6. SWIFT Operational Controls were strengthened in tune with regulatory guidelines by implementing Straight Through Processing between Core Banking System and SWIFT messaging system and enforcing user restrictions.
7. Technology Risk Management initiatives included upgradation of Networking Equipment, implementation of Standardised Information Security and Incident Management Framework Plans for FY2020.
8. The websites of overseas offices were standardised to provide a uniform look and feel for a better user experience.
9. Leveraged Data Analytics for Product Innovation and Marketing, Fraud Risk Management, Regulatory Reporting, Early Warning Signal for Loans, and Transaction Monitoring.

8. Financial Institutions Group - Correspondent Relations

The Group, on one hand, enables linkages of your Bank with international stake-holders viz. Correspondent Banks, Foreign Government Agencies and Developmental Financial Institutions, International Chamber of Commerce amongst others, and on the other hand, facilitates synergy between IBG and other Business Verticals such as Corporate Accounts Group, Commercial Clients Group and Global Markets amongst others. The key highlights during FY2019 were:

- Focused on creating valuable relationships globally by collaboration with Financial Institutions for delivering better value to our stakeholders in the value chain. Furthermore, your Bank maintains relationship with 235 Banks in 57 countries and periodically reviews its relationship based on your Bank's internal policies, local country guidelines and sanction terms. There has been an increased focus for FI Business by leveraging the relationship with Major Global and Regional Banks.
- Actively engaged with IT Innovation teams of the Bank for bringing in technological advances in the correspondent Banking landscape and also by partnering with major Global Banks.
- Product focus areas include Trade Finance, Credit, Treasury, Debt Capital Markets, Forex Business, Transaction Banking, Remittances, and Currency Clearing.
- Representative offices of SBI in Dubai, Abu Dhabi, Istanbul, Sao Paulo, Tehran, Manila, and Washington are engaged in marketing activities for assets and liabilities support for your Bank's Foreign Offices from Financial Institutions and extending support to the local corporates and NRIs.
- Your Bank has always been an integral part of the growth strategy of the Indian economy and is on the forefront in stimulating growth and facilitating opportunities for building momentum towards a transforming India.

3. COMMERCIAL CLIENTS GROUP (CCG)

A. COMMERCIAL CLIENTS

The Corporate Credit Structure and System in your Bank was revamped to set-up, a future ready organisation to manage the risks and sustain growth. There was a reorientation of CAG to focus on the highest priority and quality individual and group relationships with differentiated coverage. The CCG is formed for consolidation of select corporate client accounts across CAG, MCG and NBG verticals based on a criterion decided by your Bank. This includes rationalisation of the remaining CAG branches and existing MCG branches into 47 CCG branches. The CCG vertical is headed by a MD and supported by a DMD, five CGMs and other functionaries.

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

The Non- food domestic advances level in CCG at the end of FY2019 was at ₹4,00,766 crore registering a YoY growth of 3.93 %. The Yield on Advances in CCG has improved from 7.50% as on Mar'18 to 8.68% as on March 2019 recording a growth of 118 bps. During the same period, business per employee has gone



5th SBI Banking & Economics Conclave held on 3rd July 2018.

up from ₹121.73 crore as on March 2018 to ₹146.72 crore as on March 2019. Profit per employee has improved from ₹1.98 crore as on March 2018 to ₹3.99 crore as on March 2019. Cost to Income Ratio has declined by 295 bps during the year going down from 9.25% as on March 2018 to 6.30 % as on March 2019. On the recovery front, CCG was successful in recovering ₹1,364 crore in Advance Under Collection Account under IBC / NCLT mechanism during the said period.

The group continues to provide a robust platform to its customers for Trade Finance and Forex business.

CCG is at a very advanced stage of launching YONO for Corporates. This is going to provide a very user-friendly digital platform for Corporates for transaction banking as well as Trade Finance Business.

B. PROJECT FINANCE AND LEASING

In contrast to the challenges faced by PFSBU during the previous year, which saw stressed accounts becoming NPA, particularly on Thermal Power, Road sector, Telecom among other sectors, this fiscal year 2019 started with a cautious optimism based on learnings from the past experiences. Policy for funding Renewable, City Gas Distribution and Hybrid Annuity Model in Road sector were framed to mitigate the risks involved. The sectors, which showed signs of revival were Roads, Oil and Gas, Renewable Power, Cement, Fertiliser amongst others. The stressed accounts mainly comprising of Thermal Power, Road sector accounts have been transferred to SARG for resolution. Experienced officials are being recruited from different industries to provide Structuring Solutions to our clients. Chartered Accountants are being employed by your Bank to plug income leakages to boost fee income.

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

Project Finance and Structuring Business Performance:

(₹in crore)

	FY2017	FY2018	FY2019
Project Cost	83,434	81,701	1,99,317
Project Debt	51,227	58,754	1,33,115
Sanctioned Amount	26,557	19,835	51,351
Syndication Amount	5,809	11,937	31,191



Gas Based Power Plant at Dahej SEZ, Bharuch, Gujarat.

4. STRESSED ASSETS MANAGEMENT

1. Over the last few years, there has been a significant rise in the Gross Non-Performing Assets (GNPA) in the Banking Industry. However, in the first half of FY2019, the GNPA of the SCBs declined, which can be attributed to the following factors:

   i. Resolution of a few high value NPA accounts from the 1st and 2nd RBI list of accounts referred to NCLT under IBC, 2016.

   ii. A revival in economic growth conditions of India in FY2018, leading to control in fresh slippages.

   iii. Favourable outlook of steel sector, which was under stress over past few years. Mainly driven by increase in demand, consumption and simultaneous imposition of anti-dumping safeguard duties as well as minimum import prices, the sector has yielded some good recoveries in NPA.

   iv. Strengthening of due diligence, credit appraisal and loan monitoring systems in the Banking industry.

   v. Significant improvement in the Ease of Doing Business ranking for India at 77th position from 130th rank due to two successive jumps i.e., 30 positions in 2017 rankings and 23 positions in 2018. It reflects the adoption of global best practices in business reforms.

   vi. Stabilisation after facing short term impacts of demonetisation and implementation of GST.

   vii. Greater interest evinced by ARCs and NBFCs in purchase of impaired/ stressed assets backed by foreign investments.

2. According to the Financial Stability Report of RBI for December 2018, in a sign of possible recovery from the impaired asset load, the asset quality of Banks showed an improvement with the Gross Non-Performing Assets (GNPA) ratio of SCBs declining from 11.5% in March, 2018 to 10.8% in September, 2018. Further, the resilience of the Indian banking system against macroeconomic shocks was tested through macro stress tests. The results of macro tests suggest that the GNPA of all SCBs may come down from 10.8% in September, 2018 to 10.3% by March, 2019. Moreover, sensitivity analysis conducted to study the resilience of SCBs with respect to credit, interest rate, equity prices and liquidity risks predicts that a severe credit shock is likely to impact the capital adequacy and profitability of a significant number of Banks, mostly PSBs.

3. The movement of NPAs in the Banking industry and recovery in Written-off accounts during the last four years are furnished below:

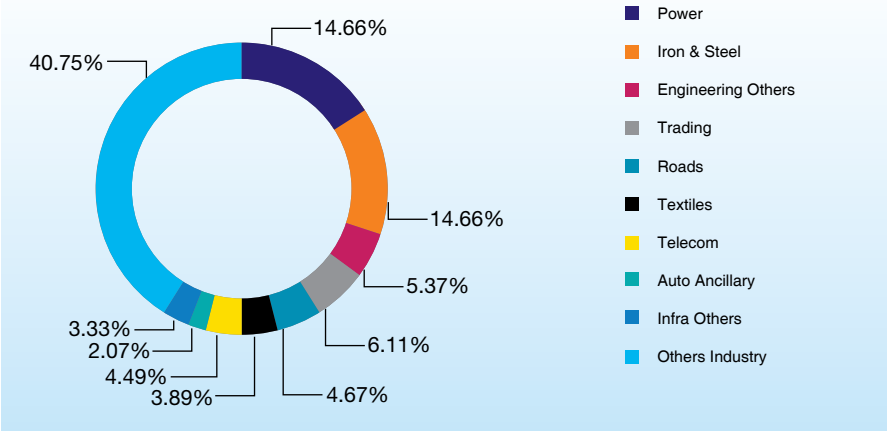
(₹in crore)

	FY2016	FY2017*	FY2018	FY2019
Gross NPA	98,173	1,77,866	2,23,427	1,72,750
Gross NPA%	6.50%	9.11%	10.91%	7.53%
Net NPA%	3.81%	5.19%	5.73%	3.01%
Fresh Slippages + Increase in O/s	64,198	1,15,932	1,00,287	39,740
Cash Recoveries / Up-gradations	6,987	32,283	14,530	31,512
Write-Offs	15,763	27,757	40,196	58,905
Recoveries in AUCA	2,859	3,963	5,333	8,345
PCR	60.69%	61.53%	66.17%	78.73%

*After Merger

Industry wise distribution of the NPA portfolio is represented as under:

Industry wise NPA

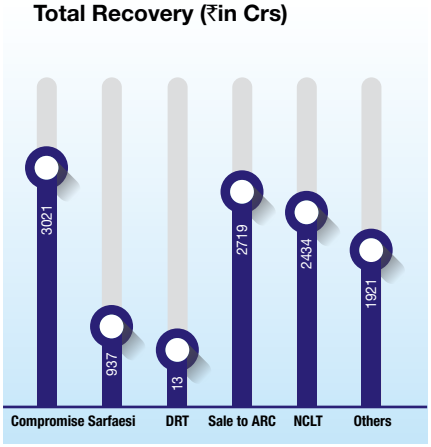


4. The Government of India in its Reforms Agenda for Responsive and Responsible PSBs has directed creation of a Stressed Assets Management Vertical (SAMV). Your Bank takes immense pride for being a pioneer in establishing a dedicated vertical almost decade and a half back by establishing Stressed Assets Management Group (SAMG) during FY2005. In order to focus towards resolution of stressed accounts, SAMG was renamed as Stressed Assets Resolution Group (SARG), which continues to work as a specialised vertical for efficient resolution of high value NPAs. The structure of SARG has been revamped to give focussed approach for resolution of stressed assets across various sectors. At present, the vertical is headed by a Deputy Managing Director and three Chief General Managers overseeing the specialised sector, AMTs functioning under the leadership of seven General Managers. SARG has turned into a centre of excellence in resolution of NPA and stressed assets. As on March 2019, SARG has 20 Stressed Assets Management Branches (SAMBs) and 56 Stressed Assets Recovery Branches (SARBs) across the country, covering 70.62% and 83.71% of your Bank's Non-Performing Assets (NPAs) and Advances under Collection Account (AUCA) respectively.

5. Besides initiating hard recovery measures, SARG introduced certain innovative methods and gave first mover advantage to your Bank in areas such as arranging Mega e-Auction of large number of properties on Pan-India basis, identification of un-encumbered properties of the borrowers / guarantors and arranging for attachment of properties before judgement. The cases referred to NCLT for resolution are monitored at a specialised cell at SARG. A total of 442 cases have been referred to NCLT, out of which 350 cases were admitted. Furthermore, 18 cases have been resolved including a few high value cases from the 1st list of 12 accounts.

6. A significant portion of the recovery in SARG comes from Compromise and Sale of Assets to ARCs. The vertical also implements special OTS schemes (Non-discretionary and Non-discriminatory) from time to time, giving the borrowers a one-time opportunity to settle their dues. A team is set up to look after the sale of Assets to Asset Reconstruction Companies (ARCs) on Cash and Security Receipts (SR) basis.

The recovery in NPA and AUCA accounts in SARG through various modes is represented below:



7. Today, SARG stands as one of the most important verticals of your Bank, when the GNPA of your Bank has already peaked and is on course of a downward journey. Though the credit growth is picking up steadily and performance of treasury operations is dependent on market rates, the importance of NPA resolution/ recovery by SARG is significant as it directly impacts your Bank's performance. Resolution of stressed assets by SARG presents the following latent income generating avenues for your Bank:

   i. Cash recovery in NPAs and AUCA;

   ii. Up-gradation of accounts;

   iii. Reduction in loan loss provisions;

   iv. Reduced capital requirement;

All the above stated avenues directly contribute to your Bank's bottom-line. Further, they improve overall asset quality, laying foundation for credit off-take and indirectly contribute towards generation of interest income.

8. Enactment of Insolvency and Bankruptcy Code (IBC) 2016 for resolution of Stressed/NPA assets has provided Banks with a time bound, transparent and effective mechanism to tackle stressed assets. It has led to an efficient price discovery and transparent resolution of accounts resulting in unlocking maximum value in the assets charged to your Bank. A significant portion of recoveries in FY2019 have come through this route. Some of the large accounts from 1st and 2nd list of accounts referred to NCLT directed by RBI have been resolved and a few more are expected with resolution plans already in place. This has helped in strengthening your Bank's balance sheet and provides the opportunity to deploy the realised funds into income yielding assets.



Chairman's visit to Darjeeling Branch in Kolkata Circle.

IV. SUPPORT AND CONTROL OPERATIONS

1. HUMAN RESOURCES AND TRAINING

A. HUMAN RESOURCES

- Your Bank has been maintaining its leadership position in the banking industry by leveraging its core strengths. The Human Resources of your Bank has been a strategic partner while performing the role of a catalyst in implementing the various business strategies. This has been made possible with the workforce channelising and harnessing their optimum potential and profoundly impacting the value generation in the desired direction. Your Bank's Human Resources has aligned the policy, processes, and systems towards creating enablers for achieving your Bank's 'Vision' with set 'Values'.
- Many initiatives have been undertaken during the year in the Human Resources space in the areas of automation and streamlining of systems and processes, design and redesign of value preposition that each intervention brings to the fore, to increase efficiency and create a pleasant environment at the work place. There has been a paradigm shift in the approach of handling the increasing aspirations of the Bank's changed workforce demographics with more Millennial and Generation Z joining.
- The summarised HR Profile of the Bank as on 31.03.2019 is as under:

Category	31.03.2018	31.03.2019
Officers	1,07,077	1,08,113
Associates	1,10,348	1,05,440
Subordinate staff and Others	46,616	43,699
Total	**2,64,041**	**2,57,252**

1. Vision, Mission and Values

- Your Bank has been continuously engaged in providing ethical awareness in the organisation as a cultural premise. Your Bank has come out with a Code of Ethics synchronised around normative commitments to its stakeholder's viz. values of STEPS (Service, Transparency, Ethics, Politeness and Sustainability) with the purpose of articulating your Bank's new Vision, Mission and Values Statement. Your Bank believes that ethics is a perpetual process of infusing excellence in its operational fabric and will go on making consistent endeavours to shape the moral sensibilities of the rank and file of the organisation.

2. HR Function Revamp

- Your Bank has undertaken initiatives in HR Automation to streamline the Human Resource processes. Furthermore, your Bank has taken steps towards centralisation of Human Resources for seamless process execution, uniform implementation, and better control and quality of key HR functions under seven project streams- Introduction of Organisational Structure in HRMS, data cleaning, bringing Employee Payments on HRMS, efficiency enablers for seamless flow of HR operations in HRMS, creating an interface between relevant employee information with HRMS, automating HR process through HRMS, and meaningful and timely HR related MIS.

3. Productivity Enhancement Initiatives

- Your Bank adopts an objective and data driven model for Manpower Planning to ensure optimal utilisation of Human Resources. Around 12 out of 82 work drivers of the model based on Time and Motion study have been modified for Manpower Planning for the year 2019-20. In addition to this, manpower requests from various units are now being validated based on a footfall study undertaken by the Analytics department.
- The promotion and transfer process have been streamlined and shall be completed in the first quarter of the Financial Year. This will give required assurance and stability to the branches and other units to actively focus on business activities during the major part of the year.
- The Career Development System (CDS) has stabilised and has brought greater transparency, inclusiveness, accountability, and effectiveness in the performance management. The current CDS system is data backed, where targets are set partnering with the business units and constant evaluation of performance has been made possible. Additionally, the CDS system has become robust by operating through its five functional levers- 'Strategic alignment', 'Stakeholder Commitment', 'SMART goals', 'At least one role per employee', and 'Constant Evaluation'.
- An employee opinion survey on CDS was held during the year to understand the perception, reach, acceptance, familiarity, and expectations of the employees and modifications were implemented based on the feedback. Moreover, it helped to bring refinement and transparency to the system. A structured feedback mechanism, as a part of the performance evaluation, has been introduced in your Bank to develop and drive a cultural change.
- Conscious efforts were made to bring more employees under Budgetary/ Measurable roles. As on date, more than 95% of the total roles in CDS system are budgetary/measurable. In case of non-measurable roles, KRAs have been made objective in nature. Furthermore, your Bank's goals and corporate concerns are built on parameters of the Competency mapping framework. Additionally, competency mapping parameters were revised to align them with the organisational goals by finalising 15 parameters for DGM grade and above and 10 parameters for the AGM grade.
- Your Bank has formulated a policy on Succession Planning for the Senior Leadership positions to ensure smooth transition at the critical executive level positions. Under this, the eligible executives in the rank of GM and DGM were

evaluated and identified as potential successors for one or more critical profiles. In addition to this, identified potential successors are provided with individual development and training plans. Likewise, the framework ensures that your Bank has a necessary talent pipeline for smooth transition.

4. Recruitment

- Your Bank has streamlined the recruitment process with the implementation of a regular recruitment calendar and by leveraging Information Technology. During FY2019, around 2003 Probationary Officers and 7954 Junior Associates were recruited.
- Your Bank is actively recruiting specialised talent on lateral and contractual basis in the areas of Wealth Management, Information Technology, Information Security, Risk, Credit among others, in order to meet the demands of the fast-changing business landscape.
- Specialised recruitments have been done where requisite skills are not available and skills development may take time especially in the fields of Marketing, Information Technology, Credit and Risk, Human Resources, Analytics, Wealth Management etc. Moreover, domain experts have been hired for the required competitive edge. 692 specialists have been hired during FY2019.
- HR specialists in the domains - manpower planning, recruitment, and internal communication have been recruited to enhance HR Management skills.

5. Employee Engagement Initiatives

- Employee engagement is critical to organisational success. It has been a constant endeavour of your Bank to reduce the pain points and ensure pleasant employee experience during their journey with State Bank of India.
- To streamline the on-boarding process of new recruits, your Bank has introduced an 'On boarding portal'. Consequently, it will improve employee experience as they will not be required to provide information and documents multiple times. Also, this will enable the HR functionaries to access information of new joiners onboarding on real time basis.
- **'Sanjeevani':** State Bank of India's HR helpline introduced in your Bank offers speedy resolutions within three days of lodging a complaint and has addressed over 20,000 queries and grievances. Additionally, your Bank has engaged with the services of trained Counsellors at Sanjeevani. With this, the employees may contact the Counsellors to share their issues and concerns, which will help in easing stress, coping with work and societal pressures, and enable them to perceive the issue in a better way.
- Your Bank launched during the year Employee Engagement Survey "Abhivyakti", which is among the largest such surveys held. The objective of "Abhivyakti" was to identify the factors that actually drive employees to perform their best and also the ones that limit their performance. The survey drew participation of nearly 95% of the employees covered. The survey results have provided one with comprehensive information regarding opinions of our employees on our performance, culture, relationships, processes and policies and also on how we go about our work. The survey report and its findings have been analysed by your Bank under various parameters, in appropriate contexts and engagement scorecards have been worked out across various employee groups. Employees of your Bank share a high sense of pride and belongingness with the Bank. It is reassuring to note that most of our employees are aware of the long term vision and values of the Bank. The feedback received from the survey will be utilized in redesigning the established policies and to implement key changes in order to increase the efficiency, output, involvement, dedication and productivity of the employees.

6. Gender Diversity

- Gender Sensitivity and Inclusiveness have always been the corner stone of your Bank's HR policy. Women represent 24.34% of the total work force. Moreover, women employees are spread across geographies and different levels of hierarchy. In addition to this, more than 2,600 branches are at present headed by women officers.
- Your Bank has a Zero Tolerance Policy towards sexual harassment at workplace and has put in place an appropriate mechanism for prevention as well as redressal of complaints of sexual harassment.



Chairman, SBI, along with senior management of SBI and heads of other PSBs at the Corporate Governance Workshop organised by State Bank Institute of Leadership, Kolkata.

7. Reservations and Equal Opportunity

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

Representation as on 31.03.2019

S. No.	Cadre	Total	Out of Which			
			SCs	STs	OBCs	DAPs *
1	Officers	108113	19103	8712	20092	1868
2	Clerks	105440	17479	8843	25776	2239
3	Sub-staff	43699	10967	2747	10173	272
	TOTAL	**257252**	**47549**	**20302**	**56041**	**4379**

* Differently Abled Person

- Your Bank has introduced "Equal Opportunity Policy" in terms of 'Rights of Persons with Disabilities Act, 2016'. Your Bank takes special care in providing basic amenities, assistive devices, and other infrastructure to enable employees with disabilities to effectively discharge their duties.

8. Industrial Relations and Staff Welfare

- Your Bank has a harmonious relationship with the Staff and Officers' Federations. Your Bank has been continuously emphasising on good and healthy work environment, mutual respect and empathy at work place and a good work-life balance to foster a healthy and happy workforce.
- Your Bank has taken several transformative initiatives during the year in the area of Staff Welfare. These initiatives are crucial to ensure that your Bank remains in the forefront of the banking sector in India and our employees are equipped to meet the challenges of tomorrow.

9. Care for Retired Employees

- Well-being of its retired employees continues to be important to your Bank and several initiatives were taken during the year for the benefit of the retirees. Membership to Retired Employees Medical Benefit Scheme (REMBS), which was closed a few years ago, was reintroduced.
- A dedicated online portal for pensioners was also introduced during the year with the purpose of information sharing.
- The 'Sanjeevani' helpline has also been extended to cover Bank pensioners from the 2nd quarter of FY2019.

B. STRATEGIC TRAINING UNIT

The Bank has always promoted a high-performance culture originated in ethically and financially sound business practices. The quality and competence of the workforce is most critical for sustainable results, hence over the years, it has developed an effective training system which translates your Bank's vision into actionable plans by amplifying the strengths, bridging the skill gaps and unleashing the potential of the employees. The training system with a classroom training capacity of 4,200 people per day, caters to the multifaceted skill development needs of more than a quarter million multi-generational, culturally diverse workforce every year.

State Bank of India has an extensive training infrastructure comprising of six top-notch Apex Training Institutes (ATIs) and 50 State Bank Institutes of Learning and Development (SBILDs). This is further augmented by experiential, tech-enabled online content, Gamification Apps, Power talks by eminent experts and Mass communication interventions for honing the expertise of your Bank's people capital.

TRANSFORMING BY RE-SKILLING

With the understanding that in a constantly changing world old ways won't open new doors, the constant endeavour of the training system is to innovate to overcome the challenges of an increasingly volatile financial ecosystem, rapid digital disruption, changing customer demographics, and growing competition. Several initiatives have always been conceptualised with the objective of re-skilling employees to make them future ready and relevant in the fast-changing business environment.

1. Radical change in Training System Structure:

- This year, profound changes were implemented in the training system - the ATIs were repositioned as caches of high quality specialty training in areas of Credit, International Banking, Risk, Marketing, Rural Banking, IT, Leadership, and Human Resources amongst others and turned into umbrella institutes for the SBILDs with hand-picked Advisory Councils comprising of top Bank officials and eminent educationists/ experts from various fields were instituted to mentor each ATI. Experienced Bankers with a passion and flair for teaching with requisite domain expertise were posted at the ATIs & SBILDs. 95% officers of your Bank attended at least 1 institutional training. Training capacity utilization was more than 100%
- **State Bank Institute of Leadership (SBIL), Kolkata:** The Bank's flagship ATI is a fully operational leading institut-e for training senior executives in the BFSI sector in India and neighbouring countries and is positioning itself as a centre of global excellence for research and training in BFSI sector. In addition to various Leadership Development Programmes for in-house participants, several paid programmes pertaining to BFSI sector were launched in association with State Bank of India's Knowledge Partners. All AGMs, DGMs and GMs were exposed to high end customized leadership trainings at State Bank Institute of Leadership, Kolkata

2. Complete Redesign of the Training Content

- **Benchmarking competency:** Around 47 critical roles were identified in your Bank, which require precise skills to enable holistic customer service, create a digital mindset, and reduce operational and other risks. Hence for each role, mandatory in-house certification courses and comprehensive role manuals were developed and implemented. This is over and above the external certifications mandated by RBI.
- **Linking Knowledge to Performance:** With the end-goal of exemplary customer service, all employees, from Award staff to DMD level, must obtain internal/ external/edX certifications within stipulated time frame. In FY 18-19, 93% of our Top Executives which includes Deputy General Manager and above completed their mandatory learnings.

  Certifications were linked to performance appraisal and for officials up to AGM grade for promotion eligibility. 97% Officers completed their role relevant certifications.
- **Identify, Engage & Develop the talent of POs/TOs/ Millenials:** The Bank has completely revamped the training process for Probationary and Trainee Officers, wherein a fair and holistic evaluation is an ongoing process, which incorporates immediate feedback. Effectively, the one-time confirmation test at the end of probation was replaced with a continuous assessment mechanism. 6114 POs/TOs of subsequent concurrent batches have been groomed under the new policy.

  4579 promotees to officer scale across the country were also imparted a uniform 3 week training at SBILDs
- **External Training to Junior Associates-Developing a Digital Mindset:** Today's young staff can do much more than manning counters. In order to make them future ready and train them in soft skills, digital banking and marketing of products apart from general banking, your Bank has provided special training to nearly 7000 newly recruited Junior Associates.
- **Cross-Functional Readiness and Managerial Effectiveness of our Leaders:** Personalised Managerial & Leadership development Plan - IDPs, were devised for TEG Officials under the "Competency Assessment and 360degree Feedback Mechanism" for 1142 Top Executives of DGM and above grades with course correction being carried out with the aid of reference literature and training interventions.
- **Approach on External Training to all TEG Leaders:** Senior Functionaries in the grade of Deputy General Manager and above need to be exposed to high end/ focused external trainings to internalise and adopt the latest concepts, thoughts and best practices to effectively steer the organisation because their management views, approach and ethos have a significant impact on your Bank. Consequently, an approach was instituted for a planned and systematic external training intervention for these officials.
- **Inclusion with Acceptance-Training to Persons with Disabilities(PwD) employees:** your Bank imparts specialised need based training to differently abled employees. An Inclusion Centre at STU operates to facilitate resolution of issues and address new requirements of differently abled staff members. At the instance of the Inclusion Centre, special pre-promotion training for your Bank's PwD employees was introduced from FY2018-19.

3. Progressive Training Techniques

- **Non-conventional training techniques:** A Gamification App-"Play2Learn" was soft launched to supplement the traditional learning tools for better experience and enhanced retention.
- **Leveraging digital technologies:** A real time help portal 'ask SBI' was launched with a document repository of over 23,000 to serve as a one-stop knowledge source for all employees whereby they can access help documents related to operational instructions / guidelines at their workstation. More than 4 lakh queries were originated within 2 weeks of its operationalization.
- **Developing a High impact learning culture through self-learning:** Our in-house developed e-learning courseware is platform agnostic and can be accessed through intra and internet for convenient and efficient learning. your Bank has a repertoire of 807 e-lessons, 480 e-capsules and 739 mobile nuggets besides case studies, Research Projects and e-publications.
- **Power Talks- Developing a Global Mindset:** As part of "facing outward" initiatives for employees, State Bank of India continues to organise Power Talks by eminent personalities for its workforce. These are broadcast to Circles and are made accessible on the intranet for future reference.
- **Reducing logistical challenges, expense and workplace disruption:** Rather than imparting role-based training in classrooms, employees go through the in-house developed role manuals available on the intranet before nominating themselves for short doubt-clearing workshops and examination at the Training Institutes. 6498 such workshops were organised in FY 2018-19. Case study and Group discussion pedagogy was adopted for classroom training.

4. Revenue Generation from surplus classroom capacity

Spare capacity at ATIs and SBILDs, freed up due to a shift to a new pedagogy and non-traditional teaching techniques is being used for revenue generation by designing and marketing of BFSI sector specific paid programmes. The Bank has also licensed use of its Learning Management System and e-content to select external organisations.

5. Contribution to Nation Building

- **Responsible Corporate Entity:** Various Conclaves and Workshops such as HR Heads Conclave on Re-Vitalising our Human Capital and PSB Heads workshop on Corporate Governance and Media Management was organised at SBIL, Kolkata to initiate discussions on these key issues within the industry.

- **Thought Leader in Executive Education:** A workshop on "Navigating Disruption and Managing Innovation in the New Economy" aimed at bringing together the established players and young professionals with disruptive ideas on a common platform for exchange of ideas and gaining perspective, was organised by your Bank in collaboration with Wharton University. It was attended by top Corporate clients and young professionals and entrepreneurs.

6. R&D

- **PDRFs:** The Bank has recruited Post-Doctoral Research Fellows (PDRFs) for innovative and high-end research activities relevant to the BFSI sector. Moreover, they will present papers in National / International conferences and publish their research work in leading international publications to establish State Bank of India's footprint in the domain of BFSI research.

- **Operational Research at ATIs & SBILDS:** In order to create an environment for conducting research studies in a focused and meaningful manner, Business Units (BUs) were made Project Owners for practical, operational research work on Banking conducted at the Institutes.

7. Employee Engagement Programme- Nayi Disha:

Your Bank launched "Nayi Disha" an employee engagement program with the objective of imparting the significance of staying agile & relevant, adopting a growth mindset, managing challenges, inculcating the Bank's values STEPS to improve customer centricity and brand image. 2.40 lakh employees were covered in 90 days under the Nayi Disha Phase-I, themed as "Vision 2030" and all employees will again be taken through the future phases of this programme which has been designed as an ongoing intervention.

8. Awards & Accolades:

The Bank has a training culture of over 90 years and it associates with the best institutions and industry experts, both in India and overseas for designing and imparting in-depth training. As a result, the Bank's training programmes have achieved widespread acceptability and credibility that is acknowledged world-over through accolades namely, the Business World Award for "Excellence in Learning & Development".

9. Developments

State Bank of India entered in a Memorandum of understanding (MoU) with National Banking Institute (NBI), Kathmandu (Nepal) to establish a mutually beneficial strategic alliance for development of NBI's human resources in the areas of education, training and research.

Your Bank is all set to offer its academic expertise and training infrastructure to train personnel of NBI. To this end, SBI will share its available infrastructure, administrative facilities, expertise and experience in terms of Faculty and Research & Development (R&D) in organizing press conferences, seminars, workshops, study and group discussions to help research scholars and members of faculty undertake project work and conduct various studies.

2. INFORMATION TECHNOLOGY

A. LOAN LIFECYCLE MANAGEMENT SYSTEM

Through LLMS, an in house developed application, the entire life cycle of the credit process has been automated. Besides improving efficiency and reducing TAT of processing of the loan proposals, LLMS aims at standardising the credit process as per the extant instructions, with a view to managing risk, enhancing user experience and providing useful MIS for better decision making.

B. FINANCIAL INCLUSION AND GOVERNMENT SCHEMES:

Being the Banker to the Nation, your Bank is in the forefront in serving the customers hitherto left out of formal financial system. Following are the latest developments in the direction of FI:

- Customer Service Points (CSPs) are now offering Banking Services (Enquiry, Deposit and Withdrawal) to FI Customers at their Door Step, by using Portable Hand Held Devices.
- Mobile Number seeding facility has been made available to the FI Customer account through the FI Kiosks.
- Additional Fields have been added in Kiosk for capturing CSP details to effectively monitor functioning of CSPs.
- Aadhaar Authentication for PMJJBY, PMSBY, APY and Green Pin Services have been enabled during the year.

C. MERCHANT ACQUIRING BUSINESS (MAB)

A new subsidiary of your Bank, SBI Payment System Private Limited. (SBIPSPL) came into existence on 29th September 2018 in order to tap the growing market opportunities. However, MAB IT-Operations shall continue to perform all the operations (like funds settlement,



handing chargeback, disputes etc.) that it was performing hitherto, on behalf of SBIPSPL. With 5,75,358 terminals, your Bank ranks 2nd in the country as on 31st March, 2019.

D. SPECIAL PROJECTS

Your Bank is working on special projects to bring better banking experience to its customer. Few of the projects are mentioned as under:

- **sbiINTOUCH:** Advanced KIOSKs facilitating instant account opening and Debit Card Printing to provide better user experience.
- **Wealth Management Solution:** 'SBI wealth' for PREMIUM customers offering a complete range of Financial Products. The new SBI Wealth Transactional Mobile App enables the use of Wealth Management services anytime/ anywhere.
- **CKYC:** CKYC Application launched as per Government of India guidelines, to upload the KYC documents to the CERSAI site and therein generate the CKYC number, which are provided to the customers.
- **OFSAA:** OFSAA enables to measure and meet risk adjusted performance objectives and facilitates risk-based decision making with greater transparency and efficiency.
- **CMLS:** Centralised Litigation Management System application has been installed with centralised database of all the legal cases by and against the Bank.
- **ETC FASTag:** application facilitates issue of FASTag for vehicles, making the process faster and more efficient at Toll Plazas.
- **GST:** Tax and Compliance Engine facilitates timely filing of GSTR Returns to meet statutory compliance.
- **Pension Seva:** Your Bank serves approximately 55 lakh pensioners across the country. The new portal 'Pension Seva' facilitates services like pension slip, arrear calculation sheet, Form 16 download among others.

Furthermore, major events of your Bank are telecasted live to the customers through your Bank's corporate website, which caters to the customers and has about 1.50 lakh hits per day.



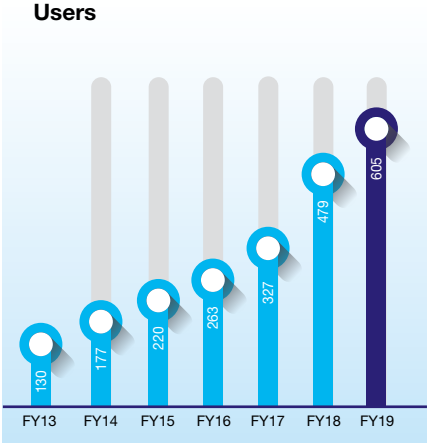
E. ATM

During the year, ATM and Switch department got PCI-DSS certification, which will ensure adherence to global standards in enhancing security of card data and related environment. Your Bank stands in premier position with 50.95 cr. Debit cards issued to the customers, out of which 29.67 cr. cards are used actively. A unique facility 'YONO-Cash' has been made available to our esteemed customers for card-less cash withdrawal through ATM using YONO app. Your Bank is the first Bank to test NCMC (National Common Mobility Card) an initiative of GOI, successfully on 04.03.2019 at Delhi Metro, which was launched by Honourable Prime Minister of India, Shri Narendra Modi.

F. INTERNET BANKING

Internet Banking continues to provide seamless online experience, offering diverse Banking services to 581.76 lakh Retails Users and 23.12 lakh Corporate Users. Many new services like Real Time Demand Loan for e-Commerce transactions, UPI Payment Integration for SB Collect, Sovereign Gold Bond subscription for Joint Account holders, facility to download Form 16A, and Partial MOD breaking facility have been added to RINB portal during the year. Recurring deposit facility for SARAL Users, uploading of financial statements by Corporate customer, Virtual Account Number (VAN) based collection are now being provided through CINB. Over 9,939 merchants have been on-boarded during the year to fuel the e-Commerce eco system.

Internet Banking Users (in lakh)



G. EPAY AND PAYMENT GATEWAY

Your Bank provides indigenous, unique, PCIDSS certified secured ePay platform for facilitating seamless e-Commerce transactions between business, merchants, customers and financial institutions, for various kinds of payment modes. It offers large number of payment options to customers to enable them to pay to the partner Merchant and simultaneously provides platform for Merchants to acquire Bank agnostic large customer base. The platform is provided through our Payment Aggregator (SBIePay) and Payment Gateway (SBIPG) applications by integrating with thousands of Merchants on the one end and large number of Payment Channels like Banks, Wallets and Cards at the other end. Payment Gateway also processes all debit/credit card transactions of SB Collect and SBI-MOPS.

H. OPERATIONS AND PAYMENT SYSTEM GROUP

Your Bank continues to hold Numero Uno positon in NEFT outward remittances with 53.03 crore transactions with over 17% market share. In RTGS, 1.72 crore outward transaction were effected, implying market share of over 13 %.

I. DATA WAREHOUSE AND ANALYSIS

Your Bank has a database, which is a single trusted source of structured data that enables reporting for enhanced business decision support across the Bank. The database acts as a downstream for various applications like Business Intelligence, Analytics, YONO, CRM, OFSAA and many more. Additionally, it also plays an important role in complying with regulatory reporting requirement like CRILC, RBS TRANCHE amongst others.

The database is used for analysis of lead generation, risk mitigation and improving operational efficiency. Additionally, predicative analysis is also done to detect fraud prone branches and also to find delinquencies prone accounts. Also, analytics is used to generate lead for pre-approved personal loan (PAPL) in YONO.

J. CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

CRM Project, launched in August 2016, now stands fully implemented in your Bank. It focuses on providing solutions for integrated management of Sales, Services and Marketing activities of our customer by providing their 360-degree view. Various functionalities covering Lead Management Modules for different BU's, Customer Analytics, Reports and Dashboards, Contact Centre operations amongst others helps in creating corporate memory for effective and productive customer engagement.

Additionally, processes were earmarked for digitisation in the near future. With this structural transformation to the digital age/ banking, your Bank is in the process of leveraging the CRM tool to use analytics and intelligence. Your Bank believes that these digital tools and technology can completely transform the distribution reach of its services and the customer experience in general.

K. AWARDS WON

Awards received by your Bank during the year (IT related):

Name of the award	Category
The Asian Banker Financial Technology Innovation Awards 2018	Won 1. Best Enterprise Governance Risk and Compliance Initiative, Application or Programme (O&TS for merger) 2. Best Lending Initiative, Application or Programme-(LLMS) 3. The Best Leadership award to DMD & CIO 4. The Risk Data and Analytics Technology Implementation of the Year(OFASSA)
Asian Banking and Finance Retail Banking Awards	Won -Mobile Banking initiative of the year-YONO
Intelligent Enterprise Award 2018	Won in following two categories 1. Enterprise Mobility-YONO, 2. Enterprise application -Merger, AI-SIA,SIVA, ARTCEF
IDC (International Data Corporation)	Won-NEWS from O&TS under Digital Disruptor category
CIO 100 (International Data Group)	CIO 100 (for 4 project-YONO,SIA,SIVA,ARTCEF)
ASSOCHAM (The Associated Chambers of Commerce and Industry of India)	Innovative Solutions for Regulatory Compliances- Merger of eAB's with State Bank of India from (O& TS dept)
PMI India Awards 2018	Project-CBS Merger of e-Associate Banks and eBMB (O&TS)
The Economic Times BFSI Innotribe Summit and Awards, 2018	Best Innovation under BFSI -Won (YONO,ARTCEF,SIVA,SIA)
ABP News present BFSI Award 2018	Won-Best Bank in Technology Orientation -YONO project
CSI award-IT Innovation & Excellence Awards (2018)	Won- Best BFSI in terms of Implementations of cognitive technologies. For-i. YONO ii. Block chain iii. Email segregation
Finnoviti Award 2019	Most Innovative project-YONO
IBA Award (14th Banking Technology Awards 2017-18)	1. The Best Technology Bank of the Year-Winner (Large Bank) 2. The Best Financial Inclusion Initiatives (Runner up) 3. The Most Innovative Project using Technology-SIVA

L. CUSTOMER SERVICE

Your Bank has put in place a robust online Complaint Management System (CMS) where customers can lodge their complaints/feedback/suggestion online through the website www.sbi.co.in. In addition to this, your Bank's Contact Centres are functioning 24*7*365 in different geographical areas taking care of customers in Hindi, English and 10 major regional languages. For educating customers on various products of electronic banking channels, tech learning centres were established. Moreover, your Bank has accepted the revised code of BCSBI in letter and spirit for achieving excellence in customer service. Your Bank has introduced a system of collecting feedback of customers in its complaint resolution mechanism to improve the Grievance Redressal procedure.

Several outreach programmes such as Customer Awareness meets, Staff Townhall meetings and Customer meets were conducted during the year. In addition to this, Customer Service Surveys were organised during the year, the results of which are being utilised, for improving and enhancing customer experience.

Your Bank is extending a service through which customers can block his/her State Bank of India ATM debit card, RINB credentials by forwarding the transactional SMS or email received from the Bank on his/her registered email with Bank on designated number 9223008333 / email ID registered with the Bank. Consequently, the system will immediately block the Debit card/RINB credentials if the customer reports an unauthorised transaction.

M. INNOVATION IN IT INFRASTRUCTURE

- During the Financial Year, your Bank commissioned its first, advanced 'TIER- 3', Data Centre at a safe seismic zone in Hyderabad, with a capacity to host around 1000 racks. The Data Centre is designed with Green Building Design concept and is equipped with nine layers of security.
- Your Bank's branches are equipped with 2 Mbps and 4 Mbps internet connections. Additionally, National Optic fibre Network (NOFN) connectivity will be implemented at 768 branches to improve rural banking.
- Network Access Control (NAC), has been implemented for protection from Cyber Attacks in addition to existing services like Anti-Virus, AD among others. NAC prevents access to the network by unauthorised and non-compliant endpoints or devices.
- IT Service Management (ITSM) processes have been implemented to manage IT infrastructure.

N. INNOVATION UNLOCKS NEW VALUES

- State Bank Intelligent Voice Assistant (SIVA) is transactional and FAQ Voice Bot powered by emerging technologies including Machine Learning and Natural Language Processing. The objective is to provide voice-based simple alternate banking channel for routine banking needs.
- YONO Cash will enable card less cash withdrawals (with transaction limits) from ATMs anywhere in the country.
- AI based email segregation for Complaint Resolution, which understands and identifies customer's queries and directs them to the targeted desk, using Machine Learning and Natural Language processing, is in progress.
- GPS technology enabled Mobile app to provide location based CSP Inspection.
- Customer Feedback analytics to get instant feedback on service quality at the customer home branch.
- Branch Darpan: Web based dashboard for branches and controllers for Brand Building and Customer Service
- Centralised Database for Prepaid Payment Instruments

O. PROFITABILITY REAPED THROUGH EFFICIENCY

- **SBI WORKSPACE** - Enterprise Mobility Management (EMM): This solution facilitates work from anywhere, anytime enhancing employee productivity and efficiency.
- **OFFICE 365:** Enables employees to access the Bank's email and other services like OneDrive, Skype for Business, Teams, Forms among others from anywhere using mobile devices while reducing the dependency on office desktop.
- **In house Centre of Excellence for LINUX:** IT Departments to resolve LINUX related issues thereby reducing dependency on vendor support system.
- **SME Gyan and Assist on mobile for customer onboarding helps**: The operating functionaries, Branch Heads of SME Intensive Branches, and SMEC staff can keep abreast of current Bank Policies, products, services, and schemes.

P. COLLABORATION OF SBI AND JIO

Post operationalisation of Jio Payments Bank (a 70:30 JV between RIL and SBI) Jio and SBI are deepening their partnership to bring next generation bilateral frictionless experience with exclusive digital Banking, Payments and Commerce journeys for their customers.

Jio and SBI are entering into a digital partnership aimed to increase SBI's digital customer base multi-fold. SBI YONO is a revolutionary omni channel platform offering digital banking, commerce and financial superstore services to customers. YONO's digital banking features and solutions will be enabled through the MyJio platform for a seamless, integrated and superior customer experience. MyJio, one of India's largest over-the-top (OTT) mobile applications will now bring in financial services capabilities of SBI and Jio Payments Bank.

Jio and SBI customers will benefit from Jio Prime, a consumer engagement and commerce platform from Reliance. Jio Prime will offer exclusive deals from Reliance Retail, Jio, partner brands and merchants. In addition, with an integration between SBI Rewardz (existing loyalty program from SBI) and Jio Prime, customers of SBI will be offered additional loyalty reward earning opportunities as well as broader redemption within Reliance, Jio and other online and physical partner ecosystems.

Your Bank will be engaging Jio as one of its preferred partners for designing and providing network and connectivity solutions. Jio's highest quality network in urban and rural regions will allow SBI to launch customer centric services such as video banking and other on-demand services. Additionally, Jio Phones will be available on special offers for your Bank's customers.

3. RISK MANAGEMENT

A. RISK MANAGEMENT OVERVIEW

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

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

Your Bank is committed towards creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cyber security measures, to ensure avoidance or mitigation of various risks. Moreover, it is equipped with a Disaster Recovery/ Business Continuity Plan across all its branches and offices, to render uninterrupted services, in the event of any possible business disruption.

Your Bank has policies and procedures in place to measure, assess, monitor, and manage these risks systematically across all its portfolios, which makes it amongst the leaders to undertake implementation of the Advanced Approaches under Credit, Market and Operational risk. Aiming to adopt global best practices, State Bank of India has also undertaken the Enterprise and Group Risk Management Projects, which are being implemented with support from external consultants.

RBI Guidelines on Basel III Capital Regulations were implemented, and your Bank is adequately capitalised as per the current requirements under Basel III. An independent Risk Governance Structure, in

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

1. Credit Risk

Credit Risk is defined as the possibility of losses associated with the diminution in the credit quality of borrowers or counter-parties from outright default or from reduction in portfolio value. Credit Risk emanates from a Bank's dealings with an individual, non-corporate, corporate, Bank, financial institution or sovereign.

Mitigation Measures

Your Bank has put in strong credit appraisal and risk management frameworks in place for identification, measurement, monitoring and control of the risks in credit exposures. Industrial environment is scanned, researched and analysed in a structured manner by a dedicated team for deciding its outlook and growth appetite for each of the identified 39 industries/sectors, which constitute about 71% of your Bank's total domestic outstanding (excluding Retail and Agri). Risks in these sectors are monitored continuously and wherever warranted, the industries concerned are reviewed immediately. Impact of events such as the rise in Crude oil prices, policy initiatives taken by the Government in respect of Telecom and Power sectors, impact of increase in production of sugar vis-à-vis reduction in price on the industry, impact analysis on awarding of Road projects by NHAI, Gems and Jewellery to name a few, were analysed and appropriate responses to these situations were strategised by your Bank to mitigate possible risks. Exposure to sensitive/ stressed sectors such as Real Estate/Telecom are being reviewed at half-yearly intervals. Sectors such as Power, Telecom, Iron and Steel, Textiles, which are going through a challenging phase, are watched continuously and analysis of new developments are shared with the business groups to enable them to make informed credit decisions. Knowledge sharing sessions are conducted for the benefit of the operating staff at various levels.

Credit rating thresholds for each industry are decided based on the outlook. Your Bank uses various internal Credit Risk Assessment Models and scorecards for assessing borrower wise credit risk. Models for internal credit ratings of the borrowers were developed in- house. They are reviewed through cycles of comprehensive validation and back testing frameworks.

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

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

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

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

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

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

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

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

2. Market Risk

Market Risk is the possibility of loss that your Bank may suffer on account of change in value of its trading portfolio, on account of market variables such as exchange rate, interest rate and equity price, amongst others.

Mitigation Measures

Your Bank's market risk management consists of identification and measurement of risks, control measures, monitoring, and reporting systems.

Market risks are controlled through various risk limits, such as Net Overnight Open Position, Modified Duration, PV01, Stop Loss, Upper Management Action Trigger, Lower Management Action Trigger, Concentration, and Exposure Limits.

Value at Risk (VaR) is a tool used for monitoring risk in the Bank's trading portfolio. Enterprise level VaR of your Bank is calculated daily and back tested daily. The Stressed VaR for market risk is also computed daily. The VaR methodology is supplemented by conducting quarterly stress tests of the trading portfolio.

Your Bank has Asset class wise risk limits for its trading portfolio and monitors the same on an ongoing basis. Currently, market risk capital is computed under the Standardised Measurement Method (SMM).

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

3. Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Mitigation Measures

Key elements of your Bank's Operational Risk Management Policy, among others, include ongoing review of systems and controls, creation of awareness of operational risk throughout your Bank, timely incident reporting, enhancing operational risk awareness through RAW (Risk Awareness Workshop), improving early warning information through implementation of Key Indicators (comprising of Key Risk Indicators (KRIs), Key Control Indicators (KCIs) and Key Process Indicators (KPI), the resolution of risk issues by effectively tracking and follow- up of outcomes of assessment, assigning risk ownership, aligning risk management activities with business strategy. Your Bank has a detailed Business Continuity Plan (BCP) in place for ensuring continuity of operations at the branches and Offices during disruptions. BCP enabled us to ensure minimum business disruption during the natural disasters such as floods in Kerala and Cyclone in Tamil Nadu, which occurred during the year.

All these components ensure better capital management and improve quality of Bank's services, products, and processes besides ensuring compliance with regulatory requirements.

For FY2019, your Bank on a stand-alone basis, had assigned capital for Operational Risk as per Basic Indicator Approach (BIA).

Your Bank observes Risk Awareness Day on 1st September every year. As part of Risk Sensitisation, an online Quiz contest was conducted for Staff across your Bank. Further, risk culture is being embedded through training to staff at all levels through e-learning lessons.

4. Enterprise Risk

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

Mitigation Measures

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

With an objective of maintaining a sound risk profile, your Bank has developed a Risk Appetite Framework incorporating limits for major risk metrics. For promotion of a strong risk culture in your Bank, Risk Culture Framework is being operationalised in a phased manner.

Your Bank conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) exercise on a yearly basis with respect to adequacy of Capital under normal and stressed conditions. In the ICAAP, besides the Pillar 1 risks, such as Credit Risk, Market Risk and Operational Risk, Pillar 2 Risks, such as Liquidity Risk, Interest Rate Risk in Banking Book (IRRBB), Concentration Risk and others are also assessed, and capital is provided if required. New and emerging risks are identified and discussed in the ICAAP.

5. Group Risk

Group Risk Management aims to put in place standardised risk management processes in Group entities.

Mitigation Measures

Policies relating to Group Risk Management, Group Liquidity and Contingency Funding Plan (CFP), Arm's Length and Intra Group Transactions and Exposures are in place.

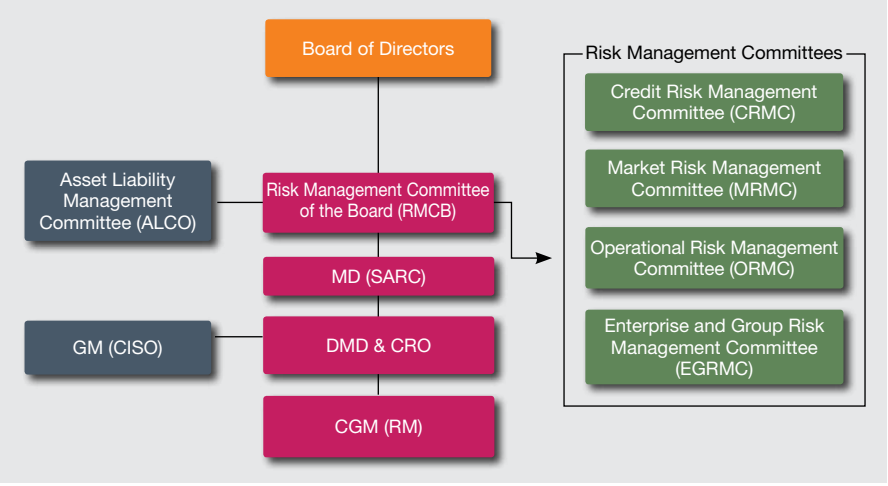
Monitoring of consolidated Prudential Exposures and Group Risk components is being done regularly. A quarterly analysis of risk-based parameters for Credit Risk, Market Risk, Operational Risk and Liquidity Risk, amongst others, is presented to the Enterprise and Group Risk Management Committee (EGRMC)/ Risk Management Committee of the Board (RMCB).

The Group Internal Capital Adequacy Assessment Process (Group ICAAP) document includes an assessment of identified risks by Group entities, internal controls and mitigation measures, and capital assessment, under normal and stressed conditions. All Group entities where SBI has 20% or more stake and management control, including Non-banking entities, carry out the ICAAP exercise and a Group ICAAP Policy is in place to ensure uniformity.

6. Basel Implementation

Your Bank is identified as D-SIB by the Regulator and is required to keep additional Common Equity Tier 1 (CET1) of 0.60% of RWAs applicable from 1st April, 2016 in a phased manner and it will become fully effective from 1st April, 2019. Additionally, it has also started maintaining Capital Conservation Buffer (CCB) in a phased manner and will reach 2.5% by 31st March, 2020.

Risk Management Structure:



B. INTERNAL CONTROL

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

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

Some key initiatives include the following:

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

As part of RFIA, IA Department conducts various audits, viz. Credit Audit, Information Systems Audit, Cyber Security Audit, Home Office Audit (audit of foreign offices), Concurrent Audit, FEMA Audit, Audit of Outsourced Activities of your Bank, Expenditure Audit and Compliance Audit. In addition to this, it undertakes Management Audit of business verticals to assess their strategic effectiveness and special audits as per the directions of the Audit Committee or the regulators.

Branch Audit

IA Department undertakes critical review of the operations of auditee units through RFIA, an adjunct to Risk Based Supervision, as per RBI directives. The domestic branches are broadly segregated into three groups (Group I, II and III) based on business profile and advances exposures. Your Bank has initiated a system driven process for identification of branches for audit, whereby, analytical algorithms are deployed to identify units displaying significantly different behavioural patterns. This enables your Bank to step in with a prioritised audit to identify the causative factors at these outlier branches and flag the underlying problem areas for early intervention.

During FY2019, IA Department has audited around 13,850 domestic branches and BPR entities under the RFIA.

Credit Audit

Credit Audit aims at achieving continuous improvement in the quality of commercial credit portfolio of your Bank, through critically examining individual large commercial loans with exposures of above ₹20 crore annually. During the year, your Bank has revamped the Credit Audit process with an introduction of Offsite Independent Credit Risk Assessment for large value loan accounts. Furthermore, capability of audit was enhanced through lateral recruitment of Chartered Accountants for credit audit.

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

Early Review of Sanction

Individual accounts with credit exposure of ₹1 crore & above are subjected to an off-site early review mechanism (Early Review of Sanction) of the pre-sanction processes. The reviews are carried out within three to four weeks of sanction /enhancement/ renewal to identify the deficiencies, if any, in the credit underwriting process at an early stage and initiate remedial measures. The ERS system was integrated with loan processing software for seamless, real time flow of sanction proposal to the ERS reviewers for online review.

FEMA Audit

The Branches that are authorised to deal (Authorised Dealers) in Foreign currency transaction, including Trade Finance Centralised Processing Cells-TFCPC are subjected to FEMA audit. Branches with high credit exposures as well as the centralised trade finance processing centres are subjected to audit under FEMA at least once every year. Other AD branches are audited as per their risk profile within a maximum period of 21 months. During FY2019, around 411 auditee units were covered under FEMA Audit.

Information System and Cyber Security Audit

State Bank of India's branches are subjected to Information System audits ("IS audits") to assess the IT-related risks as part of RFIA of the branch(es). IS audit of centralised IT establishments is also carried out by a team of qualified officials, which includes IS auditors appointed through lateral recruitment. During the period from 1st April, 2018 to 31st March, 2019, IS audits of 48 centralised IT establishments were completed. In addition, a cyber-security audit of your Bank is also executed annually, as per the cyber security policy of your Bank.

Foreign Offices Audit

During FY2019, Foreign Office Audit was carried out at 19 Foreign Offices and Management Audit was conducted at five Subsidiaries, three Representative Offices and six Country Head/Regional Head Offices.

Concurrent Audit System

Concurrent Audit System in your Bank covers advances and other risk exposures as prescribed by the regulatory authority. Additionally, it was revamped by recruiting qualified personnel and placing additional resources at the Central Processing Cells to identify and rectify shortcomings in underwriting and controls at a very early stage of the client relationship.

Off-Site Transaction Monitoring System (OTMS)

OTMS in your Bank is a web-based solution, which generates scenario-based alerts for monitoring transactions at branches across the whole Bank and flags them to the business units for corrective actions. Presently, there are 55 types of scenarios embedded in the system against which the transactions are scrubbed at regular periods, wherein inconsistent transactions are flagged by the system for affirmation of the related compliances. The scenarios are periodically reviewed and enlarged, depending upon the need and certain triggers.

Legal Audit

Legal Audit in your Bank covers scrutiny of the loan and security related documents of loans amounting to ₹5 crore and above. Legal audit is a control function, carried out through a panel of advocates in addition to the scrutiny by the in-house team of internal auditors, to ensure that there are no shortcomings in the documents or creation of security in favour of your Bank. Legal Audit was carried out for 11,602 accounts during FY2019.

Audit of Outsourced Activities

Your Bank recognises the need of service providers engaged with your Bank to be as compliant with the legal and regulatory requirements as your Bank itself. Audit of Outsourced activities is therefore conducted at regular intervals to gain a reasonable assurance that adequate systems and procedures are in place to mitigate legal, financial and reputational risks that may arise on account of the outsourced activities.

Audit of outsourced activities in your Bank covers audits of vendors engaged in providing ATM services, Corporate Business Correspondents (BC), Individual BCs and CSP, Recovery and Resolution agents, Cash Management Services, Door step Banking, Cheque Book Printing, IT related Services, Registrar and Transfer Agents amongst others.

Your Bank has engaged the services of more than 57,000 individual BCs and CSPs under financial inclusion plan, of which 28,245 units were audited by FY2019.

Management Audit

Management Audit covers business verticals, Administrative Offices/ Departments and examines the strategy, processes and risk management practices. It encompasses Corporate Centre establishments/Circle Local Head Offices and Regional Rural Banks (RRB) sponsored by your Bank. During FY2019, 42 establishments/administrative offices were audited under Management Audit.

C. COMPLIANCE RISK MANAGEMENT

Your Bank operates on the principle of 'zero tolerance' to regulatory non-compliance and has taken initiatives to strengthen compliance function, which is amongst the top most priorities of your Bank.

D. KYC / AML-CFT MEASURES:

In order to mitigate risks arising out of non-compliance of KYC norms, AML/CFT guidelines, your Bank has put in place an approved Board and transparent Know Your Customer (KYC) Policy incorporating your Bank's framework for customer acceptance, customer identification, monitoring of transactions, Customer Risk categorisation, and reporting of transactions to Financial Intelligence Unit India (FIU-IND). The policy was updated and subsequent changes, as notified by RBI, are being circulated through e-Circular for Branches/ Offices for ensuring meticulous compliance of the same by the operating functionaries. Your Bank has put in place a robust system containing a combination of manual and system enabled methodology to ensure KYC compliance in your Bank.

Your Bank has allotted Uniform Customer Identification Code (UCIC) to the individual customers as per RBI guidelines. Periodical updating of KYC is undertaken as per RBI guidelines.

Your Bank has taken several initiatives to bring greater awareness amongst its staff about KYC and AML/CFT compliances. AML-CFT Day is being observed on 2nd November every year wherein pledge is taken on that day at all branches/processing centres and Administrative Offices. Similarly, 1st August is observed as KYC Compliance and Fraud Prevention Day.

E. INSURANCE:

State Bank of India has set up an Insurance Cell for your Bank's assets and other risks in order to reduce requirement of capital under Advance Measurement Approach (AMA) of Basel-II framework. Additionally, insurance policy to cover cyber risks for US$ 100 million is being taken. RBI's instructions on limiting customer's liability on Debit Card and Electronic Banking Transactions are being complied with. Likewise, for covering the risk/cost of your Bank, insurance cover for Debit card/Electronic Banking Transactions is being taken.

F. PREMISES

Safekeeping of Title Deeds of all the properties of State Bank of India has been centralised. Accordingly, Original Title deeds have been kept with SBICAP Trustee Co. Limited for safekeeping and digitalised form shall be available with the Bank.

Monetisation of unused non-banking assets worth ₹407 crore have been identified for sale from different circles, out of which assets worth ₹17.33 crore have been monetised during the current financial year 2018-19.

4. OFFICIAL LANGUAGE

Your Bank has taken innovative steps to propagate the use of official language in reaching out to customers and has earned many laurels for the organisation.

Leveraging technology in rendering Banking Services in Hindi and other Indian languages

Your Bank is committed to render banking services in Hindi and other Indian languages. With a view to build and sustain the momentum, your Bank's focus is on leveraging technology to deliver the product and services. Additionally, to boost digital inclusion, content in Hindi and other Indian languages is being delivered through ATMs, SMSs, Contact Centre communications among others. Moreover, State Bank Intelligent Assistant (SIA) has been installed to answer standard queries on products and services and responding to frequently asked questions. SIA is a multilingual chatbot, which can respond in 14 languages in speech or text. This has helped in understanding the local needs and bringing more customers to our fold.

Delegation to World Hindi Conference

11th World Hindi Conference was held from 18th to 20th August, 2018 at Mauritius. Your Bank sent a delegation in which the members organised an exhibition with the support of your Bank's subsidiary State Bank of Mauritius. The theme of the exhibition was "Vishwa Mein Hindi Pahunchai, Yug Yug Jio SBI". Furthermore, your Bank's products, services, and publications depicting your Bank's contribution in popularising Hindi around the globe were showcased in the exhibition.

Hindi Fortnight at national level and World Hindi Day at international level

To popularise the use of Hindi among the staff members of your Bank in India and abroad, a Hindi Fortnight was organised from 14th to 29th September 2018 at national level and at international level. Additionally, 10th January, 2019 was observed as World Hindi Day during which different Hindi programs and competitions were organised. Furthermore, the circles, departments, and staff including foreigners who make maximum use of Hindi in the official work, during the year, were awarded.

Hindi House Magazine PRAYAS bagged GOI Rajbhasha Kirti Prize and best Hindi journal award from RBI

Rajbhasha Kirti Award 2017-18 for SBI 'PRAYAS' Magazine: State Bank of India bagged first prize under Government of India Rajbhasha Kirti Awards 2017-18 for its Quarterly Hindi house magazine PRAYAS. Honourable Vice President of India Shri M. Venkaiah Naidu conferred the award to SBI Chairman Shri Rajnish Kumar on 14th September 2018 at Plenary Hall, Vigyan Bhawan, New Delhi.

On this occasion Honourable Union Minister for Home Shri Rajnath Singh and Ministers of State for Home Affairs Shri Hansraj Gangaram Ahir and Shri Kiren Rijiju also graced the occasion.



Rajbhasha Kirti Award 2017-18 for SBI 'PRAYAS' Magazine : Honourable Vice-President of India conferred the award to SBI Chairman on 14th September 2018 at Vigyan Bhawan, New Delhi.

Publications

Your Bank released the prestigious Hindi book 'Rajbhasha Karyanvayan: Anubhav Evam Uplabdhiyaan' under aegis of Department of Financial Services, Ministry of Finance, Government of India. The book was released by Dr. Bhushan Kumar Sinha, Joint Secretary (Financial Inclusion), Government of India on 6th July, 2018 at Patna.

Your Bank has also launched out Security Manual, Customer Information Compilation, ATM Manual, RFP, LOS Documents, Ethics Code and a handbook on Digital Banking in Hindi for the use of our operating staff.

Ashirwad Rajbhasha Gaurav Award

Dr. Satya Narayan Jatia, Vice-Chairman, Committee of Parliament on Official Language awarded 1st prize to your Bank for the best implementation of O.L. Policy on behalf of renowned literary - social - cultural organisation Ashirwad. He also honoured our GM (O.L. & C.S.) with prestigious 'Rajbhasha Gaurav Award'. Moreover, our Hindi house magazine 'Prayas' was awarded with 'Best Magazine'.

SBI TOLICS

Town Official Language Implementation Committees chaired by your Bank at Bhubaneswar and Hyderabad centres got 1st and 2nd prizes respectively in Rajbhasha Kirti Awards from Honourable Vice President of India. Also, Town Official Language Implementation Committee, Siliguri won 3rd prize by the Regional Implementation Office (East), Kolkata.

5. MARKETING AND COMMUNICATION

The Marketing and Communications (M&C) Department is responsible for your Bank's initiatives towards branding, product marketing and corporate communications. With the objective of optimising its efforts in promoting the products and services by adopting contemporary marketing approach and to give impetus to the digital initiatives to connect with the youth, the M&C Department's key responsibilities include developing and implementing integrated marketing strategies to address business challenges of different divisions of your Bank including Indian and overseas operations. This department comprises of domain skilled professionals and specialists drawn from various relevant fields - media, marketing communications, digital marketing, advertising, and public relations.

The focus of this year for your Bank's M&C team was to promote its flagship product YONO. For this, your Bank undertook initiatives to make the customers aware of YONO and its unique features. During the year, the team also devised various marketing initiatives for YONO such as the YONO Shopping Festival (YSF), a first of its kind shopping festival ever organised by any Bank across the country. Your Bank conducted its maiden thought leadership event on fintech called 'Infinite'. One of the major marketing initiatives, which your Bank launched was the YONO 20Under20 concept. This was one of the biggest external events conducted and appreciated, where your Bank honoured 20 (10 Male + 10 Female) extra ordinary achievers in 10 different fields. Your Bank has also conducted a 17-city quiz called "Numero Yono".



Chairman with the Permanent Representative of India to United Nations Mr. Syed Akbaruddin at United Nations Headquarters in New York.

The Department has further strengthened its process on integrating marketing efforts across all Business Units and has set up a suitable process for starting any marketing campaign. Apart from YONO, the M&C team launched major marketing campaigns for products such as Home Loans, Wealth Management, NRI Services, amongst others. The Department also initiated an integrated approach to drive consideration for the range of retail loan products. Different media vehicles were used for all these campaigns.

The M&C team was instrumental in changing the brand identity of the Wealth Management Services from Exclusif to SBI Wealth. The team worked on organising Green Marathon, which was conducted in six cities last year and this year it was taken to 15 cities, Bhubaneswar, Trivandrum, Bhopal, Jaipur, Kolkata, Lucknow, Patna, Guwahati, to name a few in the current financial year to accentuate your Bank's commitment to sustainability.

Going forward, along with the other marketing initiatives, your Bank plans to further promote its flagship product YONO. The thrust of the department is to stay ahead of the competition and develop brand "State Bank of India" into a more vibrant and competitive brand.

6. VIGILANCE MECHANISM

At your Bank, there are three aspects to the vigilance function - Preventive, Punitive and Participative. Vigilance Awareness Week was observed from 29th October to 3rd November 2018, with the theme "Eradicate Corruption - Build a New India". As a part of observance of Vigilance Awareness Week, "Integrity Pledge" was administered to the staff and public at large. Further, State Bank of India as a Corporate has organised Gram Sabhas and undertaken the Integrity Pledge to create awareness. The message was disseminated through other means viz. Alternative Channels, IVR, Social Media, Walkathon, and Street plays amongst others.

The concept of Whistle-blower is another effective tool used for Preventive Vigilance. To highlight any malpractices under Whistle-blower Scheme, a portal was launched by your Bank wherein a complaint can be lodged online, and its progress can be monitored. There is an existing well-defined Whistle-blower policy in your Bank, which acts as a deterrent for the employees to keep themselves away from malicious activities. The Whistle-blower's identity is protected to ensure that the process continues to be an effective tool against wrongdoings without fear.

Branches, where lapses of grave nature are observed, are identified and suo-motu investigations are conducted to check possible fraudulent activities and to execute remedial measures are undertaken.

During FY2019 a total of 1,505 cases (1,025 new cases) were taken up for examination, out of which 790 cases have been concluded.

7. ASSET AND LIABILITY MANAGEMENT

Efficient Management of Assets and Liabilities (ALM) is vital for sustainable and qualitative growth of Banks. ALM aims to strengthen Balance Sheet by pro-actively reviewing the market dynamics, capturing the signals emanating, therefrom, assessing the regulatory requirements to ensure value creation.

As part of best Risk Management practices, updated Internal Policies on 'Deposits', 'Whole Bank Asset and Liability Management', 'Whole Bank Stress Testing of Liquidity and Interest Rate Risks' were implemented by introducing the latest concepts such as 'reverse stress testing'. As part of contingency planning, Contingency Funding Plan (CFP) is in place and reviewed regularly.

Studies are conducted at regular intervals to assess the behavioural pattern of non-contractual assets and liabilities, embedded options available to customers, off-balance sheet exposures, impact of probable loan losses, and others. The inputs derived therefrom are used for effective management of on-balance sheet and off-balance sheet items.

The levels of High-Quality Liquid Assets (HQLA) and cash outflows are effectively monitored in a highly dynamic environment for computing LCR on daily basis.

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

In order to encourage branches to garner stable funds and assess their profitability based on cost of funds, a Market Linked Internal Funds Transfer Pricing was implemented by your Bank.

The Asset Liability Management Committee (ALCO) of your Bank monitors and manages the Interest Rate and Liquidity Risks of the balance sheet. ALCO inter alia, reviews the Interest Rate scenarios, pattern of growth of liability products, credit growth, competitive advantages, liquidity management, adherence to the regulatory prescriptions and pricing of liabilities and assets from time to time.

In order to address the concern of rigidities in the Balance Sheet structure and address the issue of quick transmission of changes in RBI's policy rates, effective from 1st May 2019, your Bank has taken the lead in linking its pricing of Savings Bank Deposits with balances above ₹1 lakh and Short Term Loans (Cash Credit accounts and Overdrafts with limits above ₹1 lakh) to the Repo Rate of RBI as an External Benchmark.

8. ETHICS AND BUSINESS CONDUCT

Your Bank was engaged during the year with promotion of ethical awareness in the organisation as a cultural premise. Having put in place a structure for the purpose under the Chief Ethics Officer and articulation of Bank's new Vision, Mission and Values Statements (VMVS), Bank has come out with a Code of Ethics synchronised around the normative commitments to its stakeholders viz. values of STEPS (Service, Transparency, Ethics, Politeness and Sustainability). The Code provides staff-members with behavioural guidelines and a moral compass for conducting a collective journey towards realisation of your Bank's vision. Sustained efforts were taken to ensure that the essence of the VMVS and Code seeps into the sinews of organisation and strengthens its moral fibre. Activities such as sharing situational Quiz for ethical sensitisation (both, a general daily quiz to all employees of your Bank and a domain specific weekly quiz for Global Markets, Foreign Offices, GITC, MTs amongst others, covering ethical dilemmas related to their area of work), broadcasting Ethical Decision Making Guide, posting a motivational weekly blog

namely 'Coffee with Aristotle', fortnightly Ethics Tutorials amongst others, are undertaken. Besides, this regular Ethical Awareness Workshops are organised for different staff- constituencies ranging from messengers, security guards, Management Trainees to the Deputy General Managers including workshops on Procurement Ethics. 'Code of Conduct for Expressing Views in Social Media' was revised in response to expanding reach of social media platforms. Several measures were initiated for humanising the disciplinary eco-system further in your Bank.

Your Bank believes that ethics is a continuous process of infusing excellence in its operational fabric and will go on making endeavours unremittingly to shape the moral sensibilities of rank and file in the organisation.

9. CORPORATE SOCIAL RESPONSIBILITY

Social Responsibility is deeply ingrained in the culture of your Bank. Consequently, it has been undertaking social welfare initiatives much before the formal CSR concept was coined. Your Bank believes that it owes a solemn duty to the less fortunate and underprivileged members of the society to make sustainable social change in their lives. State Bank of India always places the interest of the common man, especially the most marginalised, at its core. In addition to this, your Bank earmarks 1% of the previous year's net profit as the budget for CSR spend for the year. Its CSR activities are widespread and deep-rooted and have made true difference in the lives of millions from underserved communities. Your Bank is committed towards the economic and social wellbeing of the downtrodden.

Focus areas of our CSR activities:

- Supporting Healthcare
- Supporting Education
- Skill Development and Livelihood Creation
- Environment Protection.
- Sanitation

CSR spend during 2018-19

During the F.Y. 2018-19, your Bank has made donation of an amount of ₹5 crore towards Chief Minister Distress Relief fund, Kerala for Kerala floods. Apart from that Bank has also donated the amount of ₹1.24 crore under CSR mainly towards Healthcare and Sanitation.

SBI Children's Welfare Fund: Your Bank constituted SBI Children's welfare Fund as a Trust in 1983, which extends grants to institutions engaged in the welfare of underprivileged and downtrodden children like orphans, destitute, challenged, deprived, amongst others. The corpus of the fund is made by staff members and matching contribution is provided by your Bank. During 2018-19, State Bank of India has donated ₹0.49 crore to 6 institutions such as Protection of the Rights of Differently Abled Children, Pawan Public School run by Gram Vikas Sanstha, Amcha Ghar, Coochbehar NELC School, Ama Adhikar and Sahrudaya Health, Medical, and Educational Trust.





Release of Code of Ethics by Chairman, MD (R&DB), MD (CCG & IT), MD (GB & S), DMD & CFO Chief Ethics Officer in Strategy Retreat at Kolkata on 14.07.2018.

V. SUBSIDIARIES

As a part of mission to provide the entire gamut of financial services across India, the State Bank Group, through its various subsidiaries, provides a whole range of financial services, including Life Insurance, Merchant Banking, Trustee Business, Mutual Funds, Credit Card, Factoring, Security Trading, Pension Fund Management, Custodial Services, General Insurance (Non Life Insurance) and Primary Dealership in the Money Market.

Non- Banking Subsidiaries:

(₹crore)

Sr. No	Name of the Subsidiary Company	Ownership (SBI interest)	% of Ownership	Net Profit (Losses) for FY2019
1	SBI Capital Markets Limited (Consolidated)	58.03	100.00	236.27
2	SBI DFHI Limited	131.52	69.04	61.58
3	SBI Mutual Fund Trustee Company Private Limited	0.10	100.00	3.21
4	SBI Global Factors Limited	137.79	86.18	5.35
5	SBI Pension Funds Private Limited	18.00	*60.00	1.89
6.	SBI Foundation	3.99	99.72	0.16
7.	SBI Infra Management Solutions Private Limited	40.00	100.00	(12.00)

*Group holding of SBI is 100% in SBI Pension Funds Pvt. Ltd. (SBI 60%, SBI MF and SBI Capital Markets 20% each)

Non- Banking Subsidiaries: Joint Ventures

(₹crore)

Sr. No	Name of the Subsidiary Company	Ownership (SBI interest)	% of Ownership	Net Profit (Losses) for FY2019
1	SBI Funds Management Private Limited	31.50	63 .00	427.54
2	SBI Cards & Payment Services Private Limited	619.54	74 .00	788 .00
3	SBI Life Insurance Company Limited	621.00	62.04	1327 .00
4	SBI-SG Global Securities Services Private Limited	52.00	65 .00	34.45
5	SBI General Insurance Company Limited	151.00	70 .00	334 .00
6	SBI Business Process Mgt. Services Private Limited*	17.46	74 .00	78 .00
7.	SBI Payment Services Private Limited	4.50	74 .00	(48.84)

* Name of "GE Capital Business Process Mgt. Services Pvt. Ltd." has been changed to "SBI Business Process Mgt. Services Pvt. Ltd."

1. SBI CAPITAL MARKETS LIMITED (SBICAP)

(₹crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (Loss) for FY2019
SBICAP SECURITIES LIMITED (SSL)	96.88	100 .00	57.52
SBICAP VENTURES LIMITED (SVL)	49.98	100 .00	0.52
SBICAP (UK) LIMITED (SUL)	1.72	100 .00	(3.21)
SBICAP (SINGAPORE) LIMITED (SSGL)	61.78	100 .00	(1.65)
SBICAP TRUSTEE CO. LIMITED (STCL)	1.00	100 .00	14.90

SBICAPs is India's leading investment banker, offering a bouquet of investment banking and corporate advisory services to diversified clients across three product groups - Project Advisory and Structured Finance, Equity Capital Markets and Debt Capital Markets. These services include Project Advisory, Loan Syndication, Structured Debt Placement, Mergers and Acquisitions, Private Equity, Restructuring Advisory, Stressed Assets Resolution, IPO, FPO, Rights Issues, Debt and Hybrid Capital raising. On a standalone basis, SBICAPs posted a PBT of ₹242.60 crore during FY2019 as against ₹336.49 crore during the FY2018 and a PAT of ₹168.19 crore for FY2019 against ₹236.26 crore in FY2018. On a consolidated basis it has posted a profit of ₹236.73 crore as against ₹323.53 crore in the previous year. SBICAPS has not declared any dividend for FY2019 as against 225% in FY2018

A. SBICAP SECURITIES LIMITED (SSL)

SSL, a wholly owned subsidiary of SBI Capital Markets Limited, besides offering equity broking services to retail and institutional clients both in cash as well as in Futures and Options segments, is also engaged in sales and distribution of other financial products such as Mutual Funds, Tax Free Bonds, Home Loan, Auto Loan, Tractor Loan, amongst others.

SSL has over 100 branches and offers Demat, e-broking, e-IPO, and e-MF services to both retail and institutional clients. SSL currently has over 15 lakh clients. The Company has booked gross revenue of ₹408.36 crore during FY2019 as against ₹357.56 crore in FY2018.

B. SBICAP VENTURES LIMITED (SVL)

SVL is a wholly owned subsidiary of SBI Capital Markets Limited. DFID (Department for International Development) has joined hands with the SBI group to set up the 'Neev Fund' which is being managed by SBICAP Ventures Limited. SVL is acting as the Asset Management Company. SVL has also launched two funds namely Affordable Housing Fund and SME Fund during the year.

First closure of 'Neev Fund' was on 10th April, 2015 and the final closure happened on 31st March 2019 with final corpus of the Fund being ₹504.20 crore. Fund has invested in the infrastructure sectors such as renewable energy, water and sanitation, agricultural supply chain in eight identified states of India (Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, and West Bengal).

C. SBICAP (UK) LIMITED (SUL)

SUL, a wholly owned subsidiary of SBI Capital Markets Limited, is positioning itself as a relationship outfit for SBI Capital Markets Limited in UK and Europe. It has built relationships with FIIs, Financial Institutions, Law Firms, Accounting Firms, amongst others, to market the business products of SBICAP.

D. SBICAP (SINGAPORE) LIMITED (SSGL)

SSGL, is a wholly owned subsidiary of SBI Capital Markets Limited. It commenced business in December, 2012. It has built relationships with FIIs, Financial Institutions, Law Firms, Accounting Firms, amongst others, to market the business products of SBICAP. It is specialised in marketing of Foreign Currency Bonds and securing clients for SBICAP SEC.

E. SBICAP TRUSTEE CO. LIMITED (STCL)

SBICAP Trustee Co Limited (STCL), is a wholly owned subsidiary of SBI Capital Markets Limited. STCL commenced security trustee business with effect on 1st August, 2008. STCL posted Net Profit of ₹14.90 crore during FY2019 as against ₹11.90 crore during FY2018. Moreover, it has launched an Online Will Creation service for the individuals in the name of 'My Will Service Online'. In addition to this, 'Trustee Enterprise Management System' - an integrated system to address all the trustee related operations was implemented, thereby becoming the first and only Trustee Company in India to have full automation across all trustee related operations.

2. SBI DFHI LIMITED (SBIDHFI)

SBI DFHI Limited is one of the largest standalone Primary Dealers (PD) with a Pan India presence. As a Primary Dealer (PD) it is mandated to support the book building process in primary auctions and provide depth and liquidity to secondary markets in G-Sec. Besides Government securities, it also deals in money market instruments, non G-Sec debt instruments, amongst others. As a PD, its business activities are regulated by RBI.

State Bank of India group holds 72.17% share in the Company, which posted a Net Profit of ₹61.58 crore as on 31st March, 2019 as against ₹32.07 crore as on 31st March, 2018. Total balance sheet size was ₹7,206.09 crore as on 31st March, 2019 as against ₹5,659.46 crore as on 31st March, 2018.

3. SBI CARDS & PAYMENTS SERVICES PRIVATE LIMITED (SBICPSPL)

SBI Cards and Payment Services Private Limited is a joint venture between State Bank of India and the Carlyle Group wherein State Bank of India holds 74% stake and CA Rover Holdings (An affiliate of Carlyle) holds 26% stake. SBICPSL is an NBFC and issues credit cards in India. State Bank of India increased its stake in the company in December 2017 from 60% to 74% by buying shares from exiting partner GE Capital.

During FY2019, the Company's Card base has grown by 32% YoY with total number of credit cards reaching to a level of 82.71 lakh as at 31st March 2019. Total Spends on card witnessed a YoY growth of 35% to reach a level of ₹107,350 crore for the same period. The company is positioned at Rank #2 with 17.2% Spends Share and 17.4% Cards base as per RBI report for February 2019 (Previous Year 16.7% in terms of both Spends and Cards base as per RBI report for March 2018). The company delivered Profit after Tax of ₹788 crore in FY2019 at YoY growth of 36% (Profit after Tax in FY2018 - ₹581 crore).

New launches during FY2019:

- New cobranded 'Apollo SBI Card' launched offering host of benefits and privileges on health and wellness services.
- 'SBI Doctors Card' in association with Indian Medical Association launched exclusively for Doctors.
- Etihad Guest SBI Card offering best-in-class value combined with word class travel experience to frequent international travellers
- SME Card offering unmatched value proposition to Small and Medium Enterprises (SME) segment
- Allahabad Bank SBI Card, Co-branded Credit Card with Allahabad Bank, catering to the customers of Allahabad Bank.



Chairman, SBI presented YONO 20 under 20 award under 'Sports Champion-Male'.

Awards received during FY2019:

- SBI Card received the Reader's Digest Trusted Brand Award 2018, for the tenth time in the credit card category.
- SBI Card won the Best Data Quality Award from CIBIL, for the third consecutive year.
- SBI Card m-Gurukul won Silver Award in Best Learning, Performance and Capability Project - Sales Training category by LEARNX Foundation, Australia.
- SBI Card won the 'Excellent Compliance Performer Award 2018' at the coveted Compliance 10/10 awards.
- SBI Card was awarded as Best Arrangements - Governance & Compliance Awards 2018 at the Compliance Register Platinum held at London, UK.
- The SBI Card L&D team was awarded with Learning Innovator Award at the GP Strategies India, Learning Connect Event held at Gurugram.



Etihad Guest SBI Card launch event.

4. SBI BUSINESS PROCESS AND MANAGEMENT SERVICES PRIVATE LIMITED (SBIBPMSL)

(Formerly GE Capital Business Process and Management Services Private Limited)

SBIBPMSL is a joint venture between State Bank of India and the Carlyle Group, wherein State Bank of India holds 74% stake and CA Rover Holdings (An affiliate of Carlyle) holds 26% stake. SBIBPMSL provides back end services and solutions to SBICPSL. State Bank of India increased its stake in the company in December 2017 from 40% to 74% by buying out shares from exiting partner GE Capital.

For FY2019, the Company generated PAT of ₹78 crore at a YoY growth rate of 15% (Profit after Tax in FY2018 of ₹68 crore).

Initiatives undertaken during FY2019:

- Vision Plus migration to India completed
- Excalibur (Collection CRM) Phase-I Go-Live from Mar'19
- Chat Bot- ELA introduced- 98% Success rate

5. SBI LIFE INSURANCE COMPANY LIMITED (SBILIFE)

SBI Life Insurance is a joint venture between State Bank of India (SBI) and BNP Paribas Cardif S. A. The equity shares of the Company are listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

SBI Life has a multi-channel distribution network comprising an expansive bancassurance channel, including State Bank, the largest bancassurance partner in India, a large and productive individual agent network comprising 123,613 agents as of March 31, 2019, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries.

During the year ended March 31, 2019, the Company operated in sound and stable manner, with its sole objective of increasing insurance penetration and concentrating on individual regular business through an active and prudent strategy, sales team maintaining the quality as well as quantity and established a firmer market position. The Company has proven its market leadership in the year ended March 31, 2019 with numero-uno position in Individual New Business Premium among private insurers.

Individual business has always been a part of core strategy of the Company. The company witnessed a 15% growth in Individual New Business Premium (NBP) vis-à-vis the industry growth of 6%. The market share of SBI Life Retail New Business Premium (NBP) among all private players as on 31st March, 2019 is 20.6%. Total New Business of the Company for the year ended FY2019 stands at ₹13,792 crore; growth of 26%.

The Company continues to maintain the leadership position amongst private players in number of policies issued, which reflects mass coverage and strong market acceptance across geographies amongst life insurer. During the period, total 15,25,439 individual new policies were issued and registered growth of 7%.

During the year, the Company implemented Employee Stock Option Plan (ESOPs) to encourage employee's performance and incentivise employees.

SBI Life witnessed a PAT of ₹1,327 crore in FY2019 against ₹1,150 crore in FY2018, growth of 15%. AUM of the Company recorded a growth of 21% at ₹1,41,024 crore as on 31st March, 2019 as compared to ₹1,16,261 crore as on 31st March, 2018.

Leveraging wider reach achieved through its network of 908 offices, SBI Life has systematically brought large rural areas under insurance reach.

Awards and recognitions received during the year include:

1. For the Financial Year 2018-19, SBI Life was awarded the 'Life Insurer of the Year 2018 - India' by Insurance Asia News Awards for Excellence 2018.
2. SBI Life Insurance Company Limited has also been declared as the Winner of the 'Golden Peacock Award for Risk Management' for the year 2018.

3. SBI Life won the 2nd Runner Up in the Category of Improvement & Innovation at the 30th Qualtech Prize 2018.
4. The RIMS India Enterprise RISK Management (ERM) Award of Distinction 2018, organised by the Risk & Insurance Management Society (RIMS), USA, was also awarded to SBI Life in 2018.
5. Awarded 'ICAI - Gold Shield' for Excellence in Financial Reporting for FY2018 under the Insurance category
6. SBI Life Insurance Company Limited received the 'Smart Insurer Award in the Life Insurance - Large Category' at ET Insurance Summit 2018.
7. SBI Life Insurance also won the 'Life Insurance Provider of the Year 2018' by Outlook Money in the Silver Category.
8. SBI Life Insurance was recognised as 'The Economic Times Best Brands 2019' by The Economic Times
9. SBI Life Insurance won the 'Intelligent Enterprise' award in the 'Artificial Intelligence' category by Express Computers.
10. SBI Life Insurance won the awards for 'Best Blended Learning Program' and 'Chief Learning Officer of the Year' at TISS Leapvault CLO Awards 2018.
11. SBI Life Insurance won 'Corporate Star Award for Best Training for Employees/Associates' in MICE activities by MTM.

6. SBI FUNDS MANAGEMENT PRIVATE LIMITED (SBIFMPL)

SBIFMPL, the Asset Management Company of SBI Mutual Fund, is amongst the fastest growing AMCs with a growth of over 30% against the industry average of 6.20% in 2018-19. In the last three years, SBIFMPL has achieved a CAGR of 39% against the industry average of around 22%. The Fund has moved up 2 notches in 2018-19 and has achieved 3rd rank, from being at 5th rank in the beginning of the year as per Quarterly Average Asset Under Management (QAAUM). SBIFMPL has one of largest investor base with over 95 lakh investors with 12 lakh direct investors and over 47,000 institutional investors including 1210 retirement funds. SBIFMPL is the Largest ETF manager in the country.

SBIFMPL posted a PAT of ₹427.54 crore during the period ended March 2019 as against ₹335.82 crore earned during the year ended March 2018 under Indian Accounting Standard (Ind AS). The average "Assets Under Management" (AUM) of the Company during the quarter ended March 2019 were ₹2,83,807 crore with a market share of 11.59% as against the average assets under management of ₹2,17,649 crore with a market share of 9.44% during the quarter ended March, 2018. The Company has a fully owned foreign subsidiary viz. SBI Funds Management (International) Private Limited, which is based at Mauritius and manages Off-shore Fund. SBIFMPL also provides Portfolio Management services (PMS) and Alternative Investment Funds (AIF).



7. SBI GLOBAL FACTORS LIMITED (SBIGFL)

SBIGFL is a leading provider of factoring services for domestic and international trade. SBI holds 86.18% share in the Company. The Company's services are especially suitable for MSME clients for freeing up resources locked in book debts. By virtue of its membership of Factors Chain International (FCI), the Company is able to ameliorate credit risk from export receivables under the 2-factor model.

The Company reported a PBT of ₹9.47 crore during the year ended FY2019 against Previous Year PBT of ₹2.08 crore. In current FY PAT is ₹5.35 crore against Previous Year Loss of ₹3.24 crore. Turnover for 12 months ended FY2019 is ₹4,387 crore as compared to turnover of ₹3,555 crore in previous year (i.e. an increase of 23%). Funds in use (FIU) as on 31st Mar 2019 is ₹1,374 crore as compared to ₹1,276 crore as on 31st Mar 2018. Turnover in Export Factoring -2 Factor Model for 12 months ended FY2019 is equivalent to EUR 54 Mio (Previous Year EUR 59.15 mio). In INR terms, the EF turnover touched ₹440 crore for 12 months ended FY2019, as against ₹452 crore in previous year.

8. SBI PENSION FUNDS PRIVATE LIMITED (SBIPFPL)

SBIPFPL has been appointed as the Pension Fund Manager (PFM) along with seven others to manage the pension corpus under National Pension System (NPS). SBIPFPL is one of the three PFM appointed by the Pension Fund Regulatory & Development Authority (PFRDA) for management of Pension Funds under the NPS for Central Government (except Armed Forces) and State Government employees and one of the eight PFMs appointed for management of Pension Funds under the Private Sector. The total Assets Under Management (AUM) of the company as on 31st March, 2019 was ₹1,21,959 crore (YoY growth of 37%) against ₹89,283 crore on 31st March, 2018.

The Company maintained lead position amongst PFMs in terms of AUM in both Government and Private Sectors. The overall AUM market share in Private Sector was 59%, while in the Government Sector it was 35%.

The Company was adjudged "Silver Award" Winner as the Pension Manager of the year 2018 by Outlook Money. Awards by Outlook money have been adjudged to the Company for 4th consecutive year in a row.

9. SBI GENERAL INSURANCE COMPANY LIMITED (SBIGIC)

SBIGIC is a joint venture between State Bank of India and IAG Australia in which State Bank of India holds a 70% stake. At its Executive Committee meeting of the Board, your Bank has approved the sale of 86.2 Lakh shares of ₹10 each, equaling to 4% stake in its subsidiary SBI General Insurance Company Limited (SBIGIC) for ₹482 crore. The proposed transaction values SBIGIC at over ₹12,000 crore. The transaction completion is subject to regulatory approvals.

The cornerstone of the Company's growth aspiration is focused on the Banca channel whilst developing other channels and products that meet business objectives and drive profitable growth. The Company has entered in to strategic tie-ups with four large car manufactures to drive growth in the Motor portfolio. Gross Written Premium (GWP) stood at ₹4,717 for FY2019.

In the ninth year of operation, SBIGIC had achieved a profit, to the tune of ₹334 crore. The Company recorded 32.83% of growth in GWP YoY against an industry growth of 12.95% including crop whereas excluding Crop, SBIGIC recorded growth of 12.4% against Industry growth of 12.6% for FY2019. SBIGIC has grown by 115.6% in Crop Insurance in FY2019 by participating in the PMFBY schemes and extending its geographies. The overall market share among all general insurance companies stands at 2.77% and 5.77% among private insurers (Excluding Standalone Health Insurers). The Company's market ranking stands 13th in the industry and 8th among the private players (Excluding Standalone Health Insurers) in FY2019. SBIGIC occupies 2nd position in "Personal Accident" both amongst private insurers and overall in the industry in FY2019. The company ranks 3rd in "Fire" among private insurers and 6th position in the industry in FY2019. Share of health business decreased from 13.3% to 10.9%. However, there is a growth to the tune of 8.6% for FY2019.

SBI General was awarded "Best General Insurance Company" and "Best Growth in General Insurance" at the Emerging Asia Insurance Awards 2018 organised by Indian Chamber of Commerce at Bangkok. SBI General has been conferred the title "General Insurance Company of the Year" at the India Insurance Summit & Awards 2019, which is the biggest strategic business summit for the entire insurance industry in India. SBI General has won the Gold Award in the category 'Non-Life Insurance Provider of the Year 2018' at the 17th edition of Outlook Money Awards. SBI General newsletters, 'Network' and 'Connect', have received an award for "Best Content in Email Marketing Campaign for E-Newsletters" at the India Content Leadership conference and awards 2018, organised by Inkspell Media. The Company Chief Risk Officer was awarded the 'CRO of the year' in the 2nd Edition CRO Leadership Summit and Awards 2019.

10. SBI SG GLOBAL SECURITIES SERVICES PRIVATE LIMITED (SBI-SG)

SBI-SG, a joint venture between State Bank of India and Societe Generale with 65% holding by SBI. The Company was set up to offer high quality custodial and fund administration services to complete the bouquet of premier financial services offered by the SBI Group. SBI-SG commenced commercial operations in 2010. The Company's Net Profit was ₹34.45 crore as on 31st March 2019 as against ₹26.03 crore as on 31st March 2018. Accumulated profit is ₹79.90 crore.

Assets Under Custody as on March 2019 rose to ₹5,40,919 crore from ₹4,65,231 crore as on March 2018, while the Average Assets Under Administration were at ₹3,18,197 crore in March 2019 as against ₹2,53,867 crore in March 2018.

SBI-SG has been rated as one of the leading custodians in India in the Global Custodian magazine's Agent Banks and Emerging Markets Survey 2017. SBI-SG has also been rated #1 custodian in India in the Global Investor/ISF Sub - Custody survey for 2017.

11. SBI INFRA MANAGEMENT SOLUTIONS PRIVATE LIMITED (SBIIMS)

The SBIIMS is a wholly owned subsidiary incorporated on 17th June 2016. The Company has since expanded its operation pan India w.e.f., 1st July 2018 by setting 17 Circles Infra Offices at all SBI LHO Centres. Its Head Office is located at Raheja Chamber, Ground Floor Free Press Journal Marg Mumbai 400021.The Company is in the process of stabilising its operation at pan India level.

The aim of the company is to give specialised services on Civil, Construction, Electrical, Facility Management, Leasing of Premises etc. It also aims at relieving SBI Officials from dealing with Premise and Facility related issues and compliment it by giving specialised inputs. The company also instrumental in saving cost, manpower, time, and energy used to be consumed by SBI.

12. SBI PAYMENT SERVICES PRIVATE LIMITED (SBIPSPL)

SBI Payment Services Private Limited ("SBIPSPL") was incorporated on February 12, 2010 as a wholly owned subsidiary of State Bank of India ("SBI") and was supporting SBI in conducting Merchant Acquiring Business ("MAB"). In order to build state-of- the-art technology platform domain expertise, innovation centre to design new products, improve customer service and to be future ready, SBI initiated the process to induct a global domain player in SBIPSPL.

During the year, SBI transferred MAB to SBIPSPL and selected Hitachi Payment Services Private Limited ("HPY"), indirect wholly owned subsidiary of Hitachi Limited Japan, as its Joint Venture partner with 26% stake.



Announcement of MAB JV between SBI and Hitachi by Hon'ble Prime Minister of India at Tokyo.

The digital payments landscape in India is evolving at a rapid rate and SBIPSPL is playing an effective role in building momentum for transforming India through digitalisation of the economy. In sync with the focus of the Government of India to create a less-cash economy, SBIPSPL's digital payment acceptance infrastructure is spread across the length and breadth of the country. During the year, a multi option payment acceptance device i.e., MOPAD was launched for facilitating payments via Cards/Bharat QR/UPI on a PoS terminal.

As on 31st March, 2019, SBIPSPL has deployed 5.75 lakh PoS terminals, 4.18 lakh Bharat QR code and on-boarded 6.31 lakh merchants on BHIM-Aadhaar-SBI and acquired nearly 54 crore transactions during FY2019 with 24% Y-o-Y growth. The number of merchant payment acceptance touch points crossed 16.2 lakh. SBIPSPL has reported an EBITDA of ₹14.19 crore as on March 31, 2019

Following services are also being offered by SBIPSPL to cater to the requirements of various merchants:

- DCC-Dynamic Currency Conversion
- EMI (Equal Monthly Installments)
- Cash@POS
- NFC acceptance on PoS terminals
- Acceptance of AMEX/DINERS/DFS/JCB/UPI Cards.
- Electronic Toll Collection.

SBIPSPL is providing customised solutions to premium customers to suit their requirements by integrating with their technology platforms. Some of the notable integrations are with Indian Railways, SOUTHCO (Odisha), APDCL (Assam Power Distribution Co. Limited), Goa - GBSS project (Government of GOA), Cyber Treasury (Govt of Madhya Pradesh), IGR (Inspector General of Registrar) Pune, Noida and Nagpur Metro.

13. SBI FOUNDATION

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

With an aim to give back to the society by working towards the socio-economic well-being of the marginalised and vulnerable communities, your Bank is actively working towards impacting people on grassroots level across PAN India with a vision to provide 'Service Beyond Banking'.

SBI Foundation is presently working on various projects to build a momentum for a transforming India by creating an inclusive development paradigm that serves all Indians without any discrimination based on region, language, caste, creed, religion amongst others. The total CSR spend of SBI Foundation for FY2019 was ₹16.46 crore. The grants received from Bank's subsidiaries amounted to ₹16.66 crore.

The Foundation undertook CSR activities in the following focus areas:

A. HEALTHCARE

SBI Foundation is committed towards contributing positively to United Nation's Sustainable Development Goals (SDGs)-Goal#3: Good Health and Well Being by bringing about positive change in the lives of underprivileged sections of society by providing free access to quality healthcare. To contribute towards improving the health scenario, your Bank has continued the support to following CSR projects through SBI Foundation:

- **Life:** An initiative to prevent and control Thalassemia disease by conducting free tests for around 20,000 people. 5.9% of the tested people were found to be positive.
- **Gift Hope, Gift Life:** An initiative to augment deceased Organ Donation in India with a 24/7 toll free national helpline. Moreover, healthcare professionals (Doctors, Nurses, Surgeons amongst others.) were trained and massive awareness programs were conducted during the year.
- **Cancer Care:** An initiative to prevent and control Breast, Cervical and Oral Cancer among women by conducting free Biopsy, Mammography and Colposcopy tests.
- **Darpan:** An initiative to mitigate damages of Sickle Cell Anaemia disease by conducting free tests.
- **Anugraha:** An initiative to provide support for home-based Hospice and Palliative Care services for the rural poor community.
- **Umeed:** An initiative to provide crucial preventive care information for safe motherhood from gestation period to delivery and safe childhood for new born babies up to one year of age by use of mMitra- a free mobile voice call service.

B. EDUCATION

Education is one of the most powerful and proven vehicles to bring transformational change in the development of marginal segment. It plays a vital role in improving the standard of living of an individual and is viewed as an effective tool for bringing socio-economic changes. However, scarcity of resources and lack of infrastructure are the major hindrances in the education sector in India. SBI Foundation is committed to contribute positively to United Nation's Sustainable Development Goals (SDGs) Goal#4: Quality Education. Through SBI Foundation, your Bank has initiated various projects as mentioned below:

Peepul School Adoption Program: Under this project, a Model school is set up in a public private partnership (PPP) aiming to raise the standard of education and improving learning outcomes in government schools through a total school transformation approach.

Khelwadi: Under this project, 20 Khelwadis are being operated focusing on the aspects of education such as personality building, creative thinking amongst others, for an all-round development of students.

C. ENVIRONMENT AND SUSTAINABILITY

State Bank of India is committed towards environment protection and to reduce its carbon footprints. Hence, your Bank prioritises responsible interaction with environment to avoid depletion and degeneration of natural resources to maintain its long-term quality.

Waste to gold: An initiative to motivate and develop the skills of vulnerable youth to address waste management in the city; and develop small sustainable businesses for their livelihood.

SBI Corbett: An initiative to provide villages a sustainable waste management system and conduct trainings of SHG Workers to spread awareness in nearby schools and hotels.

Swachh Belur Math: SBI Foundation supported Ramkrishna Mission for construction of 201 toilets at new Pilgrims Abode in Belur Math that will serve 13 lakh visitors each year. To provide sanitation facilities to visitors of the holy Ramkrishna Mission that witnesses thousands of pilgrims a day, SBI Foundation contributed ₹1.67 crore to this project.

Beat Plastic Pollution: State Bank of India's Local head Office (LHO) Mumbai organised Cleanliness Drive with the theme 'Beat Plastic Pollution', on the eve of "World Environment Day" at Dadar Beach near Chaitya bhoomi. More than 125 staff members actively participated under the leadership of Mr P. K. Gupta, MD (Retail and Digital Banking) and cleaned the plastics and other wastes on Dadar Beach and collected 2 tractor load of garbage.



MD - Retail and Digital Banking, SBI, along with other staff of the bank cleaning the Dadar Beach to beat plastic pollution on World Environment Day.

Plastic free organisation: State Bank of India announced to be a plastic free organisation as part of Bank's sustainability commitment. This major initiative by your Bank is in sync with the Honourable Prime Minister's Swachh Bharat Abhiyan and the national commitment to abolish single use plastic by the year 2022. In the next 12 months, SBI will be undertaking phase wise steps to become plastic free. PET water bottles will be replaced with water dispensers at all its offices and meetings. Your Bank will also start using standardised paper folders replacing the plastic ones. Moreover, it will replace single use plastic cutleries and containers in its canteens with those made from biodegradable substances.

D. ARTS, CULTURE, HERITAGE AND OTHERS

India has a rich legacy of arts, culture and heritage and your Bank is committed to preserve them.

- Swachh Iconic CSMT: To achieve the dual goals of preservation of culture and heritage and contribute to "The Swachh Iconic Places" initiative, your Bank has initiated a project named "SBI Swachh Iconic CST", an initiative for Conservation and Restoration of South and East Façade of the Heritage Building at Chhatrapati Shivaji Maharaj Terminus Mumbai, A UNESCO World Heritage Site.
- SBI Eklavya: An initiative to provide basic sports facility to the children studying in ashram schools.

E. FLAGSHIP PROGRAMS

SBI Youth for India Fellowship program: SBI Youth for India (YFI) is a Fellowship program initiated, funded and managed by the SBI Foundation, SBI Capital Markets and SBI General Insurance. It provides a framework for India's best young minds to join hands with rural communities, empathises with their struggles and connects with their aspirations.

Under the initiative, SBI Foundation has partnered with the reputed NGOs, engaged in the developmental work of rural areas, to deploy the youth enrolling for the fellowship, for conceiving and working on innovative projects. YFI has an alumni base of 254 passionate change makers, 70% (approximately) of Alumni are associated with the development sector after the fellowship.

Centre of Excellence for Persons with Disabilities (PwDs) (CoE):

Majority of differently abled persons can lead a better quality of life if they have equal opportunities and effective access to rehabilitation measures. There was an increasing recognition of the abilities and emphasis on mainstreaming them in the society based on their capabilities. CoE, conceptualised with an aim to be a centralised support centre for differently able persons, works on empowering PwDs through skill enhancement to make a significant and measurable improvement that enables a more productive and satisfying life by optimising their cognitive, physical, social, and vocational functioning.

CoE has conducted 11 inclusive training programs for employees with disabilities and their trainers having 10 public sector Banks as participants. CoE has also signed MoUs with Bank of Baroda, Union Bank of India, Vijaya Bank and State Bank of India for the institutionalisation of inclusion and empowerment of employees with disabilities.

CoE has set up a skill centre under its 'Swabhiman' project for placement linked skill development of PwDs. It has also initiated project 'Shravan Shakti' to support surgery for fitment of Cochlear implants for hearing impaired children.

Gram Seva:

For the holistic development of the villages, SBI Foundation has adopted 10 Gram panchayats covering 50 of villages in six states of India. Integrated village development is aimed to promote education for all, environment protection, livelihood development, digitisation in Gram Panchayat, skill development and improvement of preventive and primary health care in villages. Over 11,000 families are benefiting from this project.

The objectives of the flagship program are:

- To link and leverage the specific government schemes/services to villages
- To lay emphasis on digitalisation and create awareness about online banking
- Improve the basic infrastructure of villages
- Encourage Panchayat/Village self-governance and create environment for participatory efforts by the people for rural asset creation and community development.

SBI Foundation has won two national level awards during this year for its CSR initiatives.



The Asian Banker Financial Technology Innovation Awards 2018.

Name of the Award	Category
SKOCH CSR Awards	Best CSR Practices (Gold) - For Gift Hope, Gift Life project
ICC Social Impact Awards	Empowering Rural Population- For Gram Seva project

14. REGIONAL RURAL BANKS (RRBs)

Ownership Percentage of SBI In RRBs sponsored by SBI

35.00%	1. Andhra Pradesh Grameena Vikas Bank
35.00%	2. Arunachal Pradesh Rural Bank
35.00%	3. Chhattisgarh Rajya Gramin Bank
35.00%	4. Ellaquai Dehati Bank
35.00%	5. Langpi Dehangi Rural Bank
40.37%	6. Madhyanchal Gramin Bank
35.00%	7. Meghalaya Rural Bank
35.00%	8. Mizoram Rural Bank
35.00%	9. Nagaland Rural Bank
35.00%	10. Purvanchal Bank
35.00%	11. Saurashtra Gramin Bank
37.15%	12. Utkal Grameen Bank
35.00%	13. Uttarakhand Gramin Bank
35.00%	14. Vananchal Gramin Bank
35.00%	15. Rajasthan Marudhara Gramin Bank
35.00%	16. Telangana Grameena Bank
35.00%	17. Kaveri Grameena Bank

RRBs Sponsored by SBI

With more than 2/3rds of our country's population living in Rural - India, it presents a huge yet under tapped opportunity for the Indian Banking Sector. Our large network of sponsored Regional Rural Banks (RRBs) is well placed, to play a larger role and have a great potential to address this scenario. Regional Rural Banks have a distinct competitive advantage, due to their large account base and decades of trust-earning service tradition, resulting in close proximity to the rural customers.

- The State Bank has sponsored (17) Regional Rural Banks operating at regional levels in (17) different States. These RRBs have a combined branch strength of (5,647) spread across (215) Districts. (as on 31st March 2019).
- State Bank of India holds 35% stake in each of them except Madhyanchal Gramin Bank (40.37%) and Utkal Grameen Bank (37.15%) as on 31.03.2019 due to delayed infusion of proportionate share capital by Govt of India, with Government of India holding 50% and the respective State Governments holding the remaining 15% stakes.
- The Sponsored RRBs of SBI are on CBS platform and offer banking services on par with any other commercial Banks operating in the country. The Banks have adopted the best practices and are well placed to handle the ever-evolving demands of customers, particularly in Rural and Semi-urban space, through their customer centric approach.

Business Highlights of FY2019 (As on 31.03.2019):

- The aggregate deposits and advances of the (17) RRBs (sponsored by the Bank) as on (31st March 2019) stood at (₹103,258 cr) and (₹61,741 cr) respectively.
- During the year under review, despite the persistently challenging macroeconomic environment, the Bank improved its business, with Deposits growing by (10.80%) and Advances by (10.64%) over the previous year. (up to 31st March 2019). As a planned strategy to diversify to the portfolio, RRBs expanded their Housing Loan exposure by 26% to take the portfolio to ₹6599.00 cr.
- During FY2019, the RRBs together have posted a Net-Loss of (₹113.81 crs) due to substantial provision of Pension. RRBs have generated gross profit of ₹1846.75 cr (Profit before Tax and Pension provisions) which was 88% higher than the previous year. However, on account of Provisions towards Pension liability (₹1811.76 cr), the Post Tax Net Profit slid to (-) ₹113.81 cr as against Net Profit of ₹584.03 crs in FY20118. The Banks continue to focus on improving earnings from their core banking business, strengthening the fee income streams, and maintaining control on operating costs.
- The combined Gross Non-Performing Assets ratio of the RRBs has improved to (6.92%) in current Financial year as against 8.60% in the previous FY. Net NPA stands at (3.35%) as against (4.53%) in the previous FY.
- Business per employee during the FYimproved to (₹7.48 Crs) (as on 31st March 2019) as against ₹6.78 Crs in the previous FY.

Major Developments in FY2019:

The year under review witnessed several significant events, some of which are listed below:

- In January 2019, in line with a Government of India decision to amalgamate all RRBs operating in the state of Punjab, 'Malwa Gramin Bank', an RRB in which the Bank had 35% stake, was amalgamated with Punjab Gramin Bank, an RRB sponsored by Punjab National Bank, through a scheme of arrangement as facilitated by Ministry of Finance, Government of India. This event brought down the number of Sponsored RRBs in our fold from 18 to 17.
- Similarly, Govt. of India has issued notification for amalgamating two of our RRBs namely Kaveri Grameena Bank and Langpi Dehangi Rural Bank with RRBs sponsored by other Banks w.e.f. 01.04.2019.
- The 17 RRBs marginally expanded their branch network to reach 5,647 branches, as against 5,620 branches at the beginning of the year. The existing Branch network is expected to work more efficiently in the upcoming years, thanks to the introduction of Asset Management Hubs (AMHs) - a Centralised Credit Processing system.
- The RRBs have opened 168 Asset Management Hubs (AMHs) in the Financial Year, which will henceforth facilitate in processing and sanction of quality loan proposals, thus helping to improve the asset quality of the Banks.
- An RRB IT Tech Cell has been established at Hyderabad. This hub will act as a single point 'solution center' for undertaking and responding promptly to the IT requirements/challenges faced at the RRBs. Several of the RRBs have well established in-house IT cells and the Hub will act as a control center for standardising, exchanging and facilitating collaborative development of IT products and solutions between the RRBs.

Schedule V, Part B - Management Discussion and Analysis:

In terms of compliance with the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations 2018, following ratios have changed by more than 25%, as per details given below:

(In %)	Mar-18	Mar-19	Variation (bps)	% Change
Net Profit Margin	-2.47	0.31	278	+112.55
Return on Net worth	-3.78	0.48	426	+112.70

Net Profit Margin:

The Net Profit has registered YoY growth of 113.17% (from Loss of ₹6,547 Cr in FY18 to Net Profit of ₹862 Cr during FY19) as against YoY growth of only 5.49% in Total Income (from ₹2,65,100 Cr in FY18 to ₹2,79,644 Cr in FY19).

Return on Net worth:

The Net Profit has registered YoY growth of 113.17% (from Loss of ₹6,547 Cr in FY18 to Net Profit of ₹862 Cr during FY19) as against a meager YoY growth of 0.77% in Net worth of the Bank (from ₹1,77,191 crore in FY18 to ₹1,78,552 crore in FY19).

VI. RESPONSIBILITY STATEMENT

The Board of Directors hereby states:

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. that they have selected such accounting policies and applied them consistently and made judgements and estimates as are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Bank as on the 31st March 2019, and of the profit and loss of Your Bank for the year ended on that date;

iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 and State Bank of India Act, 1955 for safeguarding the assets of your Bank and preventing and detecting frauds and other irregularities;

iv. that they have prepared the annual accounts on a going concern basis;

v. that the internal financial controls had been laid down, to be followed by your Bank and that such internal financial controls are adequate and were operating effectively; and

vi. that proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VII. ACKNOWLEDGEMENT

During the year, Shri B. Venugopal was elected by the Shareholders as Director on the Board u/s 19(c) of the SBI Act, 1955 w.e.f. from 7th June 2018.

Shri Arijit Basu was appointed as Managing Director on the Board w.e.f. 25th June 2018 and Shri B. Sriram resigned from the Board w.e.f. 29th June 2018. Smt Anshula Kant was appointed as Managing Director on the Board w.e.f. 7th September 2018.

Dr Girish Ahuja and Dr Pushpendra Rai have been re-nominated by GOI as Directors u/s 19(d) of the SBI Act, 1955 w.e.f. 6th February 2019.

The Directors place on record their appreciation for the contributions made by the outgoing Managing Director, Shri B. Sriram to the deliberations of the Board. The Directors welcome the new Managing Directors, Shri Arijit Basu and Smt Anshula Kant and Director, Shri B Venugopal on the Board.

The Directors also express their gratitude for the guidance and co-operation received from the Government of India, RBI, SEBI, IRDA and other government and regulatory agencies.

The Directors also thank all the valued clients, shareholders, Banks and financial institutions, stock exchanges, rating agencies and other stakeholders for their patronage and support and take this opportunity to express their appreciation for the dedicated and committed team of employees of the Bank.

For and on behalf of the
Central Board of Directors

Chairman

Date: 10th May 2019

Corporate Governance

THE BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

State Bank of India is committed to the best practices in the area of Corporate Governance, in letter and in spirit. The Bank believes that good Corporate Governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the Bank to maintain a high level of business ethics and to optimise the value for all its stakeholders. The objectives can be summarised as:

- To protect and enhance shareholder value.
- To protect the interest of all other stakeholders such as customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and customer service and to achieve excellence at all levels.
- To provide corporate leadership of highest standard for others to emulate.

THE BANK IS COMMITTED TO:

- Ensuring that the Bank's Board of Directors meets regularly, provides effective leadership and insights in business and functional matters and monitors Bank's performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advices and resources as are necessary to enable it to carry out its role effectively.
- Ensuring that the Chairman has the responsibility for all aspects of executive management and is accountable to the Board for the ultimate performance of the Bank and implementation of the policies laid down by the Board. The role of the Chairman and the Board of Directors are also guided by the SBI Act, 1955 with all relevant amendments.
- Ensuring that a senior executive is made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board, and reports deviations, if any.

The Bank has complied with the provisions of Corporate Governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendments Regulations, 2018 with the Stock Exchanges except where the provisions of these regulations are not in conformity with SBI Act, 1955 and the directives issued by RBI/GOI. A report on the implementation of these provisions of Corporate Governance in the Bank is furnished below:

CENTRAL BOARD: ROLE AND COMPOSITION

State Bank of India was formed in 1955 by an Act of the Parliament, i.e., The State Bank of India Act, 1955 (Act). A Central Board of Directors was constituted according to the Act.

The Bank's Central Board draws its powers from and carries out its functions in compliance with the provisions of SBI Act & Regulations 1955. Its major roles include, among others,

- Overseeing the risk profile of the Bank;
- Monitoring the integrity of its business and control mechanisms;
- Ensuring expert management, and
- Maximizing the interests of its stakeholders.

The Central Board is headed by the Chairman, appointed under section 19(a) of SBI Act; four Managing Directors are also appointed members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are Whole Time Directors. As on 31st March 2019, there were nine other directors on the Board who are eminent professionals representing Technology, Accountancy, Finance, Economics and Academics. The composition of the Central Board, as on 31st March 2019, was as under:

- Chairman appointed by the Central Government in consultation with the RBI u/s 19(a)
- four Managing Directors, appointed by the Central Government in consultation with the RBI u/s 19(b)
- four directors, elected by the Shareholders under Section 19(c),
- three directors, nominated by the Central Government under Section 19(d),
- one director (official from the Govt. of India), nominated by the Central Government under Section 19(e), and
- One director (official from the Reserve Bank of India), nominated by the Central Government under Section 19(f) on the recommendations of the RBI.

The composition of the Board complies with provisions laid down in Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There is no inter-se relationship between Directors.

A brief resume of each of the Non-Executive Directors is given in Annexure I. Particulars of the directorships/ memberships held by all the Directors in various Boards/Committees are given in Annexure II and the details of their Shareholding in the Bank are mentioned in Annexure III.

MEETINGS OF THE CENTRAL BOARD

The Bank's Central Board has to meet a minimum of six times in a year. During the year 2018-19, fifteen Central Board Meetings were held. The dates of the meetings and attendance of the directors are as under:

DATES & ATTENDANCE OF DIRECTORS AT BOARD MEETINGS DURING 2018-19

No. of Meetings held : 15

Dates of the Meetings : 25.04.2018, 22.05.2018, 28.06.2018, 03.07.2018. 25.07.2018, 10.08.2018, 19.09.2018, 22.10.2018, 05.11.2018, 14.11.2018, 26.12.2018, 22.01.2019, 01.02.2019, 06.03.2019, 22.03.2019

Name of the Director	No. of Meetings held after nomination/ election /during incumbency	No. of Meetings attended
Shri Rajnish Kumar, Chairman	15	15
Shri B. Sriram, MD - C&GB (upto 29.06.2018)	03	03
Shri P. K. Gupta, MD - R&DB	15	15
Shri Dinesh Kumar Khara, MD - GB&S	15	14
Shri Arijit Basu, MD - CCG&IT (w.e.f. 25.06.2018)	13	12
Smt Anshula Kant - MD - SARC (w.e.f. 07.09.2018)	09	09
Shri Sanjiv Malhotra	15	11
Shri Bhaskar Pramanik	15	13
Shri Basant Seth	15	14
Shri B. Venugopal (w.e.f. 07.06.2018)	13	05
Dr. Girish K. Ahuja	15	06
Dr. Pushpendra Rai	15	13
Dr. Purnima Gupta	15	12
Shri Rajiv Kumar	15	01
Shri Chandan Sinha	15	14

EXECUTIVE COMMITTEE OF THE CENTRAL BOARD

The Executive Committee of the Central Board (ECCB) is constituted in terms of Section 30 of the SBI Act, 1955. The State Bank of India General Regulations (46 & 47) provide that, subject to the general or special directions of the Central Board, ECCB may deal with any matter within the competence of the Central Board. ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(f) of the SBI Act (Reserve Bank of India nominee), and all or any of the other Directors who are normally residents, or may, for the time being, be present at any place within India where the meeting is held. The ECCB meetings are held once every week. The details of attendance of ECCB Meetings during the year 2018-19 are as under:

ATTENDANCE OF DIRECTORS AT ECCB MEETINGS DURING 2018-19

No. of Meetings held : 52

S. No.	Directors	No. of Meetings held after nomination/ election/ during incumbency	No. of Meetings attended
1	Shri Rajnish Kumar, Chairman	52	52
2	Shri B. Sriram, MD - C&GB (upto 29.06.2018)	13	09
3	Shri P. K. Gupta, MD - R&DB	52	48
4	Shri Dinesh Kumar Khara, MD - GB&S	52	49
5	Shri Arijit Basu, MD - CCG&IT (w.e.f. 25.06.2018)	40	38
6	Smt Anshula Kant - MD - SARC (w.e.f. 07.09.2018)	29	26
7	Shri Sanjiv Malhotra	52	35
8	Shri B. Venugopal (w.e.f. 07.06.2018)	42	22
9	Shri Chandan Sinha	52	29
Directors who are normally not residents of the place of Meetings but were present on the day at the place where the meeting was held / participated through Video-conferencing:			
10	Shri Bhaskar Pramanik	36	36
11	Shri Basant Seth	20	20
12	Dr. Pushpendra Rai	24	24
13	Dr. Purnima Gupta	23	23

OTHER BOARD LEVEL COMMITTEES:

In terms of the provisions of SBI Act and General Regulations, 1955 and Govt./ RBI/SEBI guidelines, the Central Board has constituted other eleven Board Level Committees viz. Audit Committee of the Board, Risk Management Committee of the Board, Stakeholders Relationship Committee, Special Committee of the Board for Monitoring of Large Value Frauds, Customer Service Committee of the Board, IT Strategy Committee, Corporate Social Responsibility Committee, Remuneration Committee of the Board, Board Committee to Monitor Recovery, Committee to Review the Identification of Wilful Defaulters/Non-Co-operative Borrowers and Nomination Committee of the Board. These Committees provide effective professional support in Board Oversight in key areas like Audit & Accounts, Risk Management, resolution of Shareholders'/Investors' grievances, Fraud Review and Control, Review of customer service and redressal of customer grievances, Technology Management, Corporate Social Responsibilities, Payment of Incentives to Executive Directors, Oversight on Recovery of Loans and Advances, Review of identification of Wilful Defaulters/Non Co-operative Borrowers and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors. While the Remuneration Committee approves payment of incentives to Whole Time Directors, based on Govt. of India guidelines and meets as and when required, the other Committees meet periodically, once in a quarter generally, to deliberate on policy issues and/or review domain performance, as per the calendar of reviews approved by the Central Board. The Committees also call external specialists, besides drawing upon the services of top executives from the Bank, as and when needed. The Nomination Committee is constituted, to carry out necessary due diligence and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by shareholders and meets as and when required. The minutes and proceedings containing brief reports on the discussions held at the meetings of the Committees are placed before the Central Board.

AUDIT COMMITTEE OF THE BOARD

The Audit Committee of the Board (ACB) was constituted on 27th July 1994 and last re-constituted on the 19th September 2018. The ACB functions as per RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendment Regulation 2018 to the extent that they do not violate the directives/guidelines issued by RBI.

FUNCTIONS OF ACB

a. ACB provides direction as also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/external audit, compliance of RBI inspection. It also appoints Statutory Auditors of the Bank and reviews their performance from time to time.

b. ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.

c. ACB reviews the internal inspection/ audit plan and functions in the Bank – the system, its quality and effectiveness in terms of follow-up. It also, especially, focuses on the follow up of :

- KYC-AML guidelines;
- Major areas of housekeeping;
- Compliance of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

d. It obtains and reviews reports from the Compliance Department in the Bank.

e. ACB follows up on all the issues raised in RBI's Risk Based Supervision under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors before the finalisation of the annual/ quarterly financial accounts and reports. A formal 'Audit Charter' or 'Terms of Reference' of the Audit Committee has been approved by the Central Board and a calendar of Reviews to be submitted to the Audit Committee is also in place, which is updated periodically, the last revision effected from 18th December 2014.

COMPOSITION & ATTENDANCE DURING 2018-19

The ACB has eight members of the Board of Directors as on 31.03.2019, including two whole time Directors, two official Directors (nominees of GOI and RBI) and three non-official, non-executive Directors. Meetings of the ACB are chaired by a Non-Official, Non-Executive Director (Chartered Accountant). The constitution and quorum requirements, as per RBI guidelines, are complied with meticulously. During the year, eleven meetings of ACB were held to review the various matters connected with the internal control, systems and procedures and other aspects as required in terms of RBI guidelines.

DATES OF MEETINGS OF ACB HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	:	11
Dates of the Meetings	:	18.04.2018, 21.05.2018, 06.06.2018, 11.07.2018, 09.08.2018, 12.09.2018, 17.10.2018, 05.11.2018, 12.12.2018, 31.01.2019, 07.03.2019

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Dr. Girish K. Ahuja - Chairman of the Committee	11	08
Shri B. Sriram, MD - C&GB (upto 29.06.2018)	03	03
Shri P. K. Gupta, MD - R&DB (w.e.f. 25.07.2018)	08	08
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	06	06
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	05	05
Shri Bhaskar Pramanik	11	08
Shri Basant Seth	11	10
Shri B. Venugopal (w.e.f. 25.07.2018)	07	04
Shri Rajiv Kumar	11	00
Shri Chandan Sinha	11	10

RISK MANAGEMENT COMMITTEE OF THE BOARD

The Risk Management Committee of the Board (RMCB) was constituted on the 23rd March 2004, to oversee the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on the 19th September 2018 and has, seven members. The Non-executive Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2018-19, six meetings of the RMCB were held.

DATES OF MEETINGS OF RMCB HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held : 6

Dates of the Meetings : 14.06.2018, 26.09.2018, 10.10.2018, 19.12.2018, 04.01.2019, 22.03.2019

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Sanjiv Malhotra - Chairman of the Committee	06	06
Shri B. Sriram, MD-C&GB, Member (upto 29.06.2018)	01	01
Shri P. K. Gupta, MD - R&DB (w.e.f. 25.07.2018)	05	05
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	01	01
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	05	05
Dr. Pushpendra Rai	06	06
Shri Bhaskar Pramanik	06	04
Shri Basant Seth	06	04
Shri B. Venugopal (w.e.f. 25.07.2018)	05	01

STAKEHOLDERS RELATIONSHIP COMMITTEE

In pursuance of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Stakeholders Relationship Committee (SRC) [earlier known as Shareholders'/ Investors' Grievance Committee of the Board (SIGCB), formed on the 30th January 2001] was formed to look into the redressal of Shareholders' and Investors' complaints regarding transfer of shares, non-receipt of annual report, non-receipt of interest on bonds/declared dividends, etc. The Committee was last reconstituted on 19th September 2018 and has, seven members and is chaired by a Non-Executive Director. The composition of the Committee and its role complies with the SEBI Regulations. The Committee met four times during 2018-19 and reviewed the position of complaints.

DATES OF MEETINGS OF SRC HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held : 4

Dates of the Meetings : 13.04.2018, 18.07.2018, 10.10.2018, 11.01.2019

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Dr. Pushpendra Rai, Chairman of the Committee	04	04
Shri P. K. Gupta, MD - R&DB	04	03
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	02	02
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	01	01
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	02	02
Shri Sanjiv Malhotra	04	03
Dr. Girish K. Ahuja	04	01
Dr. Purmina Gupta	04	04
Shri B. Venugopal (w.e.f. 25.07.2018)	02	01

Number of shareholders' complaints received so far (during the year): 445
Number not solved to the satisfaction of shareholders: Nil
Number of Pending Complaints: (Complaints which are sub-judice): Nil
Name and designation of Compliance officer: Shri Sanjay Abhyankar,
Vice President Compliance (Company Secretary)

SPECIAL COMMITTEE OF THE BOARD FOR MONITORING OF LARGE VALUE FRAUDS

The Special Committee of the Board for monitoring of Large Value Frauds (SCBMF) was constituted on the 29th March 2004.

The major functions of the Committee are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons for delay in detection and reporting, if any, monitoring progress of CBI/Police investigation, recovery position, ensuring that staff accountability exercise is completed quickly, reviewing the efficacy of remedial action taken to prevent recurrence of frauds and putting in place suitable preventive measures. The Committee was last reconstituted on the 19th September 2018 and has, eight members and is chaired by a Non-Executive Director. The Committee met four times during 2018-19:

DATES OF MEETINGS OF (SCBMF) HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 4
Dates of the Meetings	: 16.05.2018, 16.08.2018, 31.10.2018, 23.01.2019

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Basant Seth, Chairman of the Committee	04	04
Shri P. K. Gupta, MD - R&DB	04	04
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	02	02
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	02	02
Shri Sanjiv Malhotra	04	03
Shri Bhaskar Pramanik	04	03
Shri B. Venugopal (w.e.f. 25.07.2018)	03	01
Dr. Girish K. Ahuja	04	00
Dr. Pushpendra Rai	04	04

CUSTOMER SERVICE COMMITTEE OF THE BOARD

The Customer Service Committee of the Board (CSCB) was constituted on the 26th August 2004, to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. The Committee was last reconstituted on the 19th September 2018 and has, eight members and is chaired by a Non-Executive Director. During the year 2018-19, four meetings of the Committee were held.

DATES OF MEETINGS OF CSCB HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 4
Dates of the Meetings	: 10.05.2018, 29.08.2018, 28.11.2018, 13.02.2019

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of meetings Attended
Dr. Pushpendra Rai, Chairman of the Committee	04	04
Shri. P. K. Gupta, MD - R&DB	04	03
Shri B. Sriram, MD - C&GB (upto 29.06.2018)	01	00
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	01	01
Shri Arijit Basu - CCG&IT (w.e.f. 25.07.2018)	03	03
Shri Sanjiv Malhotra	04	02
Shri Bhaskar Pramanik	04	04
Shri Basant Seth	04	04
Dr. Girish K Ahuja	04	01
Dr. Purnima Gupta	04	03

IT STRATEGY COMMITTEE OF THE BOARD

With a view to tracking the progress of the Bank's IT initiatives, the Bank's Central Board constituted a Technology Committee of the Board on 26th August 2004. The Technology Committee has been renamed as IT Strategy Committee of the Board w.e.f. 24th October 2011. The Committee has played a strategic role in the Bank's technology domain. The Committee is entrusted with the following roles and responsibilities:

(i) approving IT strategy and policy documents, ensuring that the management has put an effective strategic planning process in place;

(ii) ensuring that the IT Organisational structure complements the business model and its direction;

(iii) ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

(iv) evaluating effectiveness of management's monitoring of IT risks and overseeing the aggregate funding of IT at the Bank level; and

(v) reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value).

The Committee was last reconstituted on the 19th September 2018 with seven members and is chaired by a Non-Executive Director. The Committee met five times during 2018-19.

DATES OF MEETINGS OF ITSC HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held : 5

Dates of the Meetings : 30.05.2018, 23.08.2018, 20.11.2018, 20.02.2019, 27.03.2019

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Bhaskar Pramanik, Chairman of the Committee	05	05
Shri B. Sriram , MD - C&GB (upto 29.06.2018)	01	01
Shri Dinesh Kumar Khara MD - GB&S (upto 18.09.2018)	02	02
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	01	01
Shri Arijit Basu - MD - CCG&IT (w.e.f. 25.07.2018)	04	04
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	03	02
Shri Sanjiv Malhotra	05	01
Shri B. Venugopal (w.e.f. 25.07.2018)	04	01
Dr. Pushpendra Rai	05	05
Dr. Purnima Gupta	05	03

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSRC) was constituted on the 24th September 2014 as a measure of good corporate governance to review the activities undertaken by Bank under Corporate Social Responsibility Policy. The Committee was last reconstituted on the 19th September 2018 and has, seven members. The Senior Managing Director on the Committee is the Chairman. During the year 2018-19, four meetings of the Committee were held.

DATES OF MEETINGS OF CSRC HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held : 4

Dates of the Meetings : 13.04.2018, 18.07.2018, 10.10.2018, 11.01.2019

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of meetings Attended
Shri P. K. Gupta, MD - R&DB, Chairman of the Committee	04	03
Shri Dinesh Kumar Khara, MD - GB&S	04	04
Shri Arijit Basu - MD - CCG&IT (Alternate Member)	01	01
Shri Sanjiv Malhotra	04	03
Shri Bhaskar Pramanik	04	03
Shri Basant Seth	04	02
Shri B. Venugopal (w.e.f. 25.07.2018)	02	01
Dr. Pushpendra Rai	04	04
Dr. Purnima Gupta	04	04

REMUNERATION COMMITTEE OF THE BOARD

The Remuneration Committee was constituted on 22nd March 2007, for evaluating the performance of Whole Time Directors of the Bank in connection with the payment of incentives, as per the scheme advised by Government of India in March 2007. The Committee was last reconstituted on 19th September 2018. The Committee has four members consisting of (i) the Government Nominee Director, (ii) the RBI Nominee Director and (iii) two non- executive Directors - Shri Basant Seth and Dr. Girish K. Ahuja. The Committee scrutinizes and recommends payment of incentives to Whole Time Directors.

BOARD COMMITTEE TO MONITOR RECOVERY

In terms of Govt. of India advices, a Board Committee to Monitor Recovery was constituted by the Central Board at its meeting held on 20th December 2012 for oversight on Recovery of Loans and Advances. The Committee was last reconstituted on 19th September 2018, has six members consisting of Chairman, four Managing Directors and the Govt. Nominee Director. The Committee met four times during the year and reviewed the NPA management and large NPA accounts of the Bank.

REVIEW COMMITTEE FOR IDENTIFICATION OF WILFUL DEFAULTERS/ NON-CO-OPERATIVE BORROWERS

The Committee was constituted by the Central Board in terms of RBI instructions. The Managing Director - SARC is the Chairman of this Committee and any two independent Directors as members.

The role of this Committee is to review the Order of the "Committee for Identification of Wilful Defaulters/Non-Co-operative Borrowers" (a Committee comprising Dy. Managing Director and Senior Executives of the Bank to examine the facts and record the fact of the Borrower being a Wilful Defaulter/Non-Co-operative Borrower) and confirm the same for the Order to be considered final.

The Committee met seven times during the year 2018-19

NOMINATION COMMITTEE OF THE BOARD:

In terms of RBI guidelines, the Bank constitutes a Nomination Committee comprising of three independent Directors, as and when required, to carry out necessary due diligence and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by shareholders. The Nomination Committee at its meeting held on 06-06-2018 has nominated Shri B.Venugopal as Shareholder Director of the Bank. The Committee was last reconstituted on 19.09.2018.

LOCAL BOARDS

In terms of the provisions of SBI Act and General Regulations 1955, at every centre where the Bank has a Local Head Office (LHO), Local Boards/Committees of Local Boards are functional. The Local Boards exercise such powers and perform such other functions and duties delegated to them by the Central Board. As on 31st March 2019, Local Boards at three LHOs and Committees of the Local Boards at the remaining thirteen LHOs were functional. The Minutes and Proceedings of the meetings of Local Boards/Committees of Local Boards are placed before the Central Board.

SITTING FEES

The remuneration of the Whole Time Directors and the Sitting Fees paid to the Non-Executive Directors for attending the meetings of the Board/Committees of the Board are as prescribed by GOI from time to time. No remuneration, other than the Sitting Fees for attending Board and/or its Committee meetings, is paid to Non-Executive Directors. With effect from 18th January 2019, Sitting Fees of ₹40,000/- is paid for attending the Meetings of the Central Board. Sitting Fees of ₹20,000/- for attending the meetings of Other Board level Committees and additional ₹5,000/- for chairing the meetings of other Board level Committees are paid. Details of Sitting fees paid during the year 2018-19 are placed in Annexure-IV.

COMPLIANCE WITH BANK'S CODE OF CONDUCT

The Directors on the Bank's Central Board and Senior Management have affirmed compliance with the Bank's Code of Conduct for the financial year 2018-19. Declaration to this effect signed by the Chairman is placed in Annexure-V. The Code of Conduct is posted on the Bank's website.

DEVELOPMENTS DURING THE YEAR

1. The Bank has successfully completed the election of Directors for appointment of one Shareholder Directors u/s 19(c) of the SBI Act in June 2018. On-Boarding programmes for newly elected Directors were arranged during this year. It included, inter alia, the organization structures, Overview of various business groups and Associates & Subsidiaries of the Bank, IT Developments, IT Security, HR and Training etc.

2. Performance Evaluation of the Board: With an objective to continuously improve Board's governance, your Bank had engaged a reputed external consulting organization, which assisted in laying down parameters for performance evaluation of Directors, Chairman, Board Level Committees and Central Board as a whole and also assisted in facilitating the overall evaluation process. The parameters of evaluation and the overall process was aligned to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and new SEBI Guidance Note on Board Evaluation, 2017. The performances of the Non-Executive Directors of the Central Board, Chairman and Central Board as a whole were evaluated at the separate meeting of the Independent Directors of the Central Board held on March 24, 2019.

   The evaluation process validated the Board of Directors' confidence in the governance values of the Bank, the synergy that exists amongst the Board of Directors and the collaboration between the Chairman, the Board and the Management.

3. Looking to the varied demands being increasingly placed on the Boards of Banks in terms of governance and key role played by our Bank in the economy, a Knowledge Session and Strategy Workshop was organized on 25th and 26th February 2019, at Mumbai to keep the Board members and the Senior Management of the Bank abreast with the latest trend in the industry and to decide on the way forward.

A blend of brain storming sessions on various topics viz. Platform and Purpose - A Leadership Question, Insolvency & Bankruptcy Code- A Paradigm Shift- Issues & Challenges, Cyber Security- Evolving Dimensions & Strategies to Stay Ahead of the Curve, Data Driven Organisation – Sustaining the Competitive edge through Analytics and way forward for Business Growth were presented. The Board members deliberated on various issues of importance to the Bank.

In an effort to keep the Directors abreast with better understanding in the areas of Corporate Governance, Credit delivery, Information Security, etc., the Bank took the following initiatives during the year :

i) Two Non-Executive Directors participated in the training Programme on Credit Committees of the Bank, organised by Centre for Advances Financial Research and Learning (CAFRAL) at Mumbai on 18th June 2018. The programme objective was to sensitize the Directors about issues relating to credit appraisals, financial ratios and indicators, risk assessments in project & infrastructure financing, retail lending etc.

ii) Similarly, a programme on IT and Cyber Security by IDRBT was conducted which was attended by non-executive Directors. The objective of the programme was to enable the management to contribute effectively in planning and execution of the cyber security strategy of the Bank.

iii) As a part of Bank's continuing efforts to strengthen Corporate Governance practices, a workshop on Corporate Governance and Media Management was organized at SBIL Kolkata on 3rd December 2018. which was attended by two non-executive Directors.

Consistent with the practice of interacting with eminent domain experts on key challenges which emerge from time to time, a presentation on the impact on Mutual Fund Industry in the background of IL&FS stress and the redemption pressure on the funds, was made before the Board of Directors by Chief Investment Officer of SBI Funds Management Private Ltd at ECCB meeting dated 17th October 2018.

With objective to ensure inputs on critical topics related to Banking Sector, a presentation on "Evolving Landscape & Key Imperatives – NBFC" was made before Risk Management Committee of the Board on 4th January 2019 by CRISIL.

An interaction with leading firms, conducting Forensic Audit was arranged on 29th August 2018, which was attended by M/s Deloitte Touche, M/s Grant Thornton, M/s Ernst and Young LLP, M/s KPMG and M/s Chokshi & Chokshi LLP with an objective of better utilisation of these firms in the detection of frauds and resolution of stressed assets.

SALARY AND ALLOWANCES PAID TO THE CHAIRMAN AND MANAGING DIRECTORS IN FY2018-19 (₹)

NAME	PF Index	BASIC	DA	ARREAR		Others	Total
				2016-17	2017-18		
Chairman							
Shri. Rajnish Kumar	7619901	27,00,000.00	2,49,750.00	0.00	0.00	4,000.00	29,53,750.00
Managing Directors							
Shri. B Sriram (upto 29.06.2018)	7614144	6,73,200.00	47,374.00	0.00	74,639.00	0.00	7,95,213.00
Shri. Parveen Kumar Gupta	7619715	26,14,800.00	2,41,869.00	19,344.00	1,10,853.00	0.00	29,86,866.00
Shri. Dinesh Kumar Khara	8702764	25,39,200.00	2,34,876.00	0.00	32,226.00	0.00	28,06,302.00
Shri. Arijit Basu (w.e.f. 25.06.2018)	7847890	18,89,680.00	1,87,735.60	0.00	0.00	0.00	20,77,415.60
Smt. Anshula Kant (w.e.f. 07.09.2018)	7848420	13,96,720.00	1,44,190.80	0.00	0.00	0.00	15,40,910.80

ATTENDANCE AT THE ANNUAL GENERAL MEETING

The last Annual General Meeting (AGM) for the year 2017-18, held on 28th June, 2018, was attended by 8 Directors, viz, Shri Rajnish Kumar, Shri B. Shriram, Shri P. K. Gupta, Shri Dinesh Kumar Khara, Shri Arijit Basu, Shri Basant Seth, Dr. Pushpendra Rai, and Dr. Purnima Gupta. AGM (2016-17) was held on 27th June, 2017 and AGM (2015-16) was held on 30th June, 2016. SBI Act and SBI General Regulations 1955 do not provide the postal ballot facility.

DISCLOSURE

1. The Bank has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Bank at large.

2. The Bank has complied with applicable rules and regulations prescribed by stock exchanges, SEBI, RBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Bank.

3. The Whistle Blower Policy of the Bank is based on the norms of Government of India resolution on Public Interest Disclosure & Protection of Informer (PIDPI). The Policy is an internal reporting mechanism available to all staff of the Bank to act as a 'Whistle Blower' to expose any unethical, corrupt practice of their co-workers, seniors/ superiors in the Bank. However, PIDPI complaint as applicable to customers are dealt with in line with Government of India guidelines 2004, which designated Central Vigilance Commission for dealing with complaints.

4. Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the bank's website- www.sbi.co.in or bank.sbi under link corporate governance-policies.

5. The Bank has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C , D and E of Schedule V to the extent that the requirements of the Clause do not violate the provisions of State Bank of India act 1955, the rules and regulations made there under and guidelines or directives issued by the Reserve Bank of India.

MEANS OF COMMUNICATION

The Bank strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives. Annual, half-yearly and quarterly results of the Bank for the year 2018-19 were published in the leading newspapers of the country. The results were also displayed on the Bank's website www.sbi.co.in or https://bank.sbi. Soft copies of full Annual Report is sent to all those shareholders who have registered their e-mail address(es) either with the Bank or with depositories and physical copy of Annual Report is sent to other shareholders. The Bank's website displays, interalia, official news releases of the Bank, the Bank's Annual Reports, Half-yearly and quarterly results and details of various product offerings. Every year, after the annual / half-yearly / quarterly results are declared, a Press- meet is held on the same day, in which the Chairman makes a presentation and answers the queries of the media. This is followed by another meeting to which a number of investment analysts / Investors are invited. Details of the Bank's performance are discussed with the analysts / Investors in the meeting. After declaring quarterly results, press notifications are issued.

GENERAL SHAREHOLDER INFORMATION

The Annual General Meeting of the Shareholders	:	Date: 20.06.2019, Time 03.00 p.m. Venue: State Bank Auditorium, State Bank Bhavan, Madame Cama Road, Mumbai 400 021.
Financial Calendar	:	01.04.2018 to 31.03.2019
Listing of securities on Stock Exchanges	:	BSE Limited Mumbai and National Stock Exchange of India Limited, Mumbai. GDRs listed on London Stock Exchange (LSE), Singapore Exchange Limited (Bonds). Listing fees have been paid upto date to all Stock exchanges, including LSE.
Stock Code/CUSIP	:	Stock Code 500112 (BSE) SBIN (NSE) CUSIP US 856552203 (LSE)
Share Transfer System	:	Share transfers in Physical form are processed and returned to the shareholders within stipulated time. Quarterly Share transfer audit and reconciliation of Share Capital audit are regularly carried out by an independent Company Secretary.
Registrar and Transfer Agent (Existing)	:	M/s Alankit Assignments Ltd.
Unit Address with effect from 01 July, 2018	:	Alankit Heights, 205-208, Anarkali Complex, E/7, Jhandelwalan Extension, New Delhi - 110055
Phone Numbers	:	011-42541234, 7290071335
E-mail address	:	sbi.igr@alankit.com
Address for Correspondence	:	SBI, Shares & Bonds Department, Corporate Centre, 14th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai 400 021.
Telephone Numbers	:	(022) 2274 0841 to 2274 0848
Fax	:	(022) 2285 5348
E-mail Address	:	gm.snb@sbi.co.in / investor.complaints@sbi.co.in
Name of the debenture trustees with full contact details (Capital Instruments issued in INR)	:	IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai-400 001 Contact No. 91-22-4080 7006 Fax Number: 91-22-6631 1776

e-Initiative: In accordance with SEBI Regulation, we are issuing annual report in electronic form to those shareholders whose e-mail addresses are available.

INVESTORS' CARE

To meet various requirements of the investors regarding their holdings, the Bank has a full-fledged Department - Shares & Bonds Department - at Mumbai. The investors' grievances, whether received at the Bank's offices or at the office of the registrar and transfer agents, are redressed expeditiously and monitored at the Top Management level.

In terms of Regulation 44(5) of SEBI (LODR) Regulations, the Bank provides one way live webcast of the proceedings of the AGM. The webcast facility will be available from 3.00 p.m. onwards on 20.06.2019 and the shareholders can have access at https://www.evoting.nsdl.com or https://bank.sbi

CAPITAL AUGMENTATION DURING FY2019

During the previous financial year, the Bank received application money of ₹38,16,000.00 (Rupees Thirty eight lakh sixteen thousand only) including share premium of ₹37,92,000.00 (Thirty seven lakh ninety two thousand only) by way of the issue of 24000 equity shares of Re.1 each kept in abeyance due to various title disputes or third party claims out of the Rights Issue closed on 18.03.2008 . The equity shares were allotted on 31.01.2019.

OUTSTANDING GLOBAL DEPOSITORY RECEIPTS (GDR)

At the time of issue of GDRs in 1996, two-way fungibility was not permitted by the Government/RBI, i.e., if the holder of GDR desired to obtain the underlying equity shares of the Indian Company then such GDR was to be converted into shares of the Indian Company, but not vice versa. Later, two-way fungibility of ADRs/GDRs was permitted by the Government of India/ RBI. The Bank has permitted two-way fungibility to the Bank's GDR programme.

The Bank had 1,21,07,135 GDRs as on 31st March 2019 representing 12,10,71,350 Shares.

UNCLAIMED SHARES

Category of shareholder	No. of Shareholders	Outstanding Shares
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	998	2,40,820
Add- No. of e-SBBJ shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	144	17,122
Total	1142	2,57,942
No.of Shareholders,who approached the issuer for transfer of shares from the unclaimed suspense account during the year	11	3,228
No.of Shareholders, whom shares were transferred from the unclaimed suspense account during the year	11	3,228
Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1131	2,54,714

The voting rights on such unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

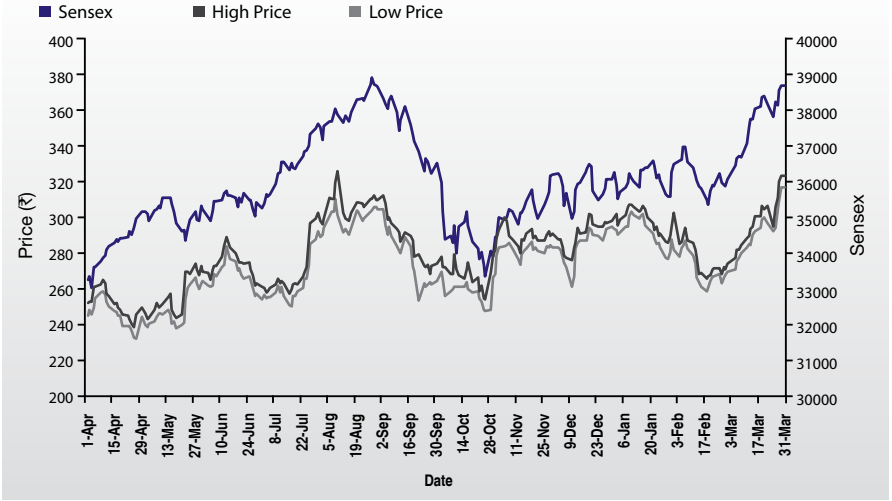
DIVIDEND HISTORY/ DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy is in place. The same is available on the Bank's website www.sbi.co.in under link Corporate Governance > Policies.

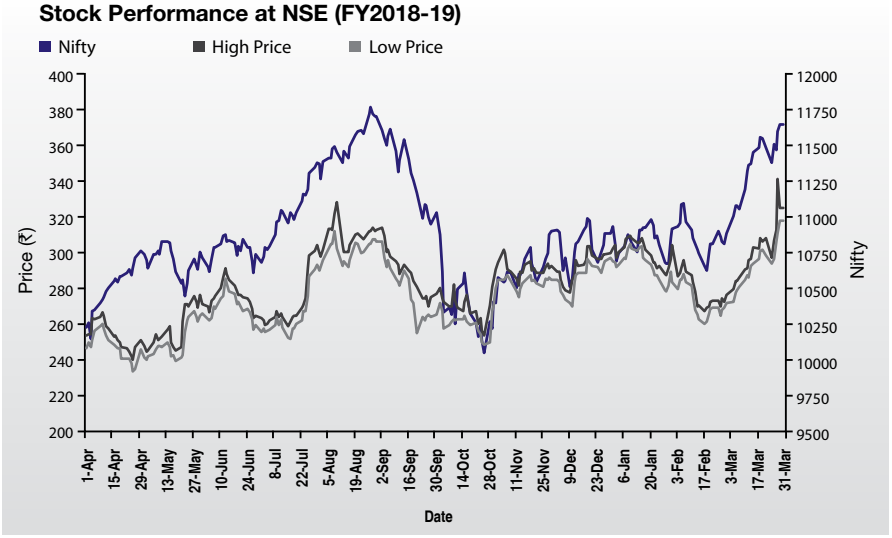
SHARE PRICE MOVEMENT

The movement of the share price and the BSE Sensex NSE Nifty is presented in the following tables. The market capitalisation of the Bank's shares had a weightage of 2.04% in BSE Sensex and 2.57% in NSE Nifty as on 31st March 2019.

Stock Performance at BSE (FY2018-19)



Stock Performance at NSE (FY2018-19)



MARKET PRICE DATA

Months	BSE (₹)		NSE (₹)		LSE (GDR) US$	
	High	Low	High	Low	High	Low
Apr-18	263.25	233.35	263.30	233.20	40.65	35.05
May-18	272.25	239.20	272.05	238.85	39.20	34.70
Jun-18	287.65	256.85	287.70	257.00	42.20	36.75
Jul-18	297.35	251.75	297.40	251.60	43.00	36.60
Aug-18	316.45	292.70	317.40	292.70	45.65	41.50
Sep-18	306.40	264.00	306.35	263.85	41.35	36.60
Oct-18	280.50	248.10	281.40	248.10	37.85	34.80
Nov-18	295.30	277.75	294.95	277.95	41.50	37.75
Dec-18	300.40	273.40	300.70	274.20	42.60	37.30
Jan-19	305.10	280.75	305.55	280.60	43.60	39.40
Feb-19	288.20	259.75	289.05	259.95	41.05	37.05
Mar-19	320.80	272.95	320.75	272.95	46.25	38.00

Book value per share ₹200.07

SHAREHOLDING PATTERN AS ON 31st MARCH 2019

Sr.No.	Description	% of Total Shares
1	President of India	57.13
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	11.31
3	Mutual Funds & UTI	13.97
4	Private Corporate Bodies	2.25
5	Banks/ FIs/ Insurance Cos., etc.	10.23
6	Others (including Resident Individuals)	5.11
Total		**100.00**

TOP TEN SHAREHOLDERS AS ON 31st MARCH 2019

Sr. No.	Name	% of Shares in Total Equity
1	President of India	57.13
2	Life Insurance Corporation of India - (financial institutions)	9.21
3	HDFC Trustee Company Limited (Mutual Fund)	3.25
4	ICICI Prudential Balanced Fund (Mutual Fund)	2.43
5	Reliance Capital Trustee Co. Limited (Mutual Fund)	2.06
6	SBI-ETF NIFT Bank	1.87
7	Bank of New York Mellon	1.36
8	Birla SunLife Trustee Co. Pvt. Ltd	0.96
9	Government Pension Fund Global (FII)	0.64
10	Kotak Mutual Fund	0.64

Dematerialization of Shares and Liquidity: Bank's equity shares are compulsorily traded in the electronic form.
As on 31st March 2019, 883,87,56,535 shares representing 99.04% of total equity capital were held in electronic form.

Description	No. Share Holders	No. Shares	Shares %
NSDL	8,14,737	3,58,56,02,470	40.18
CDSL	4,83,915	5,25,31,54,065	58.86
Physical	2,05,721	8,58,54,999	0.96
Total	**15,04,373**	**8,92,46,11,534**	**100.00**

DISTRIBUTION SCHEDULE AS ON 31st MARCH, 2019 (FACE VALUE OF ₹1 EACH)

Range No. of Shares	Total Holders	% to Total Holders	Total Holdings in ₹	% to Total Capital
1-5000	1497347	99.532	395301156	4.429
5001-10000	3544	0.236	25080721	0.281
10001-20000	1432	0.095	20006332	0.224
20001-30000	432	0.028	10643550	0.119
30001-40000	216	0.014	7616050	0.085
40001-50000	111	0.007	5118317	0.001
50001-100000	299	0.020	21672376	0.243
100001-ABOVE	992	0.066	8439173032	94.561
TOTAL	**1504373**	**100.00**	**8924611534**	**100.00**

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

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 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, sanctioned limits and CAS rating as per Customer Appropriateness & Suitability policy) for entering into derivative transactions. Risk on interbank counterparties are monitored through limits set for the purpose. These counterparties are required to execute ISDA with us.

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

The accounting policy for derivatives has been drawn up in accordance with the RBI guidelines, the details of which are presented under Schedule 17: Principal Accounting Policies (PAP) for the FY2019.

DISCLOSURES AS REQUIRED UNDER SEBI (LODR) (AMNEDMENT) REGULATIONS 2018 (LISTING REGULATIONS)

1. The Central Board of the Bank at its meeting held on 06.03.2019, reviewed and approved the terms of reference/role of various Board level committees viz Audit, Stakeholders Relationship, Risk Management, Nomination and Remuneration Committee in terms of amendment in SEBI (LODR) Regulations.

2. In terms of Regulation 24A of Listing Regulations a secretarial audit report for financial year ended 31.03.2019 is annexed to the Annual Report.

3. There is no revision in credit rating obtained for all debt instruments.

4. During FY 2018-19 the Bank has not raised capital through Preferential Allotment or Qualified Institutional Placement. Therefore, the certificate for utilization of funds was not obtained as required.

5. The Bank has obtained certificate under Regulation 34 and schedule V of Listing Regulations and none of the directors of the Bank have been debarred or disqualified from being appointed by any statutory authority. (Copy of Certificate attached)

6. Details of familiarization programs imparted for independent directors are disclosed on the website of the Bank under the web link: https://sbi.co.in/portal/web/corporate-governance/regulatory-disclosures.

7. Total fees paid to existing Statutory Central Auditors (SCAs) during FY 2018-19 as per the Schedule V Para C, Clause 10 (k) of Listing Regulations, is ₹6,11,17,156 only.

ANNEXURE I

BRIEF RESUMES OF THE NON-EXECUTIVE DIRECTORS ON THE BOARD AS ON 31st MARCH 2019

Shri Sanjiv Malhotra

(Date of Birth: 1st October 1951)
Shri Malhotra is a Director re-elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is a Chartered Account and has experience of more than 40 years in Global Banking and Finance in senior positions in Risk Management, Corporate and Investment Banking, Consumer Finance and Micro Enterprise lending, Private Equity.

Shri Bhaskar Pramanik

(Date of Birth: 20th March 1951)
Shri Pramanik is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is an engineering graduate from IIT Kanpur. Shri Pramanik has experience of more than 45 years in the Indian IT industry. Before joining the Board of the Bank, he served as Chairman for Microsoft in India. He was also working with Oracle and Sun Microsystems as Managing Director.

Shri Basant Seth

(Date of Birth: 16th February 1952)
Shri Seth is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is a Chartered Accountant and has more than 40 years of experience in Banking and Finance including financing of Micro, Small and Medium Enterprises, Corporate Governance and Administrative matters. He was a Central Information Commissioner before joining the Board of the Bank. He was Chairman & Managing Director of Syndicate Bank. He has also served in senior positions in SIDBI and Bank of India.

Shri B Venugopal

(Date of Birth : 18th May 1959)
Shri Venugopal is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 7th June 2018 till 25th June 2020. He has graduated in Commerce & Cost Accountancy from the University of Kerala. He is presently working as Managing Director in Life Insurance Corporation of India. He has more than 30 years of experience in Insurance, Finance & IT.

Dr. Girish Kumar Ahuja

(Date of Birth : 29th May 1946)
Dr. Girish Kumar Ahuja is a Director re-nominated by the Central Government u/s 19(d) of the SBI Act, on 06th February 2019, for a period of one year. Dr. Ahuja is a Chartered Accountant and academician having 46 yrs of consultancy experience in international and domestic taxation, joint ventures, etc. He has expert knowledge in Direct Taxes with Doctorate in Financial Sector Reforms - Capital Market Efficiency and Portfolio Investment.

Dr. Pushpendra Rai

(Date of Birth : 02nd June 1953)
Dr. Pushpendra Rai is a Director re-nominated by the Central Government u/s 19(d) of the SBI Act, on 06th February 2019, for a period of one years. He has about 38 years of professional experience in national and international institutions.

As a member of the Indian Administrative Service for more than 21 years, he was responsible for formulating policy; preparing the program and budget; determining implementation strategies; monitoring implementation; and evaluating staff performance for a diverse set of institutions like rural and industrial development agencies, power generation and distribution departments, petroleum companies and intellectual property offices. He has also worked as the National Project Director - UNDP/World Intellectual Property Organisation (WIPO); Member, Governing Council, National Institute of Design; Member Secretary, Foreign Investment Promotion Council; Executive Director, National Renewal Fund; National Negotiator at WTO/WIPO; and Secretary General, Quality Council of India.

Subsequently, Dr. Rai worked at the World Intellectual Property Organization, Geneva (UN), for 16 years, handling assignments like extending technical cooperation, promoting the economic aspects of IP and asset creation; leading the Development Agenda process; and heading the Regional Office for Asia Pacific at Singapore.

Dr. Rai has a Ph.D. from IIT, Delhi; postgraduate degrees from Harvard University and the University of Lucknow and has lectured extensively in various parts of the world.

Dr. Purnima Gupta

(Date of Birth: 20th November 1949)
Dr. Purnima Gupta is a Director nominated by Central Government u/s 19(d) of the SBI Act w.e.f. 1st February 2018 for a period of 3 years. She is a professor of Mathematics from Delhi University. She has done her Ph.D in Mathematics from University of Delhi and is a Gold Medalist in both B.Sc. (Mathematics) and M.A. (Mathematics). Her main contribution have been in the theory of Domination in Graph and hyper graphs, Graphodial Covers and Partition Graphs.

Shri Rajiv Kumar

(Date of Birth: 19th February 1960)
Shri Rajiv Kumar is a Director, nominated by the Central Government, u/s 19(e) of SBI Act w.e.f. 12th September 2017. Shri Rajiv Kumar is Secretary, Financial Services, Ministry of Finance, Govt. of India.

Shri Chandan Sinha

(Date of Birth: 15th August 1957)
Shri Chandan Sinha is a Director, nominated by the Central Government, u/s 19(f) of SBI Act w.e.f. 28th September 2016. Shri Chandan Sinha is an additional Director, in CAFRAL, Mumbai.

ANNEXURE II

Details of Directorship in the listed entities & Chairmanships/Membership in Audit/Stakeholders Committee(s) held by the Directors of the Bank/Other Listed Companies as on 31.03.2019 in due compliance with Regulation 26(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

S. No.	Name of Director	Occupation & Address	Date of Appointment in the current term / Cessation	Number of listed Companies including in Bank
1.	Shri Rajnish Kumar	Chairman No.5, Dunedin, J.M.Mehta Road, Mumbai – 400 006	07.10.2017 / 06.10.2020	Chairman : 02
2.	Shri P. K. Gupta	Managing Director M-1, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	01.11.2015 / 31.03.2020	Director : 02 Committee Member : 02
3.	Shri Dinesh Kumar Khara	Managing Director D-11, Kinnellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	09.08.2016 / 08.08.2019	Director : 02 Committee Member : 02
4.	Shri Arijit Basu	Managing Director D-10, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	25.06.2018 / 31.10.2020	Director : 01
5.	Smt Anshula Kant	Managing Director D-08, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	07.09.2018 / 30.09.2020	Director : 01 Committee Member : 02
6.	Shri Sanjiv Malhotra	Chartered Accountant 6, Motabhoy Mansion, 130, Maharishi Karve Marg, Churchgate, Mumbai – 400 020	26.06.2017 / 25.06.2020	Director : 01 Committee Member : 01
7.	Shri Bhaskar Pramanik	IT Professional 01-PHE, Skycourt, Laburnum, Sushant Lok, Sector 28, Gurgaon - 122002	26.06.2017 / 25.06.2020	Director : 03 Chairman of Committee:01 Committee Member : 03
8.	Shri Basant Seth	Chartered Accountant Flat No. 304, Kalpana Tower, 3/16, Vishnupuri, Kanpur - 208002	26.06.2017 / 25.06.2020	Director : 03 Committee Member :03
9.	Shri B Venugopal	Managing Director, Life Insurance Corporation 1, Oval View, Maharshi Karve Road Churchgate, Mumbai – 400 002	07.06.2018 / 25.06.2020	Director : 02 Committee Member : 03
10.	Dr. Girish K. Ahuja	Chartered Accountant, M/s.G.K.Ahuja & Co., E-6A, LGF, Kailash Colony, New Delhi 110 048	28.01.2016 / 05.02.2020	Director : 02 Chairman of Committee:02 Committee Member : 01
11.	Dr. Pushpendra Rai	Development Specialist, (former National & International civil servant), 50, Paschimi Marg, Vasant Vihar, New Delhi-110 057	28.01.2016 / 05.02.2020	Director : 01 Chairman of Committee :01
12.	Dr. Purnima Gupta	Academics - Mathematics A-1/2 Panchsheel Enclave New Delhi - 110017	01.02.2018 / 31.01.2021	Director : 01 Committee Member :01
13.	Shri Rajiv Kumar GOI Nominee	Secretary, (Financial Services) Ministry of Finance, Government of India (Banking Division), Jeevan Deep Bldg., Parliament Street, New Delhi - 110 001	12.09.2017 / till further order	Director : 01 Committee Member :01
14.	Shri Chandan Sinha Reserve Bank of India Nominee	Additional Director CAFRAL, Reserve Bank of India, C-8, 8th Floor, Bandra- Kurla Complex Bandra (E), Mumbai – 400051.	28.09.2016 / till further order	Director : 01 Committee Member :01

ANNEXURE-II A

Total Number of Memberships/Chairmanships held by the Directors on the Boards / Board-level Committees of the Bank/Other Companies as on 31.03.2019

1. SHRI RAJNISH KUMAR

S. No.	Name of the Company/Name of the Concern/Society	Member/Director/ Chairman	Name of the Committee
1	State Bank of India	Chairman	Executive Committee of the Central Board - Chairman Board Committee to Monitor Recovery - Chairman
2	SBI Life Insurance Company Ltd.	Chairman	--
3	SBI General Insurance Company Ltd.	Chairman	--
4	SBI Foundation	Chairman	--
5	SBI Capital Markets Ltd.	Chairman	--
6	SBI Cards & Payment Services Pvt. Ltd.	Chairman	--
7	Export-Import Bank of India	Director	--
8	Institute of Banking Personnel Selection	Member, Governing Board	--
9	NIBM, Pune	NIBM Governing Board – Member	NIBM Finance Committee – Chairman NIBM Standing Committee – Member
10	Indian Bank's Association	Deputy Chairman, Managing Committee	IBA Standing Committee of Legal & Banking Operations – Chairman
11	Khadi & Village Industries Commission	Member	
12	Indian Institute of Banking & Finance	Member/President, Governing Council	
13	Management Development Institute	Member, Board of Governors	
14	ECGC Ltd.	Director, Board of Governors	
15	Ministry of Commerce & Industry, Directorate General of Foreign Trade	Board of Trade - Member	
16	Ministry of Finance, Department of Financial Services	Advisory Board for Financial Inclusion Fund (FIF) - Member	
17	National Investment and Infrastructure Fund	Governing Council - Member	
18	Government of Maharashtra	Hon'ble Chief Minister's Advisory Council of Fintech - Member	

2. SHRI P. K. GUPTA

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Managing Director	Executive Committee of the Central Board - Member Audit Committee of the Board – Member Risk Management Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds - Member Customer Service Committee of the Board - Member Stakeholders Relationship Committee - Member Board Committee to Monitor Recovery - Member Corporate Social Responsibility Committee-Member
2	SBI Foundation	Director	Executive Committee of SBI Foundation – Member CSR Committee – Member
3	SBI General Insurance Co. Ltd.	Director	Risk Management Committee - Member Policyholders Protection Committee - Member Investment Committee - Member Corporate Social Responsibility Committee - Member Technology Committee - Member Bancassurance Committee - Member
4	National Co-operative Development Corporation	Member	General Council of NCDC – Member
5	Reserve Bank of India	Member	Expert Committee on MSME
6	Government of India, Ministry of Drinking Water & Sanitation	Member	Committee to Study on Credit Finance by Banks/FIs in Water and Sanitation Sector (WASH)

3. SHRI DINESH KUMAR KHARA

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Managing Director	Executive Committee of the Central Board – Member Board Committee to Monitor Recovery – Member Corporate Social Responsibility Committee – Member
2	SBI Capital Markets Ltd.	Director	Audit Committee of the Board – Member Committee of Directors – Chairman HR Committee – Member Nomination & Remuneration Committee – Member Risk Management Committee – Member Corporate Social Responsibility – Member IT Strategy Committee – Member
3	SBICAP Securities Pvt. Ltd.	Director	-
4	SBI DFHI Limited	Director	Audit Committee of the Board – Member Nomination & Remuneration Committee – Member HR Committee – Member Risk Management Committee – Member Corporate Social Responsibility - Member
5	SBI General Insurance Company Ltd.	Director	Bancassurance Committee – Member Audit Committee – Member Investment Committee – Member Policyholder Protection Committee – Member Risk Management Committee – Member Nomination & Remuneration Committee – Member Technology Committee – Member Corporate Social Responsibility Committee - Member
6	SBI Global Factors Ltd.	Director	Audit Committee of the Board – Member Nomination & Remuneration Committee - Member
7	SBI Life Insurance Co. Ltd.	Director	Audit Committee – Member Risk Management Committee – Member Investment Committee – Member Corporate Social Responsibility Committee - Member Policyholder Protection Committee – Member Nomination & Remuneration Committee – Member Board with Profit Committee – Member Stakeholders Relationship Committee – Member
8	SBI Funds Management Pvt. Ltd.	Director	HR Sub-Committee - Member
9	SBI Pension Funds Pvt. Ltd.	Director	-
10	SBI Cards & Payment Service Pvt. Ltd.	Director	Nomination & Remuneration Committee – Member Executive Committee - Member
11	SBI Foundation	Director	Executive Committee - Member

4. SHRI ARIJIT BASU

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board – Member Board Committee to Monitor Recovery – Member IT Strategy Committee – Member Customer Service Committee of the Board – Member

5. SMT. ANSHULA KANT

S. No.	Name of the Company/Name of the Concern/Society		Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board – Member Audit Committee of the Board – Member Risk Management Committee of the Board – Member IT Strategy Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Stakeholders Relationship Committee - Member Board Committee to Monitor Recovery - Member Committee to Review the Identification of Wilful Defaulters/ Non-Co-Operative Borrowers - Chairman

6. SHRI SANJIV MALHOTRA

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s)Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board - Member Risk Management Committee of the Board - Chairman IT Strategy Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board - Member Corporate Social Responsibility Committee - Member Stakeholders Relationship Committee - Member Nomination Committee - Member
2	Kotak AMC	Director	-
3	Fair First Insurance Ltd. (Sri Lanka)	Director	-

7. SHRI BHASKAR PRAMANIK

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board - Member Risk Management Committee of the Board – Member IT Strategy Committee of the Board - Chairman Special Committee of the Board for Monitoring of Large Value Frauds - Member Customer Service Committee of the Board - Member Corporate Social Responsibility Committee – Member
2	Sankya Infotech	Director	Audit Committee of the Board - Chairman Nomination & Remuneration Committee – Member Stakeholders Relationship Committee – Member
3	TCNS Clothing Co.	Director	Technology Committee – Chairman Audit Committee – Member CSR Committee – Member

8. SHRI BASANT SETH

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board - Member Risk Management Committee of the Board - Member Special Committee of the Board for Monitoring of Large Value Frauds - Chairman Customer Service Committee of the Board - Member Remuneration Committee of the Board - Member Corporate Social Responsibility Committee - Member
2	Roto Pumps Ltd	Director	Audit Committee – Member Nomination & Remuneration Committee – Member
3	Accounts Score India Pvt. Ltd	Director	--
4	Multi Commodity Exchange of India Ltd. (MCX)	Director	Audit Committee – Member Public Interest Directors Committee – Member Risk Management Committee – Member Investment Committee – Member Investor Protection Fund Trust – Member

9. SHRI B. VENUGOPAL

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board – Member Audit Committee of the Board - Member Risk Management Committee of the Board - Member IT Strategy Committee – Member Special Committee of the Board for Monitoring of Large Value Frauds - Member Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
2	LIC of India	Director	Audit Committee – Member Risk Management Committee – Member Investment Committee – Member Executive Committee – Member Policyholders' Protection Committee – Member IT Strategy Committee – Member Shareholders Committee – Member
3	LIC Card Services Ltd.	Director	–
4	LIC Nepal Ltd.	Director	Audit Committee – Member
5	Life Insurance Corporation of Bangladesh Ltd.	Director	Executive Committee – Chairman Audit Committee – Member Risk Management Committee – Member
6	National Commodities & Derivatives Exchange Ltd.	Director	–
7	LIC International BSC (C), Bahrain	Director	Audit Committee – Member

10. DR. GIRISH KUMAR AHUJA

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board – Chairman Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board – Member Stakeholders Relationship Committee – Member Nomination Committee of the Board – Chairman Remuneration Committee of the Board – Member
2	Flair Publications P. Ltd	Director	--
3	Amber Enterprise India Ltd	Director	Audit Committee – Chairman Nomination & Remuneration Committee - Member
4	Devyani Food Industries Ltd.	Director	--
5	R J Corp Limited	Director	--

11. DR. PUSHPENDRA RAI

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Risk Management Committee of the Board – Member IT Strategy Committee – Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board - Chairman Stakeholders Relationship Committee - Chairman Corporate Social Responsibility Committee - Member Nomination Committee - Member

12. DR. PURNIMA GUPTA

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	IT Strategy Committee of the Board – Member Customer Service Committee of the Board – Member Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member

13. SHRI RAJIV KUMAR

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board - Member Board Committee to Monitor Recovery - Member Remuneration Committee of the Board - Member
2	Reserve Bank of India	Director	--
3	NABARD	Director	--

14. SHRI CHANDAN SINHA

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board - Member Audit Committee of the Board - Member Remuneration Committee of the Board - Member

(Note : Executive Committee of the Central Board consists of all or any of the other Directors who are normally residents, or may, for the time being, be present at any place within India where the ECCB meeting is held as per regulation 46 of SBI General Regulations.)

ANNEXURE – III

DETAILS OF SHAREHOLDING OF DIRECTORS ON THE BANK'S CENTRAL BOARD AS ON 31.03.2019

S. No.	Name of Director	No. of Shares
1	Shri Rajnish Kumar	500
2	Shri P. K. Gupta	4900
3	Shri Dinesh Kumar Khara	3100
4	Shri Arijit Basu	710
5	Smt Anshula Kant	2000
6	Shri Sanjiv Malhotra	18400
7	Shri Bhaskar Pramanik	15000
8	Shri Basant Seth	5000
9	Shri B Venugopal	5000
10	Dr. Girish K. Ahuja	3000
11	Dr. Pushpendra Rai	0
12	Dr. Purnima Gupta	0
13	Shri Rajiv Kumar	0
14	Shri Chandan Sinha	500

ANNEXURE IV

DETAILS OF SITTING FEES PAID TO DIRECTORS FOR ATTENDING MEETINGS OF THE CENTRAL BOARD AND BOARD- LEVEL COMMITTEES DURING 2018-19

S. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1	Shri Sanjiv Malhotra	2,80,000.00	6,55,000.00	9,35,000.00
2	Shri Bhaskar Pramanik	3,20,000.00	7,90,000.00	11,10,000.00
3	Shri Basant Seth	3,60,000.00	6,00,000.00	9,60,000.00
4	Shri B Venugopal	1,20,000.00	4,00,000.00	5,20,000.00
5	Dr. Girish K. Ahuja	1,40,000.00	1,25,000.00	2,65,000.00
6	Dr. Pushpendra Rai	3,20,000.00	6,45,000.00	9,65,000.00
7	Dr. Purnima Gupta	3,00,000.00	4,90,000.00	7,90,000.00
8	Shri Chandan Sinha	3,60,000.00	4,70,000.00	8,30,000.00

ANNEXURE V

AFFIRMATION OF COMPLIANCE WITH THE BANK'S CODE OF CONDUCT (2018-19)

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2018-19

RAJNISH KUMAR
CHAIRMAN

DISCRETIONARY REQUIREMENTS

Prevention of Sexual Harassment (POSH) of Women at Workplace – Prevention, Prohibition and Redressal – Position for the year 2018-19

No. of complaints pending at the beginning of the year	05
No. of complaints received during the year	26
Total No. of cases	31
No. of complaints disposed of during the year	22
No. of cases pending at the end of the year	09

Secretarial Audit Report

For the Financial year ended 31st March, 2019 [Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated 08th February, 2019]

To,
The Members,
State Bank of India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by State Bank of India (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31st March, 2019 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 Directors of the Bank comprises of fourteen (14) Directors, constituting of one (01) Executive Chairman; four (04) Managing Directors; four (04) Shareholders Directors; three (03) Directors nominated by the Central Government (Promoter) in accordance with Section 19(d) of the Act; one (01) Director nominated

by the Central Government (Promoter) in accordance with Section 19(e) of the Act and one (01) Director nominated by the Central Government (Promoter) on the recommendation of the Reserve Bank of India in accordance with Section 19(f) of the Act. The Bank considers the Directors appointed under Section 19(d) and Section 19(f) of the Act as Independent Directors for the purpose of its composition of Central Board and its committees under the listing Regulation.

b) The Audit Committee of the Bank comprises of eight (08) Directors, constituting of two (02) Executive Directors, one (01) Government Nominee Director and five (05) Independent Directors. As per Regulation 18 of the Listing Regulations, Audit Committee should comprise of at least two-third of the Independent Directors i.e. six (06).

c) The Bank, being a Public Sector Bank, has adopted Vigil Mechanism / Whistle Blower Policy in accordance to the provisions of Public Interest Disclosure and Protection of Informers' (PIDPI) Resolutions, 2004 and as per Central Vigilance Commission guidelines. The said Policy is made available on the intranet of the Bank as per the said guidelines.

d) The Bank is governed under the State Bank of India Act, 1955 and the SBI General Regulations as made thereunder which does not provide for the remote e-voting facility to its shareholders, in respect of all shareholders' resolution.

e) The Enforcement Directorate (ED) had served two show cause notices during the year 2011 to Ashok Nagar Branch of erstwhile State Bank of Travancore (e-SBT) (now merged with the Bank) with respect to alleged irregularities committed in respect of forex remittances made during the period March, 2009 and August, 2010 and the Bank had accordingly made submissions before the Enforcement Directorate with respect to the same. During the period under review, the Adjudicating Authority had imposed a penalty of ₹7,00,00,000/- (Rupees Seven crore Only) on the Bank vide its order dated 31st May, 2018, for alleged irregularity in terms of Section 13(1) of the FEMA Act, 1999. Further, the Reserve Bank of India had, in exercise of powers conferred under Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, levied an aggregate penalty of ₹1,00,00,000/- (Rupees One Crore Only) on the Bank for delayed implementation of the daily reconciliation of the SWIFT transaction logs w.e.f. 20th February, 2018 at 226 "low intensity branches" of the Bank and accordingly the said penalties have been duly paid by the Bank.

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 ('the ECCB') of the Bank had at its meeting held on 13th April, 2018 had approved for the extension in the period for raising capital by issue of Tier 1 ('T1') Bonds of ₹80,00,00,00,000/- (Rupees Eight Thousand crore) during the Financial Year 2018-19. The Bank had subsequently raised Capital of ₹73,17,30,00,000/- (Rupees Seven Thousand Three Hundred Seventeen crore and Thirty Lacs only) by way of issue of Non-Convertible, Unsecured, Basel – III compliant, AT1 Bonds in the nature of Debentures of ₹10,00,000/- (Rupees Ten Lacs only) each by way of Private Placement Issue and subsequently the aforementioned bonds were listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

ii) The Central Board of Directors of the Bank had at its meeting held on 22nd October, 2018, had approved for raising capital of ₹50,00,00,00,000/- (Rupees Five Thousand crore Only) by way of issue of Additional Tier II Bonds. The Bank had raised capital of ₹41,15,90,00,000/- (Rupees Four Thousand One Hundred Fifteen crore and Ninety Lacs Only) on 02nd November, 2018 by way of issue of Non-Convertible, Unsecured, Basel – III compliant, Additional Tier - II Bonds in the nature of Debentures of ₹10,00,000/- (Rupees Ten Lacs only) each by way of Private Placement Issue and subsequently the aforementioned bonds were listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

iii) The ECCB of the Bank Entity had at its meeting held on 12th December, 2018 had approved for the issue of International Bonds upto US$1.25 Billion under rule 144A/Reg – S. The Bank issued the Bonds through their London Branch as of 24th January, 2019 and the Bonds are listed on the Singapore Stock Exchange and India International Exchange, Gift City.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366

Mumbai: May 10, 2019

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, 2019 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 10, 2019

To,
The Members of State Bank of India

Sub: Certificate under Regulation 34 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

According to the information and explanations given to us and based on the verification of the relevant records and documents related to the Directors of State Bank of India ("the Bank") as on March 31, 2019 with respect to the regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], we certify that none of the directors on the Central Board of the Bank have been debarred or disqualified from being appointed or continuing as directors by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
Mumbai: May 10, 2019

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 400 021, have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on March 31, 2019, 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, 2018 to March 31, 2019.

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

Place: Mumbai
Date: May 10, 2019

Business Responsibility Report

About the Business Responsibility Report:

Business Responsibility Report of the Bank, is published on an annual basis since FY2012-13.

Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 4th November, 2015 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. The Bank's Sustainability Report which contains the Business Responsibility Report for the financial year ended 31st March, 2019 has been hosted on the Bank's website www.sbi.co.in under the link Investors Relations. Any shareholder interested in obtaining a physical copy of the same may write to the Bank (email Id: gm.snb@sbi.co.in and postal address: General Manager, Shares & Bonds Department, State Bank of India, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021).









Bank's novel Sustainability initiative "SBI Green Marathon" got kick started at Mumbai on 28th October, 2018. Approx. 6,500 individuals participated in the Marathon, which included Bank Staff and General Public.

State Bank of India

Balance Sheet as at 31st March, 2019

(000s omitted)

	Schedule No.	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,45,88
Reserves & Surplus	2	220021,36,33	218236,10,15
Deposits	3	2911386,01,07	2706343,28,50
Borrowings	4	403017,11,82	362142,07,45
Other Liabilities and Provisions	5	145597,29,55	167138,07,68
TOTAL		**3680914,24,89**	**3454751,99,66**
ASSETS			
Cash and Balances with Reserve Bank of India	6	176932,41,75	150397,18,14
Balances with Banks and money at call and short notice	7	45557,69,40	41501,46,05
Investments	8	967021,94,75	1060986,71,50
Advances	9	2185876,91,77	1934880,18,91
Fixed Assets	10	39197,56,94	39992,25,11
Other Assets	11	266327,70,28	226994,19,95
TOTAL		**3680914,24,89**	**3454751,99,66**
Contingent Liabilities	12	1116081,45,94	1162020,69,30
Bills for Collection	-	70022,53,97	74027,90,24
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet.

Signed by:

Smt. Anshula Kant	**Shri Arijit Basu**	**Shri Dinesh Kumar Khara**	**Shri P. K. Gupta**
Managing Director (Stressed Assets, Risk & Compliance)	Managing Director (Commercial Clients Group & IT)	Managing Director (Global Banking & Subsidiaries)	Managing Director (Retail & Digital Banking)

Directors:
Dr. Girish Kumar Ahuja
Shri B. Venugopal
Dr. Purnima Gupta
Shri Chandan Sinha
Shri Sanjiv Malhotra
Dr. Pushpendra Rai
Shri Basant Seth
Shri Bhaskar Pramanik

Shri Rajnish Kumar
Chairman

Place: Mumbai
Date: 10th May 2019

In terms of our report of even date

FOR J.C. BHALLA & CO.
Chartered Accountants

RAJESH SETHI
Partner : M. No.085669
Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
Chartered Accountants

VITESH D. GANDHI
Partner: M. No.110248
Firm Regn. No. 101720W/W100355

FOR O.P. TOTLA & CO.
Chartered Accountants

S. R. TOTLA
Partner : M. No. 071774
Firm Regn. No. 000734C

FOR S. K. KAPOOR & CO.
Chartered Accountants

SANJIV KAPOOR
Partner : M. No. 070487
Firm Regn. No. 000745C

FOR DE CHAKRABORTY & SEN
Chartered Accountants

D. K. ROY CHOWDHURY
Partner : M. No. 053087
Firm Regn. No. 303029E

FOR RAO & KUMAR
Chartered Accountants

ANIRBAN PAL
Partner : M. No. 214919
Firm Regn. No. 003089S

FOR S. K. MITTAL & CO.
Chartered Accountants

M. K. JUNEJA
Partner : M. No.013117
Firm Regn. No.001135N

FOR N.C. RAJAGOPAL & CO.
Chartered Accountants

V. CHANDRASEKARAN
Partner: M. No. 024844
Firm Regn. No. 230448S

FOR KARNAVAT & CO.
Chartered Accountants

SAMEER B. DOSHI
Partner : M. No. 117987
Firm Regn. No. 104863W

FOR KALANI & CO.
Chartered Accountants

BHUPENDER MANTRI
Partner: M. No. 108170
Firm Regn. No. 000722C

FOR BRAHMAYYA & CO.
Chartered Accountants

K. JITENDRA KUMAR
Partner : M. No. 201825
Firm Regn. No. 000511S

FOR RAY & RAY
Chartered Accountants

ABHIJIT NEOGI
Partner : M. No. 061380
Firm Regn. No. 301072E

FOR K. VENKATACHALAM AIYER & CO.
Chartered Accountants

A GOPALAKRISHNAN
Partner : M. No. 018159
Firm Regn. No. 004610S

FOR G. P. AGRAWAL & CO.
Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10th May, 2019

Schedule 1 - Capital

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (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 892,45,87,534 Equity Shares of ₹ 1 each)	892,46,12	892,45,88
[The above includes 12,10,71,350 Equity Shares of ₹ 1 each (Previous Year 12,62,48,980 Equity Shares of ₹ 1 each) represented by 1,21,07,135 (Previous Year 1,26,24,898) Global Depository Receipts]		
TOTAL	**892,46,12**	**892,45,88**

Schedule 2 - Reserves & Surplus

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
I.	**Statutory Reserves**				
	Opening Balance	65336,98,37		53969,83,67	
	Additions during the year	258,66,89		11367,14,70	
	Deductions during the year	-		-	
			65595,65,26		65336,98,37
II.	**Capital Reserves**				
	Opening Balance	9391,65,88		3688,17,59	
	Additions during the year	379,20,76		5703,48,29	
	Deductions during the year	-		-	
			9770,86,64		9391,65,88
III.	**Share Premium**				
	Opening Balance	79124,21,51		55423,23,36	
	Additions during the year	37,92		23718,58,11	
	Deductions during the year	9,12,38		17,59,96	
			79115,47,05		79124,21,51
IV.	**Foreign Currency Translation Reserve**				
	Opening Balance	5720,58,73		4428,63,94	
	Additions during the year	1077,13,19		1482,65,84	
	Deductions during the year	66,75,03		190,71,05	
			6730,96,89		5720,58,73
V.	**Revenue and Other Reserves***				
	Opening Balance	48893,23,87		38392,85,99	
	Additions during the year	563,88,56		14888,94,48	
	Deductions during the year	76,60,48		4388,56,60	
			49380,51,95		48893,23,87

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
VI.	**Revaluation Reserve**				
	Opening Balance	24847,98,65		31585,64,99	
	Additions during the year			4670,63,97	
	Deductions during the year	194,04,57		11408,30,31	
			24653,94,08		24847,98,65
VII.	**Balance of Profit and Loss Account**		(15226,05,54)		(15078,56,86)
	* 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 ₹ 13421,76,76 thousand (Previous Year ₹ 13421,76,76 thousand) (iii) Investment Reserves Current Year ₹ 371,84,01 (Previous Year Nil)				
	TOTAL		**220021,36,33**		**218236,10,15**

Additions during the previous year includes receipt from erstwhile ABs and BMBL on acquisition

Schedule 3 - Deposits

(000s omitted)

			As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A.	**I.**	**Demand Deposits**		
		(i) From Banks	6894,62,06	5326,82,76
		(ii) From Others	198980,62,74	184847,05,92
	II.	**Savings Bank Deposits**	1091751,97,36	1013774,47,09
	III.	**Term Deposits**		
		(i) From Banks	8234,15,28	15218,78,64
		(ii) From Others	1605524,63,63	1487176,14,09
TOTAL			**2911386,01,07**	**2706343,28,50**
B	**I.**	**Deposits of Branches in India**	2814243,42,48	2599393,43,21
	II.	**Deposits of Branches outside India**	97142,58,59	106949,85,29
TOTAL			**2911386,01,07**	**2706343,28,50**

Schedule 4 - Borrowings

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹	
I.	**Borrowings in India**				
	(i) Reserve Bank of India		94319,00,00		94252,00,00
	(ii) Other Banks		260,00,00		1603,85,43
	(iii) Other Institutions and Agencies		27853,89,24		2411,83,26
	(iv) Capital Instruments :				
	a. Innovative Perpetual Debt Instruments (IPDI)	19152,30,00		11835,00,00	
	b. Subordinated Debt	28256,73,80		32540,83,80	
			47409,03,80		**44375,83,80**
	TOTAL		**169841,93,04**		**142643,52,49**
II.	**Borrowings outside India**				
	(i) Borrowings and Refinance outside India		231100,53,78		217543,29,96
	(ii) Capital Instruments :				
	Innovative Perpetual Debt Instruments (IPDI)		2074,65,00		1955,25,00
	TOTAL		**233175,18,78**		**219498,54,96**
	GRAND TOTAL		**403017,11,82**		**362142,07,45**
	Secured Borrowings included in I & II above		**124028,25,70**		**106637,02,05**

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Bills payable	23875,66,31	26617,74,90
II.	Inter-office adjustments (Net)	21735,74,61	40734,57,50
III.	Interest accrued	14479,87,48	16279,62,96
IV.	Deferred Tax Liabilities (Net)	2,33,15	2,80,59
V.	Others (including provisions)*	85503,68,00	83503,31,73
	* Includes prudential provision for Standard Assets ₹ 12396,67,91 thousand (Previous Year ₹12499,46,35 thousand)		
TOTAL		**145597,29,55**	**167138,07,68**

Schedule 6 - Cash and Balances With Reserve Bank of India

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Cash in hand (including foreign currency notes and gold)	18777,94,34	15472,42,20
II.	Balance with Reserve Bank of India		
	(i) In Current Account	158154,47,41	134924,75,94
	(ii) In Other Accounts	-	-
TOTAL		**176932,41,75**	**150397,18,14**

Schedule 7 - Balances With Banks And Money At Call & Short Notice

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	87,02,70	48,59,90
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	4608,88,73	1614,44,26
(b) With other institutions	-	-
TOTAL	**4695,91,43**	**1663,04,16**
II. Outside India		
(i) In Current Accounts	19667,07,18	28528,09,13
(ii) In Other Deposit Accounts	2870,14,73	1226,43,94
(iii) Money at call and short notice	18324,56,06	10083,88,82
TOTAL	**40861,77,97**	**39838,41,89**
GRAND TOTAL (I and II)	**45557,69,40**	**41501,46,05**

Schedule 8 - Investments

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. Investments in India in :			
(i) Government Securities		761883,12,15	848395,84,44
(ii) Other approved securities		-	-
(iii) Shares		9878,74,38	10516,69,01
(iv) Debentures and Bonds		84948,36,68	77962,93,46
(v) Subsidiaries and/ or Joint Ventures (including Associates)		5608,00,04	5077,97,43
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)		53388,53,85	72882,56,59
TOTAL		**915706,77,10**	**1014836,00,93**
II. Investments outside India in :			
(i) Government Securities (including local authorities)		11644,84,99	10520,45,85
(ii) Subsidiaries and/ or Joint Ventures abroad		4298,49,28	2712,22,30
(iii) Other Investments (Shares, Debentures etc.)		35371,83,38	32918,02,42
TOTAL		**51315,17,65**	**46150,70,57**
GRAND TOTAL (I and II)		**967021,94,75**	**1060986,71,50**
III. Investments in India :			
(i) Gross Value of Investments		926650,59,97	1026438,36,91
(ii) Less: Aggregate of Provisions / Depreciation		10943,82,87	11602,35,98
(iii) Net Investments (vide I above)	**TOTAL**	**915706,77,10**	**1014836,00,93**
IV. Investments outside India :			
(i) Gross Value of Investments		51473,39,76	46658,94,18
(ii) Less: Aggregate of Provisions / Depreciation		158,22,11	508,23,61
(iii) Net Investments (vide II above)	**TOTAL**	**51315,17,65**	**46150,70,57**
GRAND TOTAL (III and IV)		**967021,94,75**	**1060986,71,50**

Schedule 9 - Advances

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A.	I. Bills purchased and discounted	80278,87,21	67613,55,55
	II. Cash credits, overdrafts and loans repayable on demand	776633,45,81	746252,38,11
	III. Term loans	1328964,58,75	1121014,25,25
TOTAL		**2185876,91,77**	**1934880,18,91**
B.	I. Secured by tangible assets (includes advances against Book Debts)	1582764,41,50	1505988,72,17
	II. Covered by Bank/ Government Guarantees	80173,16,17	68651,16,60
	III. Unsecured	522939,34,10	360240,30,14
TOTAL		**2185876,91,77**	**1934880,18,91**
C.	I. Advances in India		
	(i) Priority Sector	520729,77,60	448358,95,60
	(ii) Public Sector	240295,89,39	161939,24,46
	(iii) Banks	9174,06,50	2845,19,97
	(iv) Others	1114679,73,28	1023464,39,00
TOTAL		**1884879,46,77**	**1636607,79,03**
	II. Advances outside India		
	(i) Due from banks	69975,74,47	77109,63,56
	(ii) Due from others		
	(a) Bills purchased and discounted	26740,94,11	14539,04,35
	(b) Syndicated loans	138191,25,40	120685,86,16
	(c) Others	66089,51,02	85937,85,81
TOTAL		**300997,45,00**	**298272,39,88**
GRAND TOTAL [C (I) and C (II)]		**2185876,91,77**	**1934880,18,91**

Schedule 10 - Fixed Assets

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
I.	**Premises (including Revalued Premises)**				
	At cost/revalued as at 31st March of the preceding year	30201,53,82		35961,29,86	
	Additions:				
	- during the year	669,84,09		1056,24,24	
	- for Revaluation	-		4477,39,82	
	Deductions during the year	39,60,68		11293,40,10	
	Depreciation to date:				
	- on cost	714,18,98		614,08,31	
	- on Revaluation	497,17,97		308,66,78	
			29620,40,28		**29278,78,73**

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
II.	**Other Fixed Assets (including furniture and fixtures)**				
	At cost as at 31st March of the preceding year	30114,90,96		21856,35,33	
	Additions during the year	2404,25,97		9232,65,68	
	Deductions during the year	1444,39,63		974,10,05	
	Depreciation to date	22186,23,44		20192,98,49	
			8888,53,86		**9921,92,47**
III.	**Assets under Construction (Including Premises)**		**688,62,80**		**791,53,91**
TOTAL (I, II, and III)			**39197,56,94**		**39992,25,11**

Additions during the previous year includes receipt from erstwhile ABs and BMBL on acquisition

Schedule 11 - Other Assets

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Inter-Office adjustments (net)	-	-
II.	Interest accrued	26141,97,03	25714,46,61
III.	Tax paid in advance / tax deducted at source	24376,29,42	17546,11,08
IV.	Deferred Tax Assets (Net)	10422,49,17	11368,79,19
V.	Stationery and Stamps	102,14,03	107,05,92
VI.	Non-banking assets acquired in satisfaction of claims	73,71	4,64,72
VII.	Others*	205284,06,92	172253,12,43
	*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 138245,29,37 thousand (Previous Year ₹ 95643,16,91 thousand)		
TOTAL		**266327,70,28**	**226994,19,95**

Schedule 12 - Contingent Liabilities

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Claims against the bank not acknowledged as debts	43357,92,57	35153,03,00
II.	Liability for partly paid investments / Venture Funds	472,87,61	619,44,30
III.	Liability on account of outstanding forward exchange contracts	596621,66,74	644102,45,28
IV.	Guarantees given on behalf of constituents		
	(a) In India	157186,66,27	148866,54,48
	(b) Outside India	72425,94,84	67469,26,89
V.	Acceptances, endorsements and other obligations	124194,94,04	121238,94,74
VI.	Other items for which the bank is contingently liable*	121821,43,87	144571,00,61
	*Includes Derivatives ₹ 117435,24,87 thousand (Previous Year ₹ 141154,40,39 thousand)		
TOTAL		**1116081,45,94**	**1162020,69,30**

State Bank of India

Profit and Loss Account for the year ended 31st March, 2019

(000s omitted)

		Schedule No.	Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	**INCOME**			
	Interest earned	13	242868,65,35	220499,31,56
	Other Income	14	36774,88,78	44600,68,71
	TOTAL		**279643,54,13**	**265100,00,27**
II.	**EXPENDITURE**			
	Interest expended	15	154519,77,80	145645,60,00
	Operating expenses	16	69687,73,74	59943,44,64
	Provisions and contingencies		54573,79,61	66058,41,00
	TOTAL		**278781,31,15**	**271647,45,64**
III.	**PROFIT**			
	Net Profit/(Loss) for the year		862,22,98	(6547,45,37)
	Add: Profit/(Loss) brought forward		(15078,56,86)	31,68
	Loss of eABs & BMB on amalgamation		-	(6407,68,97)
	TOTAL		**(14216,33,88)**	**(12954,82,66)**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		258,66,89	-
	Transfer to Capital Reserve		379,20,76	3288,87,88
	Transfer to Revenue and other Reserves		371,84,01	(1165,13,68)
	Balance carried over to Balance Sheet		(15226,05,54)	(15078,56,86)
	TOTAL		**(14216,33,88)**	**(12954,82,66)**
	Basic Earning per Share:		₹ 0.97	₹ -7.67
	Diluted Earning per Share:		₹ 0.97	₹ -7.67
	Significant Accounting Policies	17		
	Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit & Loss Account.

Signed by:

Smt. Anshula Kant	**Shri Arijit Basu**	**Shri Dinesh Kumar Khara**	**Shri P. K. Gupta**
Managing Director (Stressed Assets, Risk & Compliance)	Managing Director (Commercial Clients Group & IT)	Managing Director (Global Banking & Subsidiaries)	Managing Director (Retail & Digital Banking)

Directors:
Dr. Girish Kumar Ahuja
Shri B. Venugopal
Dr. Purnima Gupta
Shri Chandan Sinha
Shri Sanjiv Malhotra
Dr. Pushpendra Rai
Shri Basant Seth
Shri Bhaskar Pramanik

Shri Rajnish Kumar
Chairman

Place: Mumbai
Date: 10th May 2019

In terms of our report of even date

FOR J.C. BHALLA & CO.
Chartered Accountants

RAJESH SETHI
Partner : M. No.085669
Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
Chartered Accountants

VITESH D. GANDHI
Partner: M. No.110248
Firm Regn. No. 101720W/W100355

FOR O.P. TOTLA & CO.
Chartered Accountants

S. R. TOTLA
Partner : M. No. 071774
Firm Regn. No. 000734C

FOR S. K. KAPOOR & CO.
Chartered Accountants

SANJIV KAPOOR
Partner : M. No. 070487
Firm Regn. No. 000745C

FOR DE CHAKRABORTY & SEN
Chartered Accountants

D. K. ROY CHOWDHURY
Partner : M. No. 053087
Firm Regn. No. 303029E

FOR RAO & KUMAR
Chartered Accountants

ANIRBAN PAL
Partner : M. No. 214919
Firm Regn. No. 003089S

FOR S. K. MITTAL & CO.
Chartered Accountants

M. K. JUNEJA
Partner : M. No.013117
Firm Regn. No.001135N

FOR N.C. RAJAGOPAL & CO.
Chartered Accountants

V. CHANDRASEKARAN
Partner: M. No. 024844
Firm Regn. No. 230448S

FOR KARNAVAT & CO.
Chartered Accountants

SAMEER B. DOSHI
Partner : M. No. 117987
Firm Regn. No. 104863W

FOR KALANI & CO.
Chartered Accountants

BHUPENDER MANTRI
Partner: M. No. 108170
Firm Regn. No. 000722C

FOR BRAHMAYYA & CO.
Chartered Accountants

K. JITENDRA KUMAR
Partner : M. No. 201825
Firm Regn. No. 000511S

FOR RAY & RAY
Chartered Accountants

ABHIJIT NEOGI
Partner : M. No. 061380
Firm Regn. No. 301072E

FOR K. VENKATACHALAM AIYER & CO.
Chartered Accountants

A GOPALAKRISHNAN
Partner : M. No. 018159
Firm Regn. No. 004610S

FOR G. P. AGRAWAL & CO.
Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10th May, 2019

Schedule 13 - Interest Earned

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Interest / discount on advances / bills	161640,23,23	141363,16,78
II.	Income on investments	74406,16,37	70337,61,67
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	1179,06,59	2249,99,69
IV.	Others	5643,19,16	6548,53,42
TOTAL		**242868,65,35**	**220499,31,56**

Schedule 14 - Other Income

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Commission, exchange and brokerage	23303,89,22	22996,80,04
II.	Profit/ (Loss) on sale of investments (Net)[1]	3146,86,06	13423,34,83
III.	Profit/ (Loss) on revaluation of investments (Net)	(2124,03,82)	(1120,61,02)
IV.	Profit/ (Loss) on sale of land, buildings and other assets (Net)	(34,98,24)	(30,03,00)
V.	Profit/ (Loss) on exchange transactions (Net)	2155,75,29	2484,59,52
VI.	Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	348,01,18	448,51,70
VII.	Income from financial lease	-	-
VIII.	Miscellaneous Income [2]	9979,39,09	6398,06,64
	TOTAL	**36774,88,78**	**44600,68,71**

[1] Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 473.12 crore (Previous year ₹ 5,436.17 crore).
[2] Miscellaneous Income includes exceptional item of ₹ 1,087.43 crore (Previous year nil) and Recoveries made in write-off accounts ₹ 8,344.61 crore (Previous year ₹ 5,333.20 crore).

Schedule 15 - Interest Expended

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Interest on deposits	140272,36,59	135725,70,41
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	9838,95,98	5312,42,79
III.	Others	4408,45,23	4607,46,80
TOTAL		**154519,77,80**	**145645,60,00**

Schedule 16 - Operating Expenses

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Payments to and provisions for employees	41054,70,68	33178,67,95
II.	Rent, taxes and lighting	5265,65,95	5140,43,15
III.	Printing and stationery	498,94,99	518,13,63
IV.	Advertisement and publicity	354,05,58	358,32,54
V.	Depreciation on Bank's property	3212,30,65	2919,46,63
VI.	Directors' fees, allowances and expenses	1,34,65	61,93
VII.	Auditors' fees and expenses (including branch auditors' fees and expenses)	293,67,65	289,18,07
VIII.	Law charges	261,84,28	199,03,48
IX.	Postages, Telegrams, Telephones etc.	387,01,81	506,83,11
X.	Repairs and maintenance	904,08,56	826,93,29
XI.	Insurance	2845,44,78	2759,88,05
XII.	Other expenditure	14608,64,16	13245,92,81
TOTAL		**69687,73,74**	**59943,44,64**

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), 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 considered in the reported amount of assets and liabilities (including contingent liabilities) as on 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. Future results could differ from these estimates.

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 for 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.

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, joint ventures and associates are classified as HTM.

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 (not out of fresh/ additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority:

a. Charges
b. Unrealized Interest / Interest
c. Principal

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:

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	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	05 Years
			Safe Deposit Lockers	20 Years
			Furniture & Fixtures	10 Years

7.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.

7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).

7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

7.8 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.

7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three years are not revalued. Valuation of the revalued assets is done at every three years thereafter.

7.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. The depreciation provided on the increase in the Net Book Value is recouped from Revaluation 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:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.

iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.

vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

a. Non-integral Operations:

i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.

iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

b. Integral Operations:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.

iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

11. Employee Benefits:

11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

11.2 Long Term Employee Benefits:

i. Defined Benefit Plans:

a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.

b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.

i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

ii. Defined Contribution Plan:

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. Other Long Term Employee Benefits:

a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.

b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

12. 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.

13. Earnings per Share:

13.1 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.

13.2 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.

14. Provisions, Contingent Liabilities and Contingent Assets:

14.1 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.

14.2 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.

14.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

14.4 Contingent Assets are not recognised in the financial statements.

15. 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.

16. 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.

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

Schedule 18

NOTES TO ACCOUNTS

18.1 Capital

1. Capital Ratio

AS PER BASEL II

(Amount in ₹ crore)

Sr. No.	Items	As at 31st March, 2019	As at 31st March, 2018
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 Capital Ratio (%)	10.38%	10.02%
(iii)	Tier 2 Capital Ratio (%)	2.47%	2.72%
(iv)	Total Capital Ratio (%)	12.85%	12.74%

AS PER BASEL III

Sr. No.	Items	As at 31st March, 2019	As at 31st March, 2018
(i)	Common Equity Tier 1 Capital Ratio (%)	9.62%	9.68%
(ii)	Tier 1 Capital Ratio (%)	10.65%	10.36%
(iii)	Tier 2 Capital Ratio (%)	2.07%	2.24%
(iv)	Total Capital Ratio (%)	12.72%	12.60%
(v)	Percentage of the Shareholding of Government of India	57.13%	58.03%
(vi)	Number of Shares held by Government of India	509,88,82,979	517,89,88,645
(vii)	Amount of Equity Capital raised	0.38	23,813.69
(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)	7,317.30	2,000.00
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital Instruments:	4,115.90	Nil
	b) Preference Share Capital Instruments:	Nil	Nil
	{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 1st March, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET– I capital ratio. The Bank has exercised the option in the above computation.

2. Share Capital

a) The Bank received application money of ₹ 0.38 crore including share premium of ₹ 0.38 crore by way of the issue of 24,000 equity shares of ₹ 1 each kept in abeyance due to various title disputes or third party claims out of the Right Issue closed on 18.03.2008. The equity shares kept in abeyance were allotted on 31.01.2019.

b) Expenses in relation to the issue of shares: ₹ 9.12 crore (Previous Year ₹ 17.60 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 31st March, 2019	Equivalent ₹ as on 31st March, 2018
Additional Tier 1 (AT1) Bonds issued under MTN Programme 29th series	22.09.2016	Perpetual Non Call 5 years	USD 300 million	2,074.65	1,955.25

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 2009-10 (Tier I) Series I	1,000.00	14.08.2009	9.10
2.	e-SBM Tier -I	100.00	25.11.2009	9.10
3.	e-SBP Tier -I Series I	300.00	18.01.2010	9.15
4.	SBI Non Convertible Perpetual Bonds 2009-10 (Tier I) Series II	1,000.00	27.01.2010	9.05
5.	e-SBH Tier -I Series XII	135.00	24.02.2010	9.20
6.	e-SBH Tier -I Series XIII	200.00	20.09.2010	9.05
7.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1	2,100.00	06.09.2016	9.00
8.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II	2,500.00	27.09.2016	8.75
9.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III	2,500.00	25.10.2016	8.39
10.	SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
11.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
12.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
13.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
	TOTAL	**19,152.30***		

*Includes ₹ 2,000 crore raised during the F.Y. 2009-10, of which ₹ 550 crore invested by SBI Employee Pension Fund, not reckoned for the purpose of Tier I Capital as per RBI instructions.

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	500.00	20.03.2012	9.02	120
	(Series VI)		20.03.2022		
2	SBI Non Convertible	2,000.00	02.01.2014	9.69	120
	(Private placement) Bonds 2013-14 (Tier II)		02.01.2024		
3	e-SBH Upper Tier II	325.00	05.06.2009	8.39	180
	(Series IX)		05.06.2024		
4	e- SBH Upper Tier II	450.00	21.08.2009	8.50	180
	(Series X)		21.08.2024		
5	e -SBH Upper Tier II	475.00	08.09.2009	8.60	180
	(Series XI)		08.09.2024		
6	e-SBM Tier II	500.00	17.12.2014	8.55	120
	Basel III compliant		17.12.2024		
7	e -SBP Tier II	950.00	22.01.2015	8.29	120
	Basel III compliant (series I)		22.01.2025		
8	e- SBBJ Tier II	200.00	20.03.2015	8.30	120
	Basel III compliant		20.03.2025		
9	e -SBH Tier II	393.00	31.03.2015	8.32	120
	Basel III compliant (Series XIV)		31.03.2025		
10	SBI Non Convertible	866.92	04.11.2010	9.50	180
	(Public issue) Bonds 2010 (Series II) (Lower Tier II)		04.11.2025		
11	SBI Non Convertible, Unsecured	4,000.00	23.12.2015	8.33	120
	(Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series I)		23.12.2025		
12	e -SBH Tier II	500.00	30.12.2015	8.40	120
	Basel III compliant (Series XV)		30.12.2025		

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue/ Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
13	e-SBM Tier II	300.00	31.12.2015	8.40	120
	Basel III compliant		31.12.2025		
14	e-SBM Tier II	200.00	18.01.2016	8.45	120
	Basel III compliant		18.01.2026		
15	e -SBH Tier II	200.00	08.02.2016	8.45	120
	Basel III compliant (Series XVI)		08.02.2026		
16	SBI Non Convertible, Unsecured	3,000.00	18.02.2016	8.45	120
	(Private Placement), Basel III compliant Tier 2 Bonds 2015-16 (Series II)		18.02.2026		
17	SBI Non Convertible	3,937.60	16.03.2011	9.95	180
	(Public issue) Bonds 2011 Retail (Series IV) (Lower Tier II)		16.03.2026		
18	SBI Non Convertible	828.32	16.03.2011	9.45	180
	(Public issue) Bonds 2011 Non Retail (Series IV) (Lower Tier II)		16.03.2026		
19	SBI Non Convertible, Unsecured	3,000.00	18.03.2016	8.45	120
	(Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series III)		18.03.2026		
20	SBI Non Convertible, Unsecured	500.00	21.03.2016	8.45	120
	(Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series IV)		21.03.2026		
21	e- SBT Tier II	515.00	30.03.2016	8.45	120
	Basel III compliant (Series I)		30.03.2026		
22	e- SBT Upper Tier II	500.00	26.03.2012	9.25	180
	(Series III)		26.03.2027		
23	SBI Non Convertible, Unsecured	4,115.90	02.11.2018	8.90	120
	Basel III - Tier II Bonds 2018		02.11.2028		
	TOTAL	**28,256.74**			

18.2. Investments

1. The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
1. Value of Investments		
i) Gross value of Investments		
(a) In India	9,26,650.60	10,26,438.37
(b) Outside India	51,473.40	46,658.94
ii) Provision for Depreciation		
(a) In India	9,094.19	9,698.21
(b) Outside India	158.22	508.24
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	1,849.64	1,904.15
iv) Net value of Investments		
(a) In India	9,15,706.77	10,14,836.01
(b) Outside India	51,315.18	46,150.70
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	10,206.45	642.76
ii) Add: Provisions made during the year	1,863.13	9,959.55
iii) Less: Provision utilised during the year	-	16.51
iv) Less/(Add): Foreign Exchange revaluation adjustment	(22.24)	(5.65)
v) Less: Write off/Write back of excess provision during the year.	2,839.41	385.00
vi) Balance at the end of the year	9,252.41	10,206.45

Notes:

a. Provisions made during the previous year includes the receipt from erstwhile Associate Banks (ABs) and Bharatiya Mahila Bank Limited (BMBL) on acquisition.

b. Securities amounting to ₹ 21,219.41 crore (Previous Year ₹ 40,992.04 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/ NSCCL/MCX/ NSEIL/ BSE towards Securities Settlement.

c. During the year, the Bank infused additional capital in its subsidiaries and associates viz. i) SBI Cards & Payments Services Private Ltd. ₹ 347.80 crore, ii) SBI Infra Management Solutions Pvt. Ltd. ₹ 30.00 crore, iii) SBI Payment Services Pvt. Ltd. ₹ 2.50 crore, iv) State Bank of India (UK) Ltd. ₹ 1,604.43 crore, v) Jio Payments Bank Ltd. ₹ 30.00 crore, vi) Utkal Grameen Bank ₹ 63.14 crore, vii) Madyanchal Gramin Bank ₹ 57.63 crore, viii) Rajasthan Marudhara Gramin Bank ₹ 7.28 crore, ix) Nagaland Rural Bank ₹ 0.65 crore and after infusion there is no change in Bank's stake.

d. During the year, the Bank has sold its 4% stake in SBI General Insurance Company Ltd. at a profit of ₹ 473.12 crore. Thus, the Bank stake has reduced from 74.00% to 70.00%.

e. The Bank exited from an RRB as per details given below: -

(₹ in crore)

Name of RRB	Amount
Malwa Gramin Bank	0.35

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 31st March 2019
Securities sold under Repos				
i. Government Securities	-	1,31,364.16	48,101.62	1,12,793.84
	(-)	(94,252.00)	(11,859.64)	(94,252.00)
ii. Corporate Debt Securities	-	12,382.91	7,742.36	10,264.00
	(-)	(7,614.78)	(1,849.22)	(7,613.71)
Securities purchased under Reverse Repos				
i. Government Securities	-	43,507.94	5,202.46	1,963.89
	(-)	(83,636.62)	(26,858.19)	(138.94)
ii. Corporate Debt Securities	-	860.43	816.74	859.81
	(-)	(581.22)	(573.73)	(574.07)

(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	48,324.45	18,145.75	356.64	-	-
		(49,524.49)	(25,424.36)	(414.14)	(-)	(-)
ii	FIs	67,836.16	55,738.02	-	-	-
		(72,183.66)	(66,780.93)	(-)	(-)	(250.00)
iii	Banks	19,374.89	1,457.62	1,177.32	23.62	23.62
		(16,540.91)	(1,927.73)	(1,988.79)	(23.62)	(23.62)
iv	Private Corporates	41,791.89	23,398.59	826.18	341.30	24.70
		(48,275.25)	(36,182.49)	(528.49)	(481.94)	(24.70)
v	Subsidiaries /Joint Ventures **	9,909.36	-	-	-	-
		(7,793.06)	(-)	(-)	(-)	(-)
vi	Others	24,977.19	623.66	2,383.40	53.47	3.17
		(24,304.13)	(-)	(991.02)	(60.07)	(-)
vii	Less: Provision held towards depreciation including LICRA	7,075.11	-	25.21	30.60	-
		(6,030.63)	(-)	(-)	(-)	(-)
	Total	**2,05,138.83**	**99,363.64**	**4,718.33**	**387.79**	**51.49**
		(2,12,590.87)	**(1,30,315.51)**	**(3,922.44)**	**(565.63)**	**(298.32)**

(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	4,595.25	447.54
Additions during the year	1,986.35	4,250.77
Reductions during the year	971.94	103.06
Closing balance	5,609.66	4,595.25
Total provisions held	**5,209.17**	**2,452.30**

Additions during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

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	9,464.18	344.72	25.93	9,834.83
Provision held against (i)	196.90	-	25.93	222.83
ii Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	0.74	6.07	0.34	7.15
Provision held against (ii)	-	1.45	0.34	1.79
Total (i) + (ii)	**9,464.92**	**350.79**	**26.27**	**9,841.98**

6. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC)

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book Value of Investments in Security Receipts as on 31st March, 2019	9,841.98	10,489.53	-	16.41	9,841.98	10,505.94
Book Value of Investments in Security Receipts made during the year	16.58	5,214.56	-	-	16.58	5,214.56

18.3. Derivatives

A. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS)

(₹ in crore)

Sr No	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	The notional principal of swap agreements#	3,74,120.04	3,60,705.72
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	3,342.37	904.42
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	125.32	(-) 555.68

IRS/FRA amounting to ₹ 19,022.25 crore (Previous Year ₹ 2,988.82 crore) entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

Nature and terms of forward rate agreements and interest rate swaps as on 31st March, 2019 are given below:

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	219	6,229.77	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Hedging	1	176.35	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	115	955.46	OTHERS	Floating Payable Vs Fixed Receivable
IRS	Hedging	56	33,471.30	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	22	1,075.91	LIBOR	Floating Receivable / Fixed Payable
IRS	Trading	73	19,168.46	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	204	40,973.65	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	2,709	1,29,351.55	LIBOR	Floating Payable Vs Floating Receivable
IRS	Trading	2	760.70	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	2,715	1,29,224.72	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	68	3,028.50	MIFOR	Fixed Payable Vs Floating Receivable
IRS	Trading	81	3,622.00	MIFOR	Floating Payable Vs Fixed Receivable
IRS	Trading	18	3,678.13	LIBOR	Fixed Receivable / Floating Payable
IRS	Trading	24	2,403.54	LIBOR	Floating Receivable / Fixed Payable
	Total		**3,74,120.04**		

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	42,099.96	54,611.66
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March, 2019		
	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 2018-19.

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 our 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 into with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered into 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	8,983.92 @	20,605.24 @	41,908.78 #	49,193.30 #
(b) For trading*	2,47,198.72	6,16,447.95	3,37,642.76	3,11,512.42
(II) Marked to Market Positions				
(a) Asset	3,555.69	5,716.35	3,365.55	592.99
(b) Liability	3,130.82	5,218.09	3,240.23	1,152.54
(III) Credit Exposure	12,665.30	21,749.61	7,037.75	4,160.44
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	1.08	-0.14	150.90	-3.14
(b) on trading derivatives	15.83	0.98	136.08	11.62
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging --				
Maximum	1.08	-	255.40	2.81
Minimum	-	-0.04	-	-
(b) on trading –				
Maximum	24.41	1.18	149.73	0.76
Minimum	-129.75	-	0.08	-

@ The swaps amounting to ₹ 245.10 crore (Previous Year ₹ 2,870.26 crore) entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.
# IRS/FRA amounting to ₹ 19,022.25 crore (Previous Year ₹ 2,988.82 crore) entered with the Bank's own Foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.
* The forward contract deals with our own Foreign Offices are not included. Currency Derivatives ₹ 427.12 crore (Previous Year ₹ Nil) and Interest Rate Derivatives ₹ Nil (Previous Year ₹ Nil).

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March, 2019 amounted to ₹ 19,694.47 crore (Previous Year ₹ 5,859.08 crore) and the derivatives done between SBI Foreign Offices as on 31st March, 2019 amounted to ₹ 8,929.28 crore (Previous Year ₹ 12,056.81 crore).

2. The outstanding notional amount of interest rate derivatives which are not marked –to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31st March, 2019 amounted to ₹ 45,661.89 crore (Previous Year ₹ 45,442.82 crore).

18.4. Asset Quality

a) Non-Performing Assets

(₹ in crore)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
I)	Net NPAs to Net Advances (%)	3.01%	5.73%
II)	Movement of NPAs (Gross)		
	(a) Opening balance	2,23,427.46	1,12,342.99
	(b) Additions (Fresh NPAs) during the year	32,738.05	1,60,303.65
	Sub-total (i)	2,56,165.51	2,72,646.64
	Less:		
	(c) Reductions due to up gradations during the year	4,794.34	4,746.09
	(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	19,715.63	4,277.67
	(e) Technical/ Prudential Write-offs	5,139.76	4,537.11
	(f) Reductions due to Write-offs during the year	53,765.42	35,658.31
	Sub-total (ii)	83,415.15	49,219.18
	(g) Closing balance (i-ii)	1,72,750.36	2,23,427.46
III)	Movement of Net NPAs		
	(a) Opening balance	1,10,854.70	58,277.38
	(b) Additions during the year	27,008.89	61,478.47
	(c) Reductions during the year	71,968.85	8,901.15
	(d) Closing balance	65,894.74	1,10,854.70
IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,12,572.76	54,065.61
	(b) Provisions made during the year	54,844.57	98,825.17
	(c) Write-off / write-back of excess provisions	60,561.71	40,318.02
	(d) Closing balance	1,06,855.62	1,12,572.76

Notes:-

i. Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 8.72 crore (Previous Year ₹ 1.97 crore) and ₹ 235.61 crore (Previous Year ₹ 8.72 crore) respectively.

ii. Additions/Provisions made during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

b) As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

Accordingly, no separate disclosure is made in respect of divergence for the financial year 2017-18 as the same is not beyond the above-mentioned thresholds.

c) Restructured Accounts

(₹ in crore)

Sr. No.	Type of Restructuring		Under CDR Mechanism (1)					Under SME Debt Restructuring Mechanism (2)				
	Asset Classification		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
	Particulars											
1	Restructured Accounts as on April 1, 2018 (Opening position)	No. of Borrowers	8	3	65	8	84	48	169	171	18	406
			(28)	(-)	(68)	(4)	(100)	(81)	(25)	(128)	(19)	(253)
		Amount 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
			(7,711.79)	(-)	(17,030.68)	(82.59)	(24,825.06)	(5,640.63)	(204.06)	(2,464.71)	(6.88)	(8,316.28)
		Provision thereon	7.06	28.17	106.20	-	141.43	18.23	26.85	115.41	0.39	160.88
			(327.32)	(-)	(360.74)	(0.94)	(689.01)	(21.94)	(10.65)	(113.98)	(-)	(146.57)
2	Fresh Restructuring during the current FY	No. of Borrowers	-	-	-	-	-	-	28	4	3	35
			(23)	(4)	(18)	(6)	(51)	(288)	(436)	(2,066)	(288)	(3,078)
		Amount outstanding	68.59	-	95.32	-	163.91	42.73	42.82	27.70	0.27	113.52
			(3,453.35)	(220.71)	(8,499.62)	(186.82)	(12,360.50)	(83.44)	(188.53)	(189.35)	(5.34)	(466.66)
		Provision thereon	0.09	-	-	-	0.09	-	3.74	0.45	0.27	4.46
			(192.47)	(20.86)	(15.30)	(0.03)	(228.66)	(27.69)	(3.80)	(3.94)	(0.39)	(35.82)
3	Up gradation to restructured standard category during current FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
			(1)	(-)	(-1)	(-)	(-)	(1)	(-)	(-1)	(-)	(-)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
			(443.42)	(-)	(-443.42)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-	-
			(6.33)	(-)	(-6.33)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-1				-1	-2				-2
			(-11)				(-11)	(-43)				(-43)
		Amount outstanding	-23.05				-23.05	-4.56				-4.56
			(-5,389.94)				(-5,389.94)	(-5,318.42)				(-5,318.42)
		Provision thereon	-				-	-0.23				-0.23
			(-209.29)				(-209.29)	(-1.80)				(-1.80)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-2	-2	1	3	-	-2	2	-	-	-
			(-13)	(-)	(11)	(2)	(-)	(-6)	(5)	(-3)	(4)	(-)
		Amount outstanding	-332.43	-221.77	-87.04	641.24	-	-38.02	38.02	-	-	-
			(-3,336.83)	(303.58)	(2,747.62)	(285.63)	(-)	(-235.87)	(125.95)	(108.16)	(1.76)	(-)
		Provision thereon	-	-9.52	9.52	-	-	-0.35	0.35	-	-	-
			(-36.14)	(7.65)	(28.03)	(0.47)	(-)	(-12.02)	(12.02)	(-)	(-)	(-)
6	Write-offs of restructured accounts during current FY	No. of Borrowers	-1	-1	-22	-2	-26	-16	-32	-33	-4	-85
			(-20)	(-1)	(-31)	(-4)	(-56)	(-273)	(-297)	(-2,019)	(-293)	(-2,882)
		Amount 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
			(-2,274.02)	(-143.78)	(-11,993.72)	(-306.20)	(-14,717.72)	(-94.19)	(-140.70)	(-202.42)	(-7.16)	(-444.47)
		Provision thereon	-6.19	-18.65	-115.72	-	-140.56	-7.39	-24.51	-90.98	-0.39	-123.27
			(-273.63)	(-0.34)	(-291.54)	(-1.44)	(-566.95)	(-17.58)	(0.38)	(-2.51)	(-)	(-19.71)
7	Total Restructured Accounts as on 31st March, 2019 (Closing Position)	No. of Borrowers	4	-	44	9	57	28	167	142	17	354
			(8)	(3)	(65)	(8)	(84)	(48)	(169)	(171)	(18)	(406)
		Amount outstanding	146.04	-	6,236.10	656.53	7,038.67	46.11	307.32	415.80	6.65	775.88
			(607.77)	(380.51)	(15,840.78)	(248.84)	(17,077.90)	(75.59)	(377.84)	(2,559.80)	(6.82)	(3,020.05)
		Provision thereon	0.96	-	-	-	0.96	10.26	6.43	24.88	0.27	41.84
			(7.06)	(28.17)	(106.20)	(-)	(141.43)	(18.23)	(26.85)	(115.41)	(0.39)	(160.88)

Sr. No.	Type of Restructuring		Others (3)					TOTAL (1 + 2 + 3)				
	Asset Classification / Particulars		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2018 (Opening position)	No. of Borrowers	360	335	1,094	45	1,834	416	507	1,330	71	2,324
			(100)	(206)	(1,990)	(49)	(2,345)	(209)	(231)	(2,186)	(72)	(2,698)
		Amount outstanding	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
			(23,281.14)	(2,714.14)	(6,774.45)	(30.56)	(32,800.30)	(36,633.56)	(2,918.20)	(26,269.85)	(120.03)	(65,941.64)
		Provision thereon	350.99	80.14	170.62	0.64	602.39	376.27	135.15	392.24	1.03	904.69
			(242.27)	(28.14)	(174.82)	(-)	(445.23)	(591.54)	(38.79)	(649.55)	(0.94)	(1,280.82)
2	Fresh Restructuring during the current FY	No. of Borrowers	7	111	291	66	475	7	139	295	69	510
			(30,726)	(6,219)	(235)	(20)	(37,200)	(31,037)	(6,659)	(2,319)	(314)	(40,329)
		Amount outstanding	9,347.86	2.96	94.95	3.95	9,449.72	9,459.18	45.78	217.96	4.23	9,727.15
			(8,757.80)	(3,097.75)	(9,145.22)	(121.52)	(21,122.29)	(12,294.58)	(3,506.99)	(17,834.19)	(313.68)	(33,949.44)
		Provision thereon	43.41	0.47	8.02	2.26	54.16	43.49	4.21	8.47	2.53	58.70
			(236.33)	(25.15)	(93.70)	(4.23)	(359.41)	(456.49)	(49.80)	(112.94)	(4.66)	(623.89)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	7	-7	-	-	-	7	-7	-	-	-
			(5)	(-3)	(-2)	(-)	(-)	(7)	(-3)	(-4)	(-)	(-)
		Amount outstanding	0.29	-0.29	-	-	-	0.29	-0.29	-	-	-
			(656.33)	(-605.65)	(-50.68)	(-)	(-)	(1,099.75)	(-605.65)	(-494.10)	(-)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-	-
			(3.99)	(-1.04)	(-2.95)	(-)	(-)	(10.32)	(-1.04)	(-9.28)	(-)	(-)
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	-22				-22	-25				-25
			(-38)				(-38)	(-92)				(-92)
		Amount outstanding	-9,421.29				-9,421.29	-9,448.90				-9,448.90
			(-2,716.15)				(-2,716.15)	(-13,424.50)				(-13,424.50)
		Provision thereon	-4.31				-4.31	-4.54				-4.54
			(-14.83)				(-14.83)	(-225.93)				(-225.93)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-9	-1	-79	89	-	-13	-1	-78	92	-
			(-50)	(-222)	(249)	(23)	(-)	(-69)	(-217)	(257)	(29)	(-)
		Amount outstanding	-39.38	-1,256.52	-42.68	1,338.58	-	-409.83	-1,440.27	-129.72	1,979.82	-
			(-21,997.58)	(456.27)	(20,388.99)	(1,152.33)	(-)	(-25,570.29)	(885.80)	(23,244.77)	(1,439.72)	(-)
		Provision thereon	-1.17	-15.18	10.96	5.39	-	-1.52	-24.35	20.48	5.39	-
			(-133.95)	(52.17)	(81.52)	(0.26)	(-)	(-182.12)	(71.84)	(109.55)	(0.73)	(-)
6	Write-offs of re-structured accounts during current FY	No. of Borrowers	-43	-211	-520	-29	-803	-60	-244	-575	-35	-914
			(-30,383)	(-5,865)	(-1,378)	(-47)	(-37,673)	(-30,676)	(-6,163)	(-3,428)	(-344)	(-40,611)
		Amount outstanding	-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
			(-3,801.80)	(-1,728.55)	(-6,626.80)	(-338.00)	(-12,495.16)	(-6,170.02)	(-2,013.03)	(-18,822.94)	(-651.36)	(-27,657.35)
		Provision thereon	-69.35	-64.58	-174.37	-4.24	-312.54	-82.93	-107.73	-381.07	-4.63	-576.36
			(-248.70)	(-24.28)	(-176.47)	(-3.85)	(-453.30)	(-539.91)	(-24.24)	(-470.52)	(-5.30)	(-1,039.97)
7	Total Restructured Accounts as on 31st March, 2019 (Closing Position)	No. of Borrowers	300	227	786	171	1484	332	394	972	197	1895
			(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	14,656.62	1,466.35	20,562.08
			(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	330.77	7.29	40.11	4.32	382.49
			(85.11)	(80.14)	(170.62)	(0.64)	(336.51)	(110.39)	(135.15)	(392.24)	(1.03)	(638.81)

1. Increase in outstanding of ₹ 8,263.39 crore (Previous Year ₹ 11,165.38 crore) included in Fresh Additions.
2. Closure of ₹ 27,360.50 crore (Previous Year ₹ 10,935.28 crore) and decrease in Outstanding of ₹ 1,133.75 crore (Previous Year ₹ 9,266.34 crore) is included in Write off.
3. Total Column does not include standard assets moved out of higher provisioning.
4. Fresh Restructuring during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

d) As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated 1.01.2019, the details of restructured MSME accounts is as below:-

(₹ in crore)

No. of accounts restructured	Amount
17,419	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	4,537.11	Nil
ii	Add: Technical/Prudential write-offs during the year	5,139.76	12,926.65
iii	Sub-total (A)	9,676.87	12,926.65
iv	Less: Recoveries made/ Actual written off from previously technical/ prudential written-off accounts during the year (B)	4,537.11	8,389.54
v	Closing balance as at 31st March (A-B)	5,139.76	4,537.11

Technical/Prudential write-offs during the previous year includes the receipt from erstwhile ABs and BMBL on acquisition.

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	47	32
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	2,227.88	964.72
iii	Aggregate consideration*	4,330.99	1,304.36
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain /(loss) over net book value #	2,103.11	339.64

* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value as per RBI Guidelines. # Includes amount of ₹ 4.11 crore (Previous Year ₹ Nil 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	1,075.12	-

h) Details of non-performing financial assets purchased

(₹ in crore)

Sr No	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)

Sr No	Particulars	Current Year	Previous Year
1)	No. of Accounts sold	29	16
2)	Aggregate outstanding	6,545.21	1,323.69
3)	Aggregate consideration received	3,155.43	1,057.73

j) Provision on Standard Assets:

(₹ in crore)

Particulars	Current Year	Previous Year
Provision towards Standard Assets	12,396.68	12,499.46

k) Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(₹ in crore)

No. of accounts where SDR has been invoked	Amount outstanding as on 31st March, 2019		Amount outstanding as on 31st March, 2019 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on 31st March, 2019 with respect to accounts where conversion of debt to equity has taken place	
Classified as	Standard	NPA	Standard	NPA	Standard	NPA
Nil	Nil	Nil	Nil	Nil	Nil	Nil

l) Disclosures on Flexible Structuring of Existing Loans

(₹ in crore)

Period	No of Borrowers taken up for Flexible Structuring	Amount of Loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring (Yrs)	After applying flexible structuring (Yrs)
Previous Year	2	1,254.32	-	3.55 yrs	9.67 yrs
Current Year	Nil	Nil	Nil	Nil	Nil

m) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

(₹ in crore)

No. of accounts where banks have decided to effect change in ownership	Outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
Classified as	Standard	NPA	Standard	NPA	Standard	NPA	Standard	NPA
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

n) Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

(₹ in crore)

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on 31st March, 2019		
	Classified as standard	Classified as Standard Restructured	Classified as NPA
Nil	Nil	Nil	Nil

o) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on 31st March, 2019.

(₹ in crore)

Accounts where S4A has been applied		Aggregate amount outstanding	Amount outstanding		Provision held
Asset Classification	Number of Accounts		In Part A	In Part B	
Standard Accounts	4	2,603.21	1,205.35	1,397.86	608.12
NPAs	Nil	Nil	Nil	Nil	Nil

18.5. Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	6.55%	6.37%
ii. Non-interest income as a percentage to Working Funds	0.99%	1.29%
iii Operating Profit as a percentage to Working Funds	1.49%	1.72%
iv. Return on Assets*	0.02%	(-) 0.19%
v. Business (Deposits plus advances) per employee (₹ in crore)	18.77	16.70
vi. Profit per employee (₹ in thousands)	33.39	(-) 243.33

* (on net-assets basis)

18.6. Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March, 2019

(₹ 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	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
	(18,801.34)	(62,884.68)	(36,410.72)	(59,039.39)	(1,02,902.64)	(95,934.27)	(2,68,120.10)	(5,02,239.16)	(5,05,095.20)	(2,82,468.59)	(7,72,447.20)	(27,06,343.29)
Advances	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
	(9,505.35)	(22,201.83)	(23,146.72)	(96,137.66)	(47,241.42)	(61,224.31)	(1,17,078.25)	(2,73,529.68)	(2,87,544.39)	(2,47,962.40)	(7,49,308.18)	(19,34,880.19)
Investments	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
	(79.71)	(1,753.94)	(7,824.29)	(7,044.03)	(41,927.02)	(29,445.22)	(33,385.93)	(55,415.07)	(164,722.92)	(174,516.31)	(5,44,872.27)	(10,60,986.71)
Borrowings	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
	(217.95)	(84,918.90)	(38,244.45)	(19,866.70)	(23,856.81)	(23,304.46)	(25,422.91)	(30,492.51)	(44,182.98)	(23,658.96)	(47,975.44)	(3,62,142.07)
Foreign Currency Assets #	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
	(2,410.92)	(2,875.52)	(3,525.69)	(22,501.88)	(13,481.32)	(17,334.18)	(31,977.62)	(40,927.39)	(145,715.96)	(74,935.97)	(37,041.66)	(3,92,728.11)
Foreign Currency Liabilities $	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
	(877.05)	(22,146.51)	(10,534.83)	(23,488.39)	(31,245.24)	(31,360.75)	(39,865.36)	(63,595.71)	(73,874.40)	(39,418.43)	(28,029.95)	(3,64,436.62)

Foreign Currency Assets and Liabilities represent advances and investments (net of provision thereof).
$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st March, 2018).

18.7. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

a) Real Estate Sector

(₹ in crore)

	Particulars	Current Year	Previous Year
I	**Direct exposure**		
	i) Residential Mortgages	3,28,969.21	3,03,188.55
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	3,28,969.21	3,03,188.55
	Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 28 lac) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 20 lacs) in other centres for purchase/construction of dwelling unit per family.	1,54,846.41	1,26,359.38
	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.	38,764.19	82,807.89
	iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	266.05
	a) Residential	-	266.05
	b) Commercial Real Estate	-	-
II	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	96,683.37	87,233.16
	Total Exposure to Real Estate Sector	**4,64,416.77**	**4,73,495.65**

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.	8,438.87	8,471.07
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.	24.41	31.47
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.	26.07	1,084.72
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.	8,114.07	12,187.75
5)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	135.91	200.15
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.	1.68	3.36
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.	0.13	215.00
10)	Exposures to Venture Capital Funds (both registered and unregistered)	2,185.02	1,948.56
	Total Exposure to Capital Market	**18,926.16**	**24,142.08**

c) Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

(₹ in crore)

Risk Category	Net Funded Exposure		Provision held	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Insignificant	90,015.33	96,534.70	121.06	111.18
Very Low	53,189.73	53,321.64	Nil	Nil
Low	11,366.00	11,110.42	Nil	Nil
Medium	17,523.32	13,480.60	Nil	Nil
High	7,126.62	4,246.28	Nil	Nil
Very High	8,314.33	8,082.38	Nil	Nil
Restricted	1,299.06	3,964.32	Nil	Nil
Total	**1,88,834.39**	**1,90,740.34**	**121.06**	**111.18**

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)

Sr No	Particulars	As at 31st March, 2019	As at 31st March, 2018
a)	Total Unsecured Advances of the bank	5,22,939.34	3,60,240.30
i)	Of which amount of advances out-standing 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 a penalty of ₹ 1.00 crore on the Bank for not monitoring the end use of funds in respect of one of its borrowers.
- Reserve Bank of India has imposed a penalty of ₹ 1.00 crore on the Bank for non-compliance with the directions issued by RBI on the SWIFT related operational controls.
- The Central Bank of Bahrain (CBB) has imposed a penalty of ₹ 0.92 crore (BHD 50,000) on Bahrain Branches for non-compliance of USD Parity stipulations in 5 deals. The Bank has filed an appeal before Central Bank of Bahrain and the final decision from CBB is still awaited.

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 – 15 "Employee Benefits"

i. Defined Benefit Plans

1. Employee's Pension Plan and Gratuity Plan

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April, 2018	87,786.56	67,824.90	12,872.60	7,291.02
Current Service Cost	1,060.57	978.19	410.51	286.07
Interest Cost	6,812.24	6,248.32	1,001.49	713.71
Past Service Cost (Vested Benefit)	-	-	-	3,610.00
Liability transferred In/Acquisitions	-	16,045.22	-	2,526.13
Actuarial losses (gains)	6,434.95	3,338.70	(107.62)	(18.74)
Benefits paid	(3,966.53)	(4,190.42)	(1,987.93)	(1,535.59)
Direct Payment by Bank	(2,765.64)	(2,458.35)	-	-
Closing defined benefit obligation at 31st March, 2019	95,362.15	87,786.56	12,189.05	12,872.60
Change in Plan Assets				
Opening fair value of Plan Assets as at 1st April, 2018	85,249.60	64,560.42	9,140.76	7,281.18
Expected Return on Plan Assets	6,615.37	5,908.09	711.15	709.95
Contributions by employer	2,391.18	4,363.79	2,359.86	226.90
Assets transferred In/Acquisitions	-	14,742.79	-	2,484.28
Expected Contributions by the employees	0.34	-	-	-
Benefits Paid	(3,966.53)	(4,190.42)	(1,987.93)	(1,535.59)
Actuarial Gains / (Loss) on plan Assets	109.65	(135.07)	102.16	(25.96)
Closing fair value of plan assets as at 31st March, 2019	90,399.61	85,249.60	10,326.00	9,140.76
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31st March, 2019	95,362.15	87,786.56	12,189.05	12,872.60
Fair Value of Plan assets at 31st March, 2019	90,399.61	85,249.60	10,326.00	9,140.76
Deficit/(Surplus)	4,962.54	2,536.96	1,863.05	3,731.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	4,962.54	2,536.96	1,863.05	1,024.34
Amount Recognised in the Balance Sheet				
Liabilities	95,362.15	87,786.56	12,189.05	12,872.60
Assets	90,399.61	85,249.60	10,326.00	9,140.76
Net Liability / (Asset) recognised in Balance Sheet	4,962.54	2,536.96	1,863.05	3,731.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	4,962.54	2,536.96	1,863.05	1,024.34
Net Cost recognised in the profit and loss account				
Current Service Cost	1,060.57	978.19	410.51	286.07
Interest Cost	6,812.24	6,248.32	1,001.49	713.71

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Expected return on plan assets	(6,615.37)	(5,908.09)	(711.15)	(709.95)
Expected Contributions by the employees	(0.34)	-	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	2,707.50	902.50
Net actuarial losses (Gain) recognised during the year	6,325.30	3,473.77	(209.78)	7.22
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	7,582.40	4,792.19	3,198.57	1,199.55
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	6,615.37	5,908.09	711.15	709.95
Actuarial Gain/ (loss) on Plan Assets	109.65	(135.07)	102.16	(25.96)
Actual Return on Plan Assets	6,725.02	5,773.02	813.31	683.99
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1st April, 2018	2,536.96	3,264.48	1,024.34	9.84
Expenses as recognised in profit and loss account	7,582.40	4,792.19	3,198.57	1,199.55
Paid by Bank Directly	(2,765.64)	(2,458.35)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Net Liability/ (Asset) transferred in	-	1,302.43	-	41.85
Employer's Contribution	(2,391.18)	(4,363.79)	(2,359.86)	(226.90)
Net liability/(Asset) recognised in Balance Sheet	4,962.54	2,536.96	1,863.05	1,024.34

Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March, 2019 are as follows:

	Pension Fund	Gratuity Fund
Category of Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.69%	18.79%
State Govt. Securities	31.40%	33.96%
Debt Securities, Money Market Securities and Bank Deposits	31.93%	23.29%
Mutual Funds	2.39%	4.09%
Insurer Managed Funds	2.63%	15.36%
Others	7.96%	4.51%
Total	100.00%	100.00%

Principal actuarial assumptions

Particulars	Pension Plans	
	Current Year	Previous Year
Discount Rate	7.79%	7.76%
Expected Rate of return on Plan Asset	7.79%	7.76%
Salary Escalation Rate	5.20%	5.00%
Pension Escalation Rate	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	7.77%	7.78%
Expected Rate of return on Plan Asset	7.77%	7.78%
Salary Escalation Rate	5.20%	5.00%
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 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019
Liability at the end of the year	7,182.35	7,332.14	7,291.02	12,872.60	12,189.05
Fair value of Plan Assets at the end of the year	7,110.25	6,879.77	7,281.18	9,140.76	10,326.00
Difference	72.10	452.37	9.84	3,731.84	1,863.05
Unrecognised Past Service Cost	-	-	-	2,707.50	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	72.10	452.37	9.84	1,024.34	1,863.05

Experience adjustment

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019
On Plan Liability (Gain) /Loss	(24.69)	326.09	10.62	399.62	(212.11)
On Plan Asset (Loss) /Gain	106.04	(43.09)	182.34	(25.96)	102.16

Surplus/Deficit in the plan

Pension

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019
Liability at the end of the year	51,616.04	59,151.41	67,824.90	87,786.56	95,362.15
Fair value of Plan Assets at the end of the year	49,387.97	53,410.37	64,560.42	85,249.60	90,399.61
Difference	2,228.07	5,741.04	3,264.48	2,536.96	4,962.54
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	2,228.07	5,741.04	3,264.48	2,536.96	4,962.54

Experience adjustment

(₹ in crore)

On Plan Liability (Gain) /Loss	1,732.86	5,502.35	3,007.59	4,439.54	3,642.57
On Plan Asset (Loss) /Gain	2,285.87	(162.93)	2,246.60	(135.07)	109.65

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. 2018-19.

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)

	Provident Fund	
Particulars	**Current Year**	**Previous Year**
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April, 2018	29,934.63	25,921.96
Current Service Cost	943.07	942.85
Interest Cost	2,475.08	2,428.48
Employee Contribution (including VPF)	1,330.76	1,357.28
Liability Transferred In	-	3,309.05
Actuarial losses/(gains)	-	25.56
Benefits paid	(4,195.61)	(4,050.55)
Closing defined benefit obligation at 31st March, 2019	30,487.93	29,934.63
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April, 2018	31,502.49	26,915.23
Expected Return on Plan Assets	2,475.08	2,428.48
Contributions	2,273.83	2,300.13
Transferred from other Companies	-	3,723.65
Benefits Paid	(4,195.61)	(4,050.55)
Actuarial Gains / (Loss) on plan Assets	124.14	185.55
Closing fair value of plan assets as at 31st March, 2019	32,179.93	31,502.49
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March, 2019	30,487.93	29,934.63
Fair Value of Plan assets at 31st March, 2019	32,179.93	31,502.49
Deficit/(Surplus)	(1,692.00)	(1,567.86)
Net Asset not recognised in Balance Sheet	1,692.00	1,567.86
Net Cost recognised in the profit and loss account		
Current Service Cost	943.07	942.85
Interest Cost	2,475.08	2,428.48
Expected return on plan assets	(2,475.08)	(2,428.48)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	943.07	942.85
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April, 2018	-	-
Expense as above	943.07	942.85
Employer's Contribution	(943.07)	(942.85)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31st March, 2019 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	35.51%
State Govt. Securities	24.74%
Debt Securities, Money Market Securities and Bank Deposits	31.67%
Mutual Funds	1.46%
Others	6.62%
Total	100.00%

Principal actuarial assumptions

	Provident Fund	
Particulars	**Current Year**	**Previous Year**
Discount Rate	7.77%	7.78%
Guaranteed Return	8.55%	8.65%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.20%	5.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

(a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or

(b) three percent per annum, subject to approval of Executive Committee.

ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2018-19, the Bank has contributed ₹ 451.39 crore (Previous Year ₹ 390.00 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)

	Accumulating Compensated Absences (Privilege Leave)	
Particulars	**Current Year**	**Previous Year**
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April, 2018	6,242.18	4,754.10
Current Service Cost	259.33	208.26
Interest Cost	485.64	432.03
Liability transferred In/ Acquisitions	-	1,188.49
Actuarial losses/(gains)	741.53	593.08
Benefits paid	(858.28)	(933.78)
Closing defined benefit obligation at 31st March, 2019	6,870.40	6,242.18
Net Cost recognised in the profit and loss account		
Current Service Cost	259.33	208.26
Interest Cost	485.64	432.03

	Accumulating Compensated Absences (Privilege Leave)	
Particulars	**Current Year**	**Previous Year**
Actuarial (Gain)/ Losses	741.53	593.08
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,486.50	1,233.37
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April, 2018	6,242.18	4,754.10
Expense as above	1,486.50	1,233.37
Net Liability/ (Asset) transferred in	-	1,188.49
Employer's Contribution	-	-
Benefit paid directly by the Employer	(858.28)	(933.78)
Net Liability/(Asset) Recognized In the Balance Sheet	6,870.40	6,242.18

Principal actuarial assumptions

Particulars	**Current Year**	**Previous Year**
Discount Rate	7.77%	7.78%
Salary Escalation	5.20%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

(B) Other Long Term Employee Benefits

Amount of ₹ 21.53 crore (Previous Year ₹ (63.95) crore) is provided / (written back) 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)	35.00	(10.88)
2	Sick Leave	-	-
3	Silver Jubilee Award	(1.47)	(27.87)
4	Resettlement Expenses on Superannuation	(4.15)	(13.23)
5	Casual Leave	-	-
6	Retirement Award	(7.85)	(11.97)
	Total	**21.53**	**(63.95)**

Principal actuarial assumptions

Particulars	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Salary Escalation	5.20%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

b) 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) #	77,651.11	78,599.78	1,20,968.24	-	2,77,219.13
	(82,020.76)	(63,280.84)	(1,11,809.55)	(-)	(2,57,111.15)
Unallocated Revenue #					863.86
					(2,552.68)
Total Revenue #					2,78,082.99
					(2,59,663.83)
Result (before exceptional items) #	6,831.17	(-) 16,262.12	12,730.51	-	3,299.56
	(48.05)	(- 38,498.98)	(19,412.16)	(-)	(- 19,038.77)
Add: Exceptional Items #	473.12				473.12
	(5,436.17)				(5,436.17)
Result (after exceptional items) #	7304.29	(-) 16,262.12	12,730.51	-	3,772.68
	(5,484.22)	(- 38,498.98)	(19,412.16)	(-)	(- 13,602.60)
Unallocated Income(+) / Expenses(-) - net #					(-) 2,165.20@
					(-1,925.64)
Profit before tax #					1,607.48
					(-15,528.24)
Tax #					745.25
					(-8,980.79)
Extraordinary Profit #					Nil
					Nil
Net Profit #					862.23
					(-6,547.45)
Other Information:					
Segment Assets *	10,02,841.57	11,33,271.13	14,91,676.59	-	36,27,789.29
	(10,89,553.51)	(10,11,026.98)	(13,22,851.33)	(-)	(34,23,431.82)
Unallocated Assets *					53,124.96
					(31,320.18)
Total Assets*					36,80,914.25
					(34,54,752.00)
Segment Liabilities *	8,37,911.69	11,64,572.02	13,89,432.28	-	33,91,915.99
	(8,19,731.87)	(10,48,664.62)	(13,11,134.57)	(-)	(31,79,531.06)
Unallocated Liabilities*					68,084.44
					(56,092.38)
Total Liabilities *					34,60,000.43
					(32,35,623.44)

(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) #	2,63,866.57	2,48,361.36	14,216.42	11,302.47	2,78,082.99	2,59,663.83
Net Profit#	- 3,075.19	- 7,891.83	3,937.42	1,344.38	862.23	- 6,547.45
Assets *	32,85,791.00	30,69,761.21	3,95,123.25	3,84,990.79	36,80,914.25	34,54,752.00
Liabilities*	30,64,877.18	28,50,632.65	3,95,123.25	3,84,990.79	34,60,000.43	32,35,623.44

For the year ended 31st March, 2019.
* As at 31st March, 2019.

c) 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 Pvt. Ltd.
14. SBI Business Process Management Services Pvt. Ltd.
15. SBI – SG Global Securities Services Pvt. Ltd.
16. SBI Funds Management Pvt. Ltd.
17. 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 Servicos 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. Langpi Dehangi Rural Bank
6. Madhyanchal Gramin Bank
7. Meghalaya Rural Bank
8. Mizoram Rural Bank
9. Nagaland Rural Bank
10. Purvanchal Bank
11. Saurashtra Gramin Bank

12. Utkal Grameen Bank
13. Uttarakhand Gramin Bank
14. Vananchal Gramin Bank
15. Rajasthan Marudhara Gramin Bank
16. Telangana Grameena Bank
17. Kaveri Grameena Bank
18. Malwa Gramin Bank (upto 31.12.2018).

ii. Others

1. SBI Home Finance Ltd.(under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.

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 B. Sriram, Managing Director (Corporate & Global Banking) upto 29.06.2018
5. Shri Arijit Basu, Managing Director (Commercial Clients Group & IT) from 25.06.2018
6. Smt. Anshula Kant, Managing Director (Stressed Assets, Risk & Compliance) from 07.09.2018.

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

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

3. Transactions and Balances

(₹ in crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at 31st March,2019			
Borrowings	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Deposit	46.09	Nil	46.09
	(44.22)	(Nil)	(44.22)
Other Liabilities	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Balance with Banks	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Advance	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Investment	97.66	Nil	97.66
	(67.66)	(Nil)	(67.66)
Non-fund commitments (LCs/ BGs)	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Maximum outstanding during the year			
Borrowings	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Deposit	206.16	Nil	206.16
	(205.68)	(Nil)	(205.68)
Other Liabilities	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Balance with Banks	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Advance	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Investment	97.66	Nil	97.66
	(77.10)	(Nil)	(77.10)
Non-fund commitments (LCs/ BGs)	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
During the year ended 31st March,2019			
Interest Income	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Interest expenditure	Nil	Nil	Nil
	(0.09)	(Nil)	(0.09)
Income earned by way of dividend	19.26	Nil	19.26
	(29.24)	(Nil)	(29.24)
Other Income	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Other expenditure	Nil	Nil	Nil
	(7.66)	(Nil)	(7.66)
Profit/(loss) on sale of land/building and other assets	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Management contracts	Nil	1.32	1.32
	(Nil)	(2.05)	(2.05)

Figures in brackets are for Previous Year.

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

d) Accounting Standard – 19 "Leases"

Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

(i) Liability for Premises taken on Non-Cancellable operating lease are given below

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than 1 year	136.94	163.35
Later than 1 year and not later than 5 years	485.41	535.88
Later than 5 years	110.90	246.15
Total	**733.25**	**945.38**

(ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹ 3,309.41 crore (₹ 3,244.23 crore).

e) 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 Basic and diluted	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	892,45,87,534	797,35,04,442
Number of Equity Shares issued during the year	24,000	95,10,83,092
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,45,87,534
Weighted average number of equity shares used in computing basic earnings per share	892,45,91,479	853,30,51,135
Weighted average number of shares used in computing diluted earnings per share	892,45,91,479	853,30,51,135
Net profit / (loss) (₹ in crore)	862.23	(6,547.45)
Basic earnings per share (₹)	0.97	(7.67)
Diluted earnings per share (₹)	0.97	(7.67)
Nominal value per share (₹)	1	1

f) Accounting Standard – 22 "Accounting for Taxes on Income"

a. Current Tax :-

During the year the Bank has credited to Profit & Loss Account ₹ 208.87 crore (Previous Year ₹ 673.54 crore debited) 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, ₹ 954.12 crore has been debited to Profit and Loss Account (Previous Year ₹ 9,654.33 crore credited) on account of deferred tax.

The Bank has a net DTA of ₹ 10,420.16 crore (Previous Year net DTA of ₹ 11,365.99 crore), which comprises of DTL of ₹ 2.33 crore (Previous Year ₹ 2.80 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹ 10,422.49 crore (Previous Year ₹ 11,368.79 crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Assets (DTA)		
Provision for long term employee Benefits	5,321.84	3,454.26
Provision for advances	4,142.69	4,197.64
Provision for Other Assets/ Other Liability	753.11	743.57
On Accumulated losses (including erstwhile ABs)	10,741.74	13,862.05
On Foreign Currency Translation Reserve	235.77	-
Depreciation on Fixed Assets	29.53	-
On account of Foreign Offices	277.67	317.04
Total	**21,502.35**	**22,574.56**
Deferred Tax Liabilities (DTL)		
Depreciation on Fixed Assets	-	83.36
Interest accrued but not due on Securities	6,389.76	6,315.01
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	4,690.10	4,690.10
On account of Foreign Offices	2.33	2.80
On Foreign Currency Translation Reserve	-	117.30
Total	**11,082.19**	**11,208.57**
Net Deferred Tax Assets/ (Liabilities)	**10,420.16**	**11,365.99**

g) Accounting Standard – 27 "Financial Reporting of interests in Joint Ventures"

Investments include ₹ 97.66 crore (Previous Year ₹ 67.66 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 (39.60)	India	30%

Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.
(Figures in brackets relate to previous year).

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liabilities		
Capital & Reserves	214.01	153.26
Deposits	5.50	-
Borrowings	8.04	0.60
Other Liabilities & Provisions	56.99	53.57
Total	**284.54**	**207.43**
Assets		
Cash and Balances with RBI	0.65	0.02
Balances with Banks and money at call and short notice	70.48	68.86
Investments	90.95	49.47
Advances	-	-
Fixed Assets	28.53	8.91
Other Assets	93.93	80.17
Total	**284.54**	**207.43**
Capital Commitments	-	-
Other Contingent Liabilities	2.63	1.28
Income		
Interest earned	8.70	4.13
Other income	188.09	184.18
Total	**196.79**	**188.31**
Expenditure		
Interest expended	0.20	0.23
Operating expenses	120.78	119.34
Provisions & contingencies	22.95	20.24
Total	**143.93**	**139.81**
Profit	**52.86**	**48.50**

h) 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.

i) 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.

Sr. No.	Particulars	Brief Description
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.

j) Movement of provisions against Contingent Liabilities

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	503.16	423.34
Additions during the year	112.81	705.60
Amount utilised during the year	51.51	227.64
Unused amount reversed during the year	39.20	398.14
Closing balance	525.26	503.16

Additions during the previous year includes receipt from erstwhile ABs and BMBL on acquisition.

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	491.13	673.54
- Deferred Tax	954.12	(-) 9,654.33
- Write Back of Income Tax	(-) 700.00	-
Provision for Depreciation on Investments	(-) 762.09	8,087.58
Provision on Non-Performing Assets	54,617.72	71,374.22
Provision on Restructured Assets	(-) 88.66	(-) 693.99
Provision on Standard Assets	(-) 74.55	(-) 3,603.66
Other Provisions	136.13	(-) 124.95
Total	**54,573.80**	**66,058.41**

2. Floating Provisions

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	25.14
Addition during the year	-	168.61
Draw down during the year	-	-
Closing Balance	**193.75**	**193.75**

Additions during the previous year includes receipt from erstwhile ABs and BMBL on acquisition.

3. Draw down from Reserves

During the year, no draw down has been made from reserves.

4. Status of complaints

A. Customer complaints (including complaints relating to ATM transactions)

Particulars	As at 31st March, 2019	As at 31st March, 2018
No. of complaints pending at the beginning of the year	79,259	46,282
No. of complaints received during the year	42,21,491	21,59,700
No. of complaints redressed during the year	41,61,721	21,26,723
No. of complaints pending at the end of the year	1,39,029	79,259

Does not include complaints redressed within one working day.

No. of complaints received during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

B. Awards passed by the Banking Ombudsman

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	8	3
No. of Awards passed by the Banking Ombudsman during the year	19	78
No. of Awards implemented during the year	22	73
No. of unimplemented Awards at the end of the year	5	8

5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

6. Letter of Comfort

The Bank has not issued any letter of comfort which are not recorded as contingent liabilities during the year ended 31st March, 2019 and 31st March, 2018.

7. Provisioning Coverage Ratio (PCR):

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March, 2019 is 78.73 % (Previous Year 66.17%).

8. Fees/remuneration received in respect of the bancassurance business

(₹ in crore)

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	951.90	714.75
SBI General Insurance Co. Ltd.	270.86	212.57
NTUC and Manu Life Financial Limited	1.20	1.05
Tokio Marine and ACE	1.63	0.32
Unit Trust	0.47	0.26
AIA Singapore	0.64	0.07
TOTAL	**1,226.70**	**929.02**

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	90,609.54	1,19,585.93
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.11%	4.42%

b) Concentration of Advances

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	2,89,222.17	1,95,211.00
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	12.61%	7.91%

c) Concentration of Exposures

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/ customers	4,47,140.43	3,65,809.00
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/ customers	12.80%	12.11%

d) Concentration of NPAs

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	30,314.49	38,239.70

10. Sector –wise Advances

(₹ in crore)

Sr. No.	Sector	Current Year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture & allied activities	1,99,789.60	23,335.83	11.68	1,88,502.88	20,964.77	11.12
2	Industry (Micro & Small, Medium and Large)	97,116.64	12,545.61	12.92	99,386.61	16,020.84	16.12
3	Services	99,232.43	9,674.48	9.75	74,363.81	7,339.66	9.87
4	Personal Loans	1,59,419.70	2,882.01	1.81	1,04,507.85	3,332.33	3.19
	Sub-total (A)	5,55,558.37	48,437.93	8.72	4,66,761.15	47,657.60	10.21
B	**Non Priority Sector**						
1	Agriculture & allied activities	19,403.93	89.00	0.46	3,753.61	301.93	8.04
2	Industry (Micro & Small, Medium and Large)	9,75,896.74	1,12,411.63	11.52	9,06,557.34	1,62,784.99	17.96
3	Services	2,47,541.38	8,007.30	3.23	2,20,925.77	9,264.85	4.19
4	Personal Loans	4,95,053.70	3,804.50	0.77	4,50,389.43	3,418.09	0.76
	Sub-total (B)	17,37,895.75	1,24,312.43	7.15	15,81,626.15	1,75,769.86	11.11
C	**Total (A+B)**	**22,93,454.12**	**1,72,750.36**	**7.53**	**20,48,387.30**	**2,23,427.46**	**10.91**

11. Overseas Assets, NPAs and Revenue

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	3,95,123.25	3,84,990.79
2	Total NPAs (Gross)	1,937.19	7,199.29
3	Total Revenue	14,216.42	11,302.47

12. Off-balance Sheet SPVs sponsored

	Name of the SPV Sponsored	
	Domestic	Overseas
Current Year	NIL	NIL
Previous Year	NIL	NIL

13. Disclosure relating to Securitisation

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		Number	Amount	Number	Amount
1.	No. of the SPVs sponsored by the Bank for securitization transactions	Nil	Nil	Nil	Nil
2.	Total amount of securitized assets as per the books of the SPVs sponsored by the bank	Nil	Nil	Nil	Nil
3.	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet a) Off-balance sheet exposures i. First Loss ii. Others b) On-balance sheet exposures i. First Loss ii. Others	Nil	Nil	Nil	Nil
4.	Amount of exposures to securitisation transactions other than MMR 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	Nil	Nil	Nil	Nil

14. Credit Default Swaps

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
1.	No. of transactions during the year a) of which transactions that are/may be physically settled b) cash settled	Nil	Nil	Nil	Nil
2.	Amount of protection bought / sold during the year a) of which transactions which are/ may be physically settled b) cash settled	Nil	Nil	Nil	Nil
3.	No. of transactions where credit event payment was received / made during the year a) pertaining to current year's transactions b) pertaining to previous year's transactions	Nil	Nil	Nil	Nil
4.	Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date: a) premium paid / received b) Credit event payments: • made (net of the value of assets realised) • received (net of value of deliverable obligation)	Nil	Nil	Nil	Nil
5.	Outstanding transactions as on 31st March : a) No. of Transactions b) Amount of protection	Nil	Nil	Nil	Nil
6.	Highest level of outstanding transactions during the year: a) No. of Transactions (as on 1st April) b) Amount of protection (as on 1st April)	Nil	Nil	Nil	Nil

15. Intra-Group Exposures:

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Total amount of intra-group exposures	27,765.01	25,469.43
ii	Total amount of top-20 intra-group exposures	27,765.01	25,469.43
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.79%	0.84%
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	2,125.62	1,081.42
Add : Amounts transferred to DEA Fund during the year	736.65	1,050.31
Less : Amounts reimbursed by DEA Fund towards claims	9.61	6.11
Closing balance of amounts transferred to DEA Fund	2,852.66	2,125.62

Amounts transferred to DEA Fund during the year includes receipt from erstwhile ABs and BMBL on acquisition.

17. Unhedged Foreign Currency Exposure

The Bank in accordance with RBI Circular No. DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 on 'Capital and Provisioning Requirements for Exposure to entities has provided for Unhedged Foreign Currency Exposure'.

An amount of ₹ 98.13 crore (Previous Year ₹ 86.44 crore) was held as on 31st March 2019 for towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounting to ₹ 43.19 crore (Previous Year ₹ 66.49 crore).

18. 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 2B 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)

LCR Components	Quarter ended 31st March 2019		Quarter ended 31st December 2018		Quarter ended 30th September 2018		Quarter ended 30th June 2018		Quarter ended 31st March 2018	
	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)		6,99,153		7,30,337		7,39,148		6,93,460		6,74,894
Cash Outflows										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,23,269	16,163	3,21,119	16,056	3,06,105	15,305	3,00,005	15,000	2,78,238	13,912
(ii) Less Stable Deposits	18,50,120	1,85,012	18,22,082	1,82,208	17,90,924	1,79,092	17,59,076	1,75,908	17,51,396	1,75,140
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	1,208	302	928	232	759	190	930	232	63	16
(ii) Non-operational deposits(all counterparties)	6,35,727	3,73,978	6,07,012	3,46,204	6,11,590	3,48,024	6,00,814	3,41,376	5,56,336	3,27,440
(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4 Secured wholesale funding	72,120	54	68,811	2	29,820	3	21,070	0	30,025	0
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,70,833	1,70,833	1,65,949	1,65,949	1,54,141	1,54,141	1,62,711	1,62,711	1,50,911	1,50,911
(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	39,337	6,053	31,918	5,128	28,949	4,854	25,896	4,512	43,416	6,376
6 Other contractual funding obligations	35,561	35,561	34,919	34,919	27,454	27,454	29,441	29,441	39,838	39,838
7 Other contingent funding obligations	5,72,831	20,941	5,79,289	21,158	5,66,376	20,688	5,63,555	20,759	5,63,500	20,659
8 TOTAL CASH OUTFLOWS	37,01,005	8,08,896	36,32,026	7,71,856	35,16,117	7,49,751	34,63,496	7,49,938	34,13,722	7,34,290
Cash Inflows										
9 Secured lending (e.g. Reverse repos)	7,938	0	4,098	0	3,121	0	5,166	0	7,075	0
10 Inflows from fully performing exposures	2,39,416	2,22,009	2,34,551	2,19,730	2,17,069	2,02,188	2,42,332	2,24,197	2,20,510	2,02,086
11 Other cash inflows	37,977	31,086	41,666	33,605	42,221	33,154	37,813	29,804	38,779	28,758
12 Total Cash Inflows	2,85,331	2,53,095	2,80,315	2,53,335	2,62,411	2,35,343	2,85,311	2,54,001	2,66,364	2,30,844
13 TOTAL HQLA		6,99,153		7,30,337		7,39,148		6,93,460		6,74,894
14 TOTAL NET CASH OUTFLOWS		5,55,801		5,18,522		5,14,409		4,95,937		5,03,446
15 LIQUIDITY COVERAGE RATIO(%)		125.79%		140.85%		143.69%		139.83%		134.05%

Note 1 : In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1st January 2017 and taking 69 data points for the quarter January-March 2019.
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 125.79% based on daily average of three months (Q4 FY18-19). The average HQLA for the quarter was ₹ 6,99,153 crore, of which, Level 1 assets constituted 93.26% of total HQLA. Government securities constituted 96.77% of Total Level 1 Assets. Level 2A Assets constitutes 5.59% of total HQLA and Level 2B Assets constitutes 1.15% of total HQLA. The net cash outflow position has slightly gone up on account of increase in wholesale deposits where run-off rate is 40%-100%. 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 49.34% on average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

b. Consolidated LCR

The RBI through a supplementary guideline issued on 31st March 2015 had stipulated the implementation of LCR at a consolidated level from January 1, 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 125.96% as on 31st March, 2019 based on average of three months January, February and March, 2019.

(₹ in crore)

LCR COMPONENTS	Quarter ended 31st March 2019		Quarter ended 31st December 2018		Quarter ended 30th September 2018		Quarter ended 30th June 2018		Quarter ended 31st March 2018	
	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)		7,01,837		7,32,641		7,41,584		6,95,753		6,77,442
CASH OUTFLOWS										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,30,107	16,505	3,27,747	16,387	3,12,981	15,649	3,06,889	15,344	2,80,782	14,039
(ii) Less Stable Deposits	18,59,217	1,85,922	18,31,275	1,83,127	17,99,879	1,79,988	17,67,538	1,76,754	17,58,364	1,75,836
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	1,333	333	1,048	262	888	222	1,109	277	177	44
(ii) Non-operational deposits(all counterparties)	6,37,579	3,75,202	6,09,736	3,48,144	6,14,172	3,49,945	6,03,745	3,43,707	5,58,884	3,29,566
(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4 Secured wholesale funding	72,120	54	68,811	2	29,843	27	21,070	0	30,209	184
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,70,834	1,70,834	1,65,954	1,65,954	1,54,142	1,54,142	1,62,715	1,62,715	1,50,912	1,50,912
(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	41,230	6,839	33,689	5,729	30,693	5,430	27,455	5,024	44,693	6,877
6 Other contractual funding obligations	36,556	36,556	35,568	35,568	27,999	27,999	30,017	30,017	40,639	40,639
7 Other contingent funding obligations	5,74,764	21,000	5,81,286	21,219	5,68,430	20,750	5,65,635	20,822	5,65,427	20,718
8 TOTAL CASH OUTFLOWS	37,23,741	8,13,245	36,55,114	7,76,393	35,39,028	7,54,152	34,86,173	7,54,660	34,30,087	7,38,817
CASH INFLOWS										
9 Secured lending (e.g. Reverse repos)	7,938	0	4,098	0	3,121	0	5,168	1	7,076	1
10 Inflows from fully performing exposures	2,44,205	2,24,094	2,39,904	2,22,117	2,21,519	2,03,818	2,47,101	2,26,566	2,23,818	2,03,448
11 Other cash inflows	38,892	31,972	42,924	34,827	43,323	34,226	39,476	31,447	39,889	29,867
12 TOTAL CASH INFLOWS	2,91,034	2,56,066	2,86,926	2,56,945	2,67,962	2,38,043	2,91,745	2,58,014	2,70,783	2,33,316
13 TOTAL HQLA		7,01,837		7,32,641		7,41,584		6,95,753		6,77,442
14 TOTAL NET CASH OUTFLOWS		5,57,179		5,19,448		5,16,109		4,96,646		5,05,501
15 LIQUIDITY COVERAGE RATIO(%)		125.96%		141.04%		143.69%		140.09%		134.01%

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.

19. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 12,387.13 crore in 2,616 cases (Previous year ₹ 2,532.24 crore in 1,789 cases) reported during the year, an amount of ₹ 12,310.90 crore in 581 cases (Previous year ₹ 2,359.61 crore in 539 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31st March, 2019 in respect of frauds reported during the year.

20. 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.

21. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 173.37 crore (Previous Year ₹ 9.07 crore) has been fully charged in the current year.

22. 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	16,272.75	350.00
2.	PSLC Agriculture	1,223.00	100.00
3.	PSLC General	33,557.50	33,485.00
4.	PSLC Small and Marginal Farmers	553.00	1,664.00
	Total	**51,606.25**	**35,599.00**

The Bank did not sell any PSLC during the year ended 31st March, 2019 and 31st March, 2018.

23. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP.BC.79/21.04.048/2014-15 dated 30th March 2015 on 'Utilisation of Floating Provisions/ Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 per cent of CCPB held by them as on 31st December 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, the Bank has not utilized the CCPB for making specific provision for NPAs.

24. RBI vide Circular no. DBR.No.BP.BC.108/21.04.048/2017-18 dated 6th June 2018 permitted banks to continue the exposures to MSME borrowers to be classified as standard assets. Accordingly, the bank has retained advances of ₹ 242.32 crores as standard asset as on 31st March 2019. In accordance with the provisions of the circular, the bank has not recognized interest on these accounts and is maintaining a standard asset provision of ₹ 12.12 crores as on 31st March 2019 in respect of such borrowers.

25. As per RBI letter no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 34,554 crores (89.66% of total outstanding) as on 31st March, 2019.

26. The bank has made a provision of ₹ 3,984.00 crore (Total ₹ 5,643.41 crore) for the year ended 31st March, 2019 towards arrears of wages due for revision w.e.f 1st November, 2017.

27. a) Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes ₹ 473.12 crore on sale of partial investment in SBI General Insurance Company Limited (Previous year ₹ 5,436.17 crore on sale of partial investment in SBI Life Insurance Company Limited) .

b) Miscellaneous Income under schedule 14 "Other Income" includes ₹ 1,087.43 crore on transfer of the bank's merchant acquiring business (MAB) to a wholly owned subsidiary SBI Payment Services Private Limited (SBIPSPL) pursuant to a business transfer agreement dated 29th September, 2018 for a consideration of ₹ 1,250 crore.

28. Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

State Bank of India

Cash Flow Statement for the year ended 31st March, 2019

(000s omitted)

PARTICULARS		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit / (loss) before Taxes		1607,48,31	(15528,24,16)
Adjustments for:			
Depreciation on Fixed Assets		3212,30,65	2919,46,63
(Profit)/Loss on sale of Fixed Assets (Net)		34,98,24	30,03,00
(Profit)/Loss on revaluation of Investments (Net)		2124,03,82	1120,61,02
(Profit)/Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates		(473,12,00)	(5639,89,81)
Provision for diminution in fair value & Non Performing Assets		54529,06,14	70680,23,69
Provision on Standard Assets		(74,55,42)	(3603,66,16)
Provision for depreciation on Investments		(762,09,23)	8087,57,43
Other provisions including provision for contingencies		136,12,79	(124,95,17)
Income from Investment in Subsidiaries / Joint Ventures / Associates		(348,01,18)	(448,51,70)
Interest on Capital Instruments		4112,28,55	4472,04,27
		64098,50,67	61964,69,04
Adjustments for:			
Increase/(Decrease) in Deposits		205042,72,57	121022,95,24
Increase/ (Decrease) in Borrowings other than Capital Instruments		37722,44,37	42629,85,28
(Increase)/ Decrease in Investments other than Investments in Subsidiaries / Joint Ventures / Associates		94719,11,74	(136164,12,43)
(Increase)/ Decrease in Advances		(305525,79,00)	(136597,79,56)
Increase/ (Decrease) in Other Liabilities		(21247,50,61)	(2214,19,47)
(Increase)/ Decrease in Other Assets		(33604,14,67)	(29086,42,24)
		41205,35,07	(78445,04,14)
Tax refund/ (Taxes paid)		(6577,83,79)	(6980,20,58)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	**A**	**34627,51,28**	**(85425,24,72)**
CASH FLOW FROM INVESTING ACTIVITIES:			
(Increase)/ Decrease in Investments in Subsidiaries / Joint Ventures / Associates		(2116,29,59)	(1104,10,39)
Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates		473,12,00	5639,89,81
Income from Investment in Subsidiaries / Joint Ventures / Associates		348,01,18	448,51,70
(Increase)/ Decrease in Fixed Assets		(2663,43,31)	(4104,97,78)
Cash paid to shareholders of erstwhile Domestic Banking Subsidiaries & Bhartiya Mahila Bank towards fractional entitlements consequent to merger		-	(25,18)

(000s omitted)

PARTICULARS		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	**B**	**(3958,59,72)**	**879,08,16**
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from issue of equity shares including share premium (Net of Share issue expenses)		(8,74,21)	23782,45,47
Issue/(Redemption) of Capital Instruments (Net)		3033,20,00	(12603,22,50)
Interest on Capital Instruments		(4112,28,55)	(4472,04,27)
Dividend paid including tax thereon		-	(2416,26,71)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	**C**	**(1087,82,76)**	**4290,91,99**
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	**D**	**1010,38,16**	**1291,94,79**
CASH & CASH EQUIVALENTS RECEIVED ON ACCOUNT OF MERGER OF DOMESTIC BANKING SUBSIDIARIES & BHARTIYA MAHILA BANK	**E**	**-**	**98890,28,99**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D+E)		**30591,46,96**	**19926,99,21**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**191898,64,19**	**171971,64,98**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**222490,11,15**	**191898,64,19**
Note:			
(1) Components of Cash & Cash Equivalents as at:		**31.03.2019**	**31.03.2018**
Cash & Balance with RBI		176932,41,75	150397,18,14
Balances with Banks and money at call & short notice		45557,69,40	41501,46,05
		222490,11,15	**191898,64,19**
(2) Cash flow from operating activities is reported by using indirect method.			

Signed by:

Smt. Anshula Kant	**Shri Arijit Basu**	**Shri Dinesh Kumar Khara**	**Shri P. K. Gupta**
Managing Director (Stressed Assets, Risk & Compliance)	Managing Director (Commercial Clients Group & IT)	Managing Director (Global Banking & Subsidiaries)	Managing Director (Retail & Digital Banking)

Directors:
Dr. Girish Kumar Ahuja
Shri B. Venugopal
Dr. Purnima Gupta
Shri Chandan Sinha
Shri Sanjiv Malhotra
Dr. Pushpendra Rai
Shri Basant Seth
Shri Bhaskar Pramanik

Shri Rajnish Kumar
Chairman

Place: Mumbai
Date: 10th May 2019

In terms of our report of even date

FOR J.C. BHALLA & CO.
Chartered Accountants

RAJESH SETHI
Partner : M. No.085669
Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
Chartered Accountants

VITESH D. GANDHI
Partner: M. No.110248
Firm Regn. No. 101720W/W100355

FOR O.P. TOTLA & CO.
Chartered Accountants

S. R. TOTLA
Partner : M. No. 071774
Firm Regn. No. 000734C

FOR S. K. KAPOOR & CO.
Chartered Accountants

SANJIV KAPOOR
Partner : M. No. 070487
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FOR DE CHAKRABORTY & SEN
Chartered Accountants

D. K. ROY CHOWDHURY
Partner : M. No. 053087
Firm Regn. No. 303029E

FOR RAO & KUMAR
Chartered Accountants

ANIRBAN PAL
Partner : M. No. 214919
Firm Regn. No. 003089S

FOR S. K. MITTAL & CO.
Chartered Accountants

M. K. JUNEJA
Partner : M. No.013117
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FOR N.C. RAJAGOPAL & CO.
Chartered Accountants

V. CHANDRASEKARAN
Partner: M. No. 024844
Firm Regn. No. 230448S

FOR KARNAVAT & CO.
Chartered Accountants

SAMEER B. DOSHI
Partner : M. No. 117987
Firm Regn. No. 104863W

FOR KALANI & CO.
Chartered Accountants

BHUPENDER MANTRI
Partner: M. No. 108170
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FOR BRAHMAYYA & CO.
Chartered Accountants

K. JITENDRA KUMAR
Partner : M. No. 201825
Firm Regn. No. 000511S

FOR RAY & RAY
Chartered Accountants

ABHIJIT NEOGI
Partner : M. No. 061380
Firm Regn. No. 301072E

FOR K. VENKATACHALAM AIYER & CO.
Chartered Accountants

A GOPALAKRISHNAN
Partner : M. No. 018159
Firm Regn. No. 004610S

FOR G. P. AGRAWAL & CO.
Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10th May, 2019

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, 2019, the Profit and Loss Account and Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including a summary of Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

i. The Central offices, 16 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. 14,758 Indian branches audited by Statutory Branch Auditors;

iii. 38 Foreign branches audited by 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. Also incorporated in the Balance Sheet, the Profit and Loss Account are the returns from 8,447 Indian branches (including other accounting units) and those have not been subjected to audit. These unaudited branches account for 3 percent of advances, 11.44 per cent of deposits, 7.35 per cent of interest income and 12.80 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, 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, 2019;

b) true balance of profit in case of Profit & Loss Account for the year ended on that date; and

c) true and fair view in case of 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 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 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.

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, 2019. 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	Auditors' Response
i	Classification of Advances and Identification of and provisioning for non-performing Advances in accordance with the RBI guidelines (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements) Advances include Bills purchased and discounted, Cash credits, Overdrafts loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank / Government Guarantees and Unsecured advances.	Our audit approach towards advances with reference to the IRAC norms and other related circulars / directives issued by RBI and also internal policies and procedures of the Bank includes the testing of the following: - The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC Norms in respect of the branches allotted to us;

Sr. No.	Key Audit Matters	Auditors' Response
	Advances constitute 59.38% 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). The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3. 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 Solutions (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. 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. 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	- 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; 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. 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 valuer's provided by the Bank's management. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. 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.
ii	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements) Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 26.27% of the Bank's total assets. These are governed by the circulars and directives of the Reserve Bank of India (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. 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.	Our audit approach towards Investments with reference to the RBI Circulars / directives included the review and testing of the design, operating effectiveness of internal controls and substantive audit procedures in relation to valuation, classification, identification of Non Performing Investments, Provisioning / depreciation related to Investments. In particular, a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of Non Performing Investments, Provisioning / depreciation related to investments; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; 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;

Sr. No.	Key Audit Matters	Auditors' Response
	Accordingly, our audit was focused on valuation of investments, classification, identification of Non Performing Investments and provisioning related to investments.	d. We assessed and evaluated the process of identification of NPIs, and corresponding reversal of income and creation of provision; e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	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) : 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 advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit approach involved :- a. Understanding the current status of the litigations/tax assessments; b. Examining recent orders and/or communication received from various Tax Authorities/ Judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice ; and d. 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.

Information Other than the Standalone 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 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, 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 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 Director's Report, including annexures, 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, 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 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' Responsibility for the Audit of 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 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.
   - 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 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 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 14,796 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of ₹ 14,00,731.01 crores at 31st March 2019 and total interest income of ₹ 1,06,540.62 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 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 matters.

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 paragraph 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, 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.

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 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 and the Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

In terms of our report of even date

FOR J.C. BHALLA & CO.
Chartered Accountants

RAJESH SETHI
Partner : M. No.085669
Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
Chartered Accountants

VITESH D. GANDHI
Partner: M. No.110248
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FOR G. P. AGRAWAL & CO.
Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10th May, 2019

State Bank of India

Consolidated Balance Sheet as at 31st March, 2019

(000s omitted)

	Schedule No.	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,45,88
Reserves & Surplus	2	233603,19,93	229429,48,68
Minority Interest		6036,99,13	4615,24,51
Deposits	3	2940541,06,11	2722178,28,21
Borrowings	4	413747,66,10	369079,33,88
Other Liabilities and Provisions	5	293645,68,92	290249,75,29
TOTAL		**3888467,06,31**	**3616444,56,45**
ASSETS			
Cash and Balances with Reserve Bank of India	6	177362,74,09	150769,45,69
Balances with Banks and Money at Call & Short Notice	7	48149,52,30	44519,65,14
Investments	8	1119247,76,62	1183794,24,19
Advances	9	2226853,66,72	1960118,53,51
Fixed Assets	10	40703,05,26	41225,79,26
Other Assets	11	276150,31,32	236016,88,66
TOTAL		**3888467,06,31**	**3616444,56,45**
Contingent Liabilities	12	1121246,27,83	1166334,80,21
Bills for Collection		70047,22,64	74060,22,00
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet

Smt. Anshula Kant
MD (SARC)

Shri Arijit Basu
MD (CCG & IT)

Shri Dinesh Kumar Khara
MD (GB & S)

Shri P. K. Gupta
MD (R & DB)

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

Mumbai
Dated 10th May 2019

Schedules

Schedule 1 - Capital

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (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 892,45,87,534 equity shares of ₹ 1/- each) [The above includes 12,10,71,350 equity shares of ₹ 1/- each (Previous Year 12,62,48,980 equity shares of ₹ 1/- each) represented by 1,21,07,135 (Previous Year 1,26,24,898) Global Depository Receipts]	892,46,12	892,45,88
TOTAL	**892,46,12**	**892,45,88**

Schedule 2 - Reserves & Surplus

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
I.	**Statutory Reserves**				
	Opening Balance	65958,04,13		64753,52,12	
	Additions during the year	386,05,90		1204,52,01	
	Deductions during the year	-	66344,10,03	-	65958,04,13
II.	**Capital Reserves #**				
	Opening Balance	9578,07,76		5246,09,99	
	Additions during the year	379,20,76		4332,28,38	
	Deductions during the year	-	9957,28,52	30,61	9578,07,76
III.	**Share Premium**				
	Opening Balance	79124,21,51		55423,23,36	
	Additions during the year	37,92		23718,58,11	
	Deductions during the year	9,12,38	79115,47,05	17,59,96	79124,21,51
IV.	**Foreign Currency Translation Reserves**				
	Opening Balance	6379,09,54		5073,92,01	
	Additions during the year	1143,03,70		1498,80,30	
	Deductions during the year	66,75,03	7455,38,21	193,62,77	6379,09,54

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
V.	**Revaluation Reserve**				
	Opening Balance	24847,98,65		35593,88,13	
	Additions during the year	-		662,40,83	
	Deductions during the year	194,04,57	24653,94,08	11408,30,31	24847,98,65
VI.	**Revenue and Other Reserves**				
	Opening Balance	53483,27,03		54644,18,21	
	Additions during the year ##	1213,96,33		3264,59,39	
	Deductions during the year	291,81,33	54405,42,03	4425,50,57	53483,27,03
VII.	**Balance in Profit and Loss Account**		(8328,39,99)		(9941,19,94)
	TOTAL		**233603,19,93**		**229429,48,68**

includes Capital Reserve on consolidation ₹ 123,66,46 thousand (Previous Year ₹ 123,66,46 thousand)
net of consolidation adjustments

Schedule 3 - Deposits

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A. I.	**Demand Deposits**		
	(i) From Banks	6722,18,31	5240,84,61
	(ii) From Others	201073,14,59	185795,42,20
II.	**Savings Bank Deposits**	1102172,37,48	1019137,42,48
III.	**Term Deposits**		
	(i) From Banks	8235,22,81	15027,28,78
	(ii) From Others	1622338,12,92	1496977,30,14
TOTAL		**2940541,06,11**	**2722178,28,21**
B I.	**Deposits of Branches in India**	2812134,71,07	2596232,33,79
II.	**Deposits of Branches outside India**	128406,35,04	125945,94,42
TOTAL		**2940541,06,11**	**2722178,28,21**

Schedule 4 - Borrowings

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
I.	**Borrowings in India**				
	(i) Reserve Bank of India		96089,00,00		95394,09,00
	(ii) Other Banks		4741,05,31		4822,21,61
	(iii) Other Institutions and Agencies		32112,46,32		4370,23,49
	(iv) Capital Instruments :				
	a. Innovative Perpetual Debt Instruments (IPDI)	19152,30,00		11835,00,00	
	b. Subordinated Debt & Bonds	29153,93,90	48306,23,90	33665,66,40	45500,66,40
	TOTAL		**181248,75,53**		**150087,20,50**
II.	**Borrowings outside India**				
	(i) Borrowings and Refinance outside India		229909,13,07		216974,38,38
	(ii) Capital Instruments :				
	a. Innovative Perpetual Debt Instruments (IPDI)	2074,65,00		1955,25,00	
	b. Subordinated Debt & Bonds	515,12,50	2589,77,50	62,50,00	2017,75,00
	TOTAL		**232498,90,57**		**218992,13,38**
	GRAND TOTAL (I & II)		**413747,66,10**		**369079,33,88**
	Secured Borrowings included in I & II above		**127177,07,29**		**108384,82,97**

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Bills payable	23914,03,90	26667,07,53
II.	Inter Bank Adjustments (net)	-	-
III.	Inter Office adjustments (net)	21735,79,14	40734,57,50
IV.	Interest accrued	14232,96,48	15996,01,47
V.	Deferred Tax Liabilities (net)	4,17,10	5,38,82
VI	Liabilities relating to Policyholders in Insurance Business	140095,62,31	115128,68,83
VII	Provision for Standard Assets	12709,13,43	12717,18,97
VIII	Others (including provisions)	80953,96,56	79000,82,17
TOTAL		**293645,68,92**	**290249,75,29**

Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	19144,28,44	15796,02,76
II. Balance with Reserve Bank of India		
(i) In Current Account	158197,60,63	134973,42,93
(ii) In Other Accounts	20,85,02	-
TOTAL	**177362,74,09**	**150769,45,69**

Schedule 7 - Balances with Banks and Money at Call & Short Notice

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	971,83,35	380,85,00
(b) In Other Deposit Accounts	1959,46,21	2275,38,97
(ii) Money at call and short notice		
(a) With banks	4608,88,73	1613,94,26
(b) With other institutions	-	-
TOTAL	**7540,18,29**	**4270,18,23**
II. Outside India		
(i) In Current Accounts	20571,96,27	29445,08,67
(ii) In Other Deposit Accounts	3205,38,56	1550,38,84
(iii) Money at call and short notice	16831,99,18	9253,99,40
TOTAL	**40609,34,01**	**40249,46,91**
GRAND TOTAL (I and II)	**48149,52,30**	**44519,65,14**

Schedule 8 - Investments

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	817674,70,52	898369,89,37
(ii) Other Approved Securities	13769,53,82	9203,62,94
(iii) Shares	42825,92,12	36902,41,97
(iv) Debentures and Bonds	123765,40,08	108220,08,31
(v) Subsidiary and Associates	3383,71,53	3061,30,04
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	63880,18,56	80682,84,64
TOTAL	**1065299,46,63**	**1136440,17,27**
II. Investments outside India in :		
(i) Government Securities (including local authorities)	14513,99,84	13318,89,79

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
(ii) Associates	136,33,52	113,74,52
(iii) Other Investments (Shares, Debentures, etc.)	39297,96,63	33921,42,61
TOTAL	**53948,29,99**	**47354,06,92**
GRAND TOTAL (I and II)	**1119247,76,62**	**1183794,24,19**
III. Investments in India :		
(i) Gross Value of Investments	1076593,00,40	1148190,17,89
(ii) Less: Aggregate of Provisions / Depreciation	11293,53,77	11750,00,62
Net Investments (vide I above)	**1065299,46,63**	**1136440,17,27**
IV. Investments outside India :		
(i) Gross Value of Investments	54146,46,58	47900,20,34
(ii) Less: Aggregate of Provisions / Depreciation	198,16,59	546,13,42
Net Investments (vide II above)	**53948,29,99**	**47354,06,92**
GRAND TOTAL (III and IV)	**1119247,76,62**	**1183794,24,19**

Schedule 9 - Advances

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A. I. Bills purchased and discounted	81528,37,41	68767,36,05
II. Cash Credits, Overdrafts and Loans Repayable on demand	799218,03,33	758550,41,15
III. Term loans	1346107,25,98	1132800,76,31
TOTAL	**2226853,66,72**	**1960118,53,51**
B. I. Secured by tangible assets (includes advances against Book Debts)	1603654,21,87	1515859,93,23
II. Covered by Bank/ Government Guarantees	80289,66,46	68812,50,75
III. Unsecured	542909,78,39	375446,09,53
TOTAL	**2226853,66,72**	**1960118,53,51**
C. I. Advances in India		
(i) Priority Sector	520729,77,60	448358,95,60
(ii) Public Sector	240295,89,39	161939,24,46
(iii) Banks	9494,93,60	3280,07,87
(iv) Others	1127585,24,83	1031896,41,62
TOTAL	**1898105,85,42**	**1645474,69,55**

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
II. Advances outside India		
(i) Due from banks	69802,85,72	77109,63,56
(ii) Due from others		
(a) Bills purchased and discounted	26741,06,57	14668,01,47
(b) Syndicated loans	150765,88,72	124511,75,00
(c) Others	81438,00,29	98354,43,93
TOTAL	**328747,81,30**	**314643,83,96**
GRAND TOTAL [C (I) and C (II)]	**2226853,66,72**	**1960118,53,51**

Schedule 10 - Fixed Assets

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹	
I.	**Premises**				
	At cost/revalued as on 31st March of the preceding year	30933,23,37		42107,56,59	
	Additions:				
	- during the year	707,34,92		119,06,88	
	- for Revaluation	-		-	
	Deductions during the year	39,60,68		11293,40,10	
	Depreciation to date:				
	- on cost	793,71,67		666,86,16	
	- on Revaluation	497,17,97	30310,07,97	308,66,78	29957,70,43
II.	**Other Fixed Assets (including furniture and fixtures)**				
	At cost/revaluation as on 31st March of the preceding year	31649,29,47		28512,42,79	
	Additions during the year	3018,06,52		4165,17,52	
	Deductions during the year	1481,92,84		1028,30,84	
	Depreciation to date	23627,73,26	9557,69,89	21359,74,23	10289,55,24
III.	**Leased Assets**				
	At cost/revalued as on 31st March of the preceding year	120,02,20		117,38,81	
	Additions during the year	35,64,65		6,85,52	
	Deductions during the year	57,63		4,22,13	
	Depreciation to date (including provisions)	82,11,57		66,55,50	
		72,97,65		53,46,70	
	Less : Lease Adjustment Account	-	72,97,65	-	53,46,70
IV.	**Assets under Construction (including Premises)**		762,29,75		925,06,89
TOTAL (I, II, III and IV)			**40703,05,26**		**41225,79,26**

Schedule 11 - Other Assets

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Inter Office adjustments (net)	7,71,53	-
II.	Inter Bank Adjustments (net)	123,67,98	26,70,13
III.	Interest accrued	29047,16,58	28002,40,66
IV.	Tax paid in advance / tax deducted at source	24699,95,89	17728,89,88
V.	Stationery and Stamps	133,99,80	125,47,34
VI.	Non-banking assets acquired in satisfaction of claims	23,65,84	30,41,48
VII.	Deferred tax assets (net)	10983,19,07	11837,70,33
VIII.	Deposits placed with NABARD/SIDBI/NHB	138245,29,37	95643,16,91
IX.	Others #	72885,65,26	82622,11,93
TOTAL		**276150,31,32**	**236016,88,66**

Includes Goodwill on consolidation ₹ 1734,07,01 thousand (Previous Year ₹ 1734,07,01 thousand)

Schedule 12 - Contingent Liabilities

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Claims against the group not acknowledged as debts	43964,90,09	35546,03,53
II.	Liability for partly paid investments / Venture Funds	1127,87,61	619,44,30
III.	Liability on account of outstanding forward exchange contracts	597800,34,53	644808,04,15
IV.	Guarantees given on behalf of constituents		
	(a) In India	157417,08,56	149282,50,36
	(b) Outside India	72739,27,63	67762,40,06
V.	Acceptances, endorsements and other obligations	124526,15,33	121900,95,22
VI.	Other items for which the group is contingently liable	123670,64,08	146415,42,59
TOTAL		**1121246,27,83**	**1166334,80,21**
Bills for collection		**70047,22,64**	**74060,22,00**

State Bank of India

Consolidated Profit And Loss Account For The Year Ended 31st March 2019

(000s omitted)

		Schedule No.	Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	**INCOME**			
	Interest earned	13	253322,14,36	228970,27,66
	Other Income	14	77365,21,58	77557,39,04
	TOTAL		**330687,35,94**	**306527,66,70**
II.	**EXPENDITURE**			
	Interest expended	15	155867,46,03	146602,98,20
	Operating expenses	16	114800,30,80	96154,51,90
	Provisions and contingencies		56950,51,70	67957,57,98
	TOTAL		**327618,28,53**	**310715,08,08**
III.	**PROFIT/(LOSS)**			
	Net Profit /(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)		3069,07,41	(4187,41,38)
	Add: Share in Profit of Associates		281,47,94	438,15,98
	Less: Minority Interest		1050,91,44	807,03,60
	Net Profit/(Loss) for the Group		2299,63,91	(4556,29,00)
	Profit/(Loss) Brought forward		(9941,19,94)	(4340,03,96)
	TOTAL		**(7641,56,03)**	**(8896,32,96)**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserves		386,05,90	59,94,63
	Transfer to Other Reserves		243,79,58	921,21,43
	Dividend for the previous year paid during the year (including Tax on Dividend)		-	-
	Final Dividend for the year		-	-
	Tax on Dividend		56,98,48	63,70,92
	Balance carried over to Balance Sheet		(8328,39,99)	(9941,19,94)
	TOTAL		**(7641,56,03)**	**(8896,32,96)**
	Basic Earnings per Share		₹ 2.58	₹ (5.34)
	Diluted Earnings per Share		₹ 2.58	₹ (5.34)
	Significant Accounting Policies	17		
	Notes to Accounts	18		
	Schedules referred to above form an integral part of the Profit & Loss Account			

Smt. Anshula Kant
MD (SARC)

Shri Arijit Basu
MD (CCG & IT)

Shri Dinesh Kumar Khara
MD (GB & S)

Shri P. K. Gupta
MD (R & DB)

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

Mumbai
Dated 10th May 2019

Schedule 13 - Interest Earned

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Interest / discount on advances/ bills	166124,58,30	144958,59,17
II.	Income on Investments	80243,50,66	75036,61,62
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	1324,75,88	2410,75,18
IV.	Others	5629,29,52	6564,31,69
TOTAL		**253322,14,36**	**228970,27,66**

Schedule 14 - Other Income

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Commission, exchange and brokerage	22801,37,60	22829,85,38
II.	Profit / (Loss) on sale of investments (Net) #	3933,13,61	14170,08,63
III.	Profit / (Loss) on revaluation of investments (Net)	(2124,03,82)	(1120,61,02)
IV.	Profit /(Loss) on sale of land, building and other assets including leased assets (net)	(32,35,82)	(30,73,27)
V.	Profit / (Loss) on exchange transactions (Net)	2209,07,07	2522,45,61
VI.	Dividends from Associates in India/ abroad	11,71,87	15,45,97
VII.	Income from Finance Lease	-	-
VIII.	Credit Card membership/ service fees	3179,78,08	2126,48,67
IX.	Insurance Premium Income (net)	35225,02,54	26925,87,69
X.	Recoveries made in Write-off Accounts	8607,44,37	5522,46,46
XI.	Miscellaneous Income	3554,06,08	4596,04,92
TOTAL		**77365,21,58**	**77557,39,04**

Profit/(Loss) on sale of investments (Net)includes exceptional item of ₹ 466.48 crore (Previous year ₹ 5036.21 crore)

Schedule 15 - Interest Expended

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Interest on Deposits	140920,19,82	136109,15,67
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	10103,57,61	5686,89,92
III.	Others	4843,68,60	4806,92,61
TOTAL		**155867,46,03**	**146602,98,20**

Schedule 16 - Operating Expenses

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Payments to and provisions for employees	43795,01,41	35410,62,16
II.	Rent, taxes and lighting	5553,08,91	5392,58,19
III.	Printing & Stationery	595,00,09	603,44,87
IV.	Advertisement and publicity	2360,81,37	1997,56,23
V.	(a) Depreciation on Fixed Assets (other than Leased Assets)	3479,97,41	3094,39,40

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
	(b) Depreciation on Leased Assets	15,91,80	10,67,70
VI.	Directors' fees, allowances and expenses	9,71,04	6,53,54
VII.	Auditors' fees and expenses (including branch auditors' fees and expenses)	307,00,17	296,38,24
VIII.	Law charges	578,53,06	501,90,13
IX.	Postages, Telegrams, Telephones, etc.	568,56,57	671,28,78
X.	Repairs and maintenance	1057,77,33	971,89,71
XI.	Insurance	2860,59,09	2774,59,09
XII.	Other Operating Expenses relating to Credit Card Operations	1105,59,01	1155,03,28
XIII.	Other Operating Expenses relating to Insurance Business	37907,82,48	29377,17,22
XIV.	Other Expenditure	14604,91,06	13890,43,36
TOTAL		**114800,30,80**	**96154,51,90**

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 the Reserve Bank of India (RBI), 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 the 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 considered in the reported amounts of assets and liabilities (including contingent liabilities) as on 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. Future results could differ from these estimates.

C. Basis of Consolidation:

1. Consolidated financial statements of the Group (comprising of 29 subsidiaries, 8 Joint Ventures and 20 Associates) have been prepared on the basis of:

   a. Audited financial statements of State Bank of India (Parent).

   b. Line by line aggregation of each item of asset/liability/ income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/ loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.

   c. Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.

   d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

   e. In terms of RBI circular on "Strategic Debt Restructuring Scheme", the controlling interest acquired in entities as part of Strategic Debt Restructuring Scheme is neither considered for consolidation nor such investment is treated as investments in subsidiary/ associate as the control is protective in nature and not participative.

2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.

3. Minority interest in the net assets of the consolidated subsidiaries consists of:

   a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and

   b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

D. Significant Accounting Policies

1. Revenue recognition:

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards, foreign offices/entities, income and expenditure are

recognised as per the local laws of the country in which the respective foreign offices/entities are located.

1.2 Interest/Discount income is recognised in the Profit and Loss Account as it accrues except (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation .

1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the 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) 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 for 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 average loan period of 15 years.

1.9 Brokerage, Commission etc. paid/incurred in connection with issue of Bonds/Deposits are amortized over the tenure of the related Bonds/Deposits and the expenses incurred in connection with the issue are charged upfront.

1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:-

i. When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.

ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale

iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

1.11 Non-banking entities:

Merchant Banking:

a. Issue management and advisory fees are recognised based on the stage of completion of assignments and as per the terms of the agreement with the client, net of pass-through.

b. Fees for private placement are recognised on completion of assignment.

c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.

d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.

e. Brokerage income relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.

f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

Asset Management:

a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

b. Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Fund (AIF) are recognised on accrual basis as per the terms of the contract.

c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

d. Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

Credit Card Operations:

a. First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.

b. Interchange income is recognised on accrual basis.

c. The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in balance sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on balance sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on balance sheet date. The liability for stale cheques aged for more than three years is written back as income.

d. All other service income/fees are recorded at the time of occurrence of the respective events.

Factoring:

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1st of May is deemed as date for accrual of the FCF.

Life Insurance:

a. Premium of non-linked business is recognised as income (net of service tax/ goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of Variable Insurance Products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

b. Top-up premiums are considered as single premium.

c. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

d. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.

e. Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.

f. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

g. Benefits paid:

- Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
- Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
- Claims by maturity are accounted on the policy maturity date.
- Survival and Annuity benefits claims are accounted when due.
- Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
- Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
- Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.

h. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

i. **Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience. The

unit liability in respect of linked business has been considered as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) as on the valuation date. Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

General Insurance:

a. Premium including reinsurance accepted (net of goods & service tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under 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.

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.

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.

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 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 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 (not out of fresh/ additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority.

a. Charges

b. Unrealized Interest/Interest

c. Principal

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 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 derivatives 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 05 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 statement.

7.11 The Revalued Assets is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.

iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss account.

vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

10.2 Foreign Operations:

Foreign Branches/Subsidiaries/Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

a. Non-integral Operations:

i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.

iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.

iv. The Assets and Liabilities of foreign offices/ subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/ subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

b. Integral Operations:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.

iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

11. Employee Benefits:

11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

11.2 Long Term Employee Benefits:

i. Defined Benefit Plan

a. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Provident Fund scheme. SBI contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

c. SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes

such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss and are not deferred.

ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/ employees joining SBI on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from SBI. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. Other Long Term Employee benefits:

a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.

The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

12. 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.

13. Earnings per Share:

13.1 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.

13.2 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.

14. Provisions, Contingent Liabilities and Contingent Assets:

14.1 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.

14.2 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.

14.3 Provision for reward points in relation to the debit card holders of SBI is being provided for on actuarial estimates.

14.4 Contingent Assets are not recognised in the financial statements.

15. 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

16. 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 have passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

Schedule 18

NOTES TO ACCOUNTS

1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

1.1 The 29 Subsidiaries, 8 Joint Ventures and 20 Associates including 18 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:

Sr. No.	Name of the Subsidiary		Group's Stake (%)	
		Country of Incorporation	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	100.00
12)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
13)	SBI Life Insurance Company Ltd.	India	62.10	62.10
14)	SBI General Insurance Company Ltd. @	India	70.00	74.00
15)	SBI Cards and Payment Services Pvt. Ltd. @	India	74.00	74.00
16)	SBI Business Process Management Services Pvt Ltd.@	India	74.00	74.00

Sr. No.	Name of the Subsidiary	Country of Incorporation	Group's Stake (%) Current Year	Previous Year
17)	SBI–SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
18)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
19)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00
20)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
21)	Bank SBI Botswana Limited	Botswana	100.00	100.00
22)	SBI Canada Bank	Canada	100.00	100.00
23)	State Bank of India (California)	USA	100.00	100.00
24)	State Bank of India (UK) Limited	UK	100.00	-
25)	State Bank of India Servicos Limitada	Brazil	100.00	100.00
26)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
27)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
28)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
29)	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:

Sr. 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:

Sr. No.	Name of the Associate	Country of Incorporation	Group's Stake (%) Current Year	Previous Year
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Langpi Dehangi Rural Bank	India	35.00	35.00
6)	Madhyanchal Gramin Bank	India	35.00	35.00
7)	Meghalaya Rural Bank	India	35.00	35.00
8)	Mizoram Rural Bank	India	35.00	35.00
9)	Nagaland Rural Bank	India	35.00	35.00
10)	Purvanchal Bank	India	35.00	35.00

Sr. No.	Name of the Associate		Group's Stake (%)	
		Country of Incorporation	Current Year	Previous Year
11)	Saurashtra Gramin Bank	India	35.00	35.00
12)	Utkal Grameen Bank	India	35.00	35.00
13)	Uttarakhand Gramin Bank	India	35.00	35.00
14)	Vananchal Gramin Bank	India	35.00	35.00
15)	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
16)	Telangana Grameena Bank	India	35.00	35.00
17)	Kaveri Grameena Bank	India	35.00	35.00
18)	Malwa Gramin Bank (upto 31.12.2018)	India	35.00	35.00
19)	The Clearing Corporation of India Ltd.	India	20.05	20.05
20)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00

a) In the month of April 2018, State Bank of India (UK) Limited (a wholly owned subsidiary) has commenced its operation. SBI has infused GBP 17.50 crore equivalent to ₹ 1,604.43 crore as paid up capital in State Bank of India (UK) Limited.

b) In the month of May 2018, SBI has infused ₹ 30 crore in Jio Payments Bank Limited (a joint venture). The SBI Group's stake in Jio Payments Bank Limited remains the same.

c) In the month of August 2018, SBI has infused ₹ 347.80 crore in SBI Cards and Payment Services Private Limited (a subsidiary). The SBI Group's stake in SBI Cards & Payment Services Private Limited remains the same.

d) In the month of August 2018, SBI has infused ₹ 2.50 crore in SBI Payment Services Private Limited (SBIPSPL) (a subsidiary).

SBI has transferred its merchant acquiring business (MAB) to SBIPSPL pursuant to a business transfer agreement dated September 29, 2018 for a consideration of ₹ 1,250 crore which has been since realized by SBI.

In the month of January 2019, SBIPSPL issued 15,81,082 equity shares of face value of ₹ 10 each at a price of ₹ 9,819.86 per share including the share premium of ₹ 9,809.86 per share to Hitachi Payments Service Private Limited. Resultantly, the stake of SBI Group in SBIPSPL has reduced from 100% to 74.00%.

e) In the month of September 2018, SBI sold its 4.00% stake in SBI General Insurance Company Limited (a subsidiary). The stake of SBI group in SBI General Insurance Company Limited has reduced from 74.00% to 70.00%.

f) In the month of December 2018, SBI has infused ₹ 30 crore in SBI Infra Management Solutions Private Limited. The SBI Group's stake in SBI Infra Management Solutions Private Limited remains the same.

g) In the month of February 2019, SBI Capital Markets Limited (a subsidiary) has infused ₹ 10.70 crore in SBICAP Ventures Limited (a subsidiary). The SBI Group's stake in SBICAP Ventures Limited remains the same.

h) During the year, SBI has infused additional capital in the following Regional Rural Bank (RRBs) sponsored by it :-

Regional Rural Banks	Amount
Utkal Grameena Bank	63.14
Madhyanchal Gramin Bank	57.63
Rajasthan Marudhara Gramin Bank	7.28
Nagaland Rural Bank	0.65
TOTAL	**128.70**

The SBI Group's stakes remains the same after the aforesaid capital infusion.

i) 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 SBI are as below:-

	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1.	Punjab Gramin Bank	Punjab National Bank	Punjab Gramin Bank	Punjab National Bank	1st January ,2019
	Malwa Gramin Bank	State Bank of India			
	Sutlej Gramin Bank	Punjab & Sind Bank			
2	Pragathi Krishna Gramin Bank	Canara Bank	Karnataka Gramin Bank	Canara Bank	1st April ,2019
	Kaveri Grameena Bank	State Bank of India			
3	Assam Gramin Vikash Bank	United Bank of India	Assam Gramin Vikash Bank	United Bank of India	1st April ,2019
	Langpi Dehangi Rural Bank	State Bank of India			
The details of amalgamation of RRBs, where the transferee RRB is sponsored by SBI are as below:-					
1	Jharkhand Gramin Bank	Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	1st April ,2019
	Vananchal Gramin Bank	State Bank of India			

j) 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.

k) 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 2018-19 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & three associates (including Bank of Bhutan Ltd. and two Regional Rural Banks), the results of which are not material.

2. Share capital:

a) SBI received application money of ₹ 0.38 crore including share premium of ₹ 0.38 crore by way of the issue of 24,000 equity shares of ₹ 1 each kept in abeyance due to various title disputes or third party claims out of the Right Issue closed on 18.03.2008. The equity shares kept in abeyance were allotted on 31.01.2019.

b) Expenses in relation to the issue of shares: ₹ 9.12 crore (Previous Year ₹ 17.60 crore) is debited to Share Premium Account.

3. Disclosures as per Accounting Standards

3.1 Accounting Standard- 15 "Employee Benefits":

3.1.1 Defined Benefit Plans

3.1.1.1 Employee's Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005) :-

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2018	87,786.56	83,870.13	13,025.81	9,929.61
Adjustment for SBI Business Process Management Pvt Ltd.*	-	-	-	8.70
Current Service Cost	1,060.57	978.19	430.32	302.75
Interest Cost	6,812.24	6,248.32	1,012.43	722.05
Past Service Cost (Vested Benefit)	-	-	-	3,614.64
Liability transferred In/ Acquisitions	-	-	-	1.20
Actuarial losses /(gains)	6,434.95	3,338.70	(89.76)	(9.83)
Benefits paid	(3,966.53)	(4,190.43)	(2,000.50)	(1,543.31)
Direct Payment by SBI	(2,765.64)	(2,458.35)	-	-
Closing defined benefit obligation at 31st March 2019	**95,362.15**	**87,786.56**	**12,378.30**	**13,025.81**
Change in Plan Assets				
Opening fair value of plan assets at 1st April 2018	85,249.60	79,303.20	9,263.16	9,863.77
Adjustment for SBI Business Process Management Pvt Ltd. *	-	-	-	6.21
Expected Return on Plan assets	6,615.37	5,908.09	721.37	717.37
Contributions by employer	2,391.18	4,363.81	2,404.93	243.49
Assets transferred In/Acquisitions	-	-	-	2.01
Expected Contribution by the employees	0.34	-	-	-
Benefits Paid	(3,966.53)	(4,190.43)	(2,000.50)	(1,543.32)
Actuarial Gains / (Losses) on plan assets	109.65	(135.07)	104.50	(26.37)
Closing fair value of plan assets at 31st March 2019	**90,399.61**	**85,249.60**	**10,493.46**	**9,263.16**
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31st March 2019	95,362.15	87,786.56	12,378.30	13,025.81
Fair Value of plan assets at 31st March 2019	90,399.61	85,249.60	10,493.46	9,263.16
Deficit/(Surplus)	4,962.54	2,536.96	1,884.84	3,762.65
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	**4,962.54**	**2,536.96**	**1,884.84**	**1,055.15**
Amount Recognised in the Balance Sheet				
Liabilities	95,362.15	87,786.56	12,378.30	13,025.81
Assets	90,399.61	85,249.60	10,493.46	9,263.16
Net Liability / (Asset) recognised in Balance Sheet	4,962.54	2,536.96	1,884.84	3,762.64
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/ (Asset)	**4,962.54**	**2,536.96**	**1,884.84**	**1,055.15**
Net Cost recognised in the profit and loss account				
Current Service Cost	1,060.57	978.19	430.32	302.75

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Interest Cost	6,812.24	6,248.32	1,012.43	722.05
Expected return on plan assets	(6,615.37)	(5,908.09)	(721.37)	(717.37)
Expected Contributions by the employees	(0.34)	-	-	-
Past Service Cost (Amortised) Recognised	-	-	-	0.05
Past Service Cost (Vested Benefits) Recognised	-	-	2,707.50	907.09
Net Actuarial Losses / (Gains) recognised during the year	6,325.30	3,473.77	(194.26)	16.54
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	**7,582.40**	**4,792.19**	**3,234.62**	**1,231.11**
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	6,615.37	5,908.09	721.37	717.37
Actuarial Gains/ (Losses) on Plan Assets	109.65	(135.07)	104.50	(26.37)
Actual Return on Plan Assets	6,725.02	5773.02	825.87	691.00
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1st April 2018	**2,536.96**	**4,566.93**	**1,055.15**	**65.84**
Adjustment for SBI Business Process Management Pvt Ltd.*	-	-	-	2.50
Expenses as recognised in profit and loss account	7,582.40	4,792.19	3,234.62	1231.11
Paid by SBI Directly	(2,765.64)	(2,458.35)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Net Liability/ (Asset) transferred in	-	-	-	(0.81)
Employer's Contribution	(2,391.18)	(4,363.81)	(2,404.93)	(243.49)
Net liability/(Asset) recognised in Balance Sheet	**4,962.54**	**2,536.96**	**1,884.84**	**1,055.15**

* Adjustment is due to change in method of consolidation in case of SBI Business Process Management Services Pvt Ltd from Proportionate line-by-line consolidation to Total line-by-line consolidation

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2019 are as follows:

Category of Assets	Pension Fund % of Plan Assets	Gratuity Fund % of Plan Assets
Central Govt. Securities	23.69%	18.49%
State Govt. Securities	31.40%	33.42%
Debt Securities, Money Market Securities and Bank Deposits	31.93%	22.92%
Mutual Funds	2.39%	4.02%
Insurer Managed Funds	2.63%	16.71%
Others	7.96%	4.44%
TOTAL	**100.00%**	**100.00%**

Principal actuarial assumptions:

Particulars	Pension Plans	
	Current Year	Previous Year
Discount Rate	7.79%	7.76%
Expected Rate of return on Plan Asset	7.79%	7.76%
Salary Escalation Rate	5.20%	5.00%
Pension Escalation Rate	0.40%	-
Attrition Rate	2.00%	2.00%

Particulars	Gratuity Plans	
	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Expected Rate of return on Plan Asset	7.77%	7.78%
Salary Escalation Rate	5.20%	5.00%
Attrition Rate	2.00%	2.00%

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.

3.1.1.2 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. 2018-19.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:-

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2018	30,298.65	26,221.36
Current Service Cost	965.04	961.65
Interest Cost	2507.55	2,455.58

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Employee Contribution (including VPF)	1377.59	1,396.25
Liability Transferred In	-	3,309.05
Actuarial losses/(gains)	-	25.56
Benefits paid	(4220.11)	(4,070.79)
Closing defined benefit obligation at 31st March 2019	**30,928.72**	**30,298.66**
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2018	31,874.25	27,221.93
Expected Return on Plan Assets	2,507.55	2,455.58
Contributions	2,342.63	2,357.90
Transferred from other Companies	-	3,723.65
Benefits Paid	(4220.11)	(4,070.79)
Actuarial Gains / (Loss) on plan Assets	126.22	185.98
Closing fair value of plan assets as at 31st March 2019	**32,630.54**	**31,874.25**
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2019	30,928.72	30,298.66
Fair Value of Plan assets at 31st March 2019	32,630.54	31,874.25
Deficit/(Surplus)	(1,701.82)	(1,575.59)

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Net Asset not recognised in Balance Sheet	**1,701.82**	**1,575.59**
Net Cost recognised in the profit and loss account		
Current Service Cost	965.04	961.65
Interest Cost	2,507.55	2,455.58
Expected return on plan assets	-2,507.55	(2,455.58)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	965.04	961.65
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2018	-	-
Expense as above	965.04	961.65
Employer's Contribution	(965.04)	(961.65)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on March 31, 2019 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	35.34%
State Govt. Securities	24.83%
Debt Securities, Money Market Securities and Bank Deposits	31.74%
Mutual Funds	1.44%
Others	6.65%
TOTAL	**100.00%**

Principal actuarial assumptions

Particulars	Provident Fund	
	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Guaranteed Return	8.55%	8.65%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.20%	5.00%

i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

(a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or

(b) three percent per annum, subject to approval of Executive Committee.

ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

3.1.2 Defined Contribution Plans

3.1.2.1 Employees Provident Fund

An amount of ₹ 32.79 crore (Previous Year ₹ 28.59 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 3.1.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.1.2.2 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 the year, an amount of ₹ 451.39 crore [Previous Year ₹ 390.00 crore] has been contributed in the scheme.

3.1.2.3 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2018	6,248.59	4,760.18
Current Service Cost	261.33	210.19
Interest Cost	485.98	432.32
Liability transferred In/ Acquisitions	-	1,188.49
Actuarial losses/(gains)	741.84	593.93

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Benefits paid	(861.10)	(936.51)
Closing defined benefit obligation at 31st March 2019	**6,876.64**	**6,248.59**
Net Cost recognised in the profit and loss account		
Current Service Cost	261.33	210.19
Interest Cost	485.98	432.32
Actuarial (Gain)/ Losses	741.84	593.93
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	**1489.15**	**1,236.44**
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2018	6,248.59	4,760.17
Expense as above	1,489.15	1,236.44
Net Liability/ (Asset) transferred in	-	1,188.49
Employer's Contribution	-	-
Benefit paid directly by the Employer	(861.10)	(936.51)
Net Liability/(Asset) recognized in the Balance Sheet	**6,876.64**	**6,248.59**

Principal actuarial assumptions:

Particulars	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Salary Escalation	5.20%	5.00%
Attrition Rate	2.00%	2.00%

Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)

An amount of ₹ 30.76 crore (Previous Year ₹ 36.17 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 ₹ 38.55 crore [Previous Year ₹ (-) 38.69 crore] is provided/ (written back) 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)	35.80	(4.20)
2	Sick Leave	2.11	3.35
3	Silver Jubilee/Long Term Service Award	12.64	(12.64)
4	Resettlement Expenses on Superannuation	(4.15)	(13.23)
5	Casual Leave	-	-
6	Retirement Award	(7.85)	(11.97)
Total		38.55	(38.69)

3.1.3 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.

3.2 Accounting Standard- 17 "Segment Reporting":

3.2.1 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.

Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are not allocable to any segment on a reasonable basis, have been reported as Unallocated.

3.2.2 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)	77,713.33 (82,163.87)	80,139.68 (64,365.45)	1,21,250.27 (1,11,963.61)	43,417.32 (34,088.37)	11,643.14 (8,637.67)	3,34,163.74 (3,01,218.97)
Unallocated Revenue						903.54 (2,571.02)
Less : Inter Segment Revenue						4,846.40 (2,298.53)
Total Revenue						3,30,220.88 (3,01,491.46)
Result (before exceptional items)	6,593.12 (-16.83)	-15,889.35 (-38,316.71)	12,837.52 (19,464.25)	2,114.81 (1,832.28)	2,290.57 (1,680.23)	7,946.67 (-15,356.78)
Add : Exceptional items	466.48 (5,036.21)					466.48 (5,036.21)
Result (after exceptional items)	7,059.60 (5,019.38)	-15,889.35 (-38,316.71)	12,837.52 (19,464.25)	2,114.81 (1,832.28)	2,290.57 (1,680.23)	8,413.15 (-10,320.57)
Unallocated Income(+)/Expenses(–) net						-3,192.67 (-1,924.34)
Profit/(Loss) Before Tax						5,220.48 (-12,244.91)
Taxes						2,151.41 (-8,057.50)
Extraordinary Profit						0.00 (0.00)
Net Profit/(Loss) before share in profit in Associates and Minority Interest						3,069.07 (-4,187.41)
Add: Share in Profit in Associates						281.48 (438.16)

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Less: Minority Interest						1,050.91 (807.04)
Net Profit/(Loss) for the Group						2,299.64 (-4,556.29)
Other Information:						
Segment Assets	10,00,105.22 (10,85,909.92)	11,54,958.34 (10,24,506.47)	14,93,139.12 (13,19,933.76)	1,53,355.50 (1,27,110.66)	33,271.01 (27,548.89)	38,34,829.19 (35,85,009.70)
Unallocated Assets						53,637.87 (31,434.87)
Total Assets						38,88,467.06 (36,16,444.57)
Segment Liabilities	8,28,452.00 (8,10,044.02)	11,77,656.01 (10,63,520.41)	14,04,930.51 (13,11,488.36)	1,43,955.29 (1,19,108.58)	24,650.44 (21,136.24)	35,79,644.25 (33,25,297.61)
Unallocated Liabilities						74,327.15 (60,825.01)
Total Liabilities						36,53,971.40 (33,86,122.62)

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crore

	Domestic Operations	Foreign Operations	TOTAL
Revenue (before exceptional items)	3,13,646.59 (2,88,659.53)	16,574.29 (12,831.93)	3,30,220.88 (3,01,491.46)
Net Profit/(Loss)	(2,151.64) (-6,162.65)	4,451.28 (1,606.36)	2,299.64 (-4,556.29)
Assets	34,50,717.84 (32,04,207.99)	4,37,749.22 (4,12,236.58)	38,88,467.06 (36,16,444.57)
Liabilities	32,22,555.73 (29,78,279.99)	4,31,415.67 (4,07,842.63)	36,53,971.40 (33,86,122.62)

(i) Income/Expenses are for the whole year. Assets/ Liabilities are as at March 31, 2019.

(ii) Figures within brackets are for previous year

3.3 Accounting Standard-18 "Related Party Disclosures":

3.3.1 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. Langpi Dehangi Rural Bank
6. Madhyanchal Gramin Bank
7. Meghalaya Rural Bank
8. Mizoram Rural Bank
9. Nagaland Rural Bank
10. Purvanchal Bank
11. Saurashtra Gramin Bank
12. Utkal Grameen Bank
13. Uttarakhand Gramin Bank
14. Vananchal Gramin Bank
15. Rajasthan Marudhara Gramin Bank
16. Telangana Grameena Bank
17. Kaveri Grameena Bank
18. Malwa Gramin Bank (upto 31.12.2018)

ii) Others

19. The Clearing Corporation of India Ltd.
20. Bank of Bhutan Ltd.
21. SBI Home Finance Ltd. (under liquidation)

C) Key Management Personnel of SBI:

1. Shri Rajnish Kumar, Chairman
2. Shri Dinesh Kumar Khara, Managing Director (Risk, IT & Subsidiaries)
3. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
4. Shri B. Sriram, Managing Director (Corporate & Global Banking) (upto 29.06.2018)
5. Shri Arijit Basu, Managing Director (Corporate Clients Group & IT) (from 25.06.2018)
6. Smt. Anshula Kant, Managing Director (Stressed Assets, Risks and Compliance) (from 07.09.2018)

3.3.2 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.

3.3.3 Transactions and Balances:

₹ in crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2018-19			
Interest Income	- (-)	- (-)	- (-)
Interest Expenditure	- (0.09)	- (-)	- (0.09)
Income earned by way of Dividend	19.26 (29.24)	- (-)	19.26 (29.24)
Other Income	0.10 (0.17)	- (-)	0.10 (0.17)
Other Expenditure	0.36 (12.31)	- (-)	0.36 (12.31)
Management Contract	- (-)	1.32 (2.05)	1.32 (2.05)
Outstanding as on March 31, 2019			
Payables			
Deposit	47.18 (44.75)	- (-)	47.18 (44.75)
Other Liabilities	0.29 (1.19)	- (-)	0.29 (1.19)
Receivables			
Balances with Banks	- (-)	- (-)	- (-)
Investments	97.66 (67.66)	- (-)	97.66 (67.66)
Advances	- (-)	- (-)	- (-)
Other Assets	0.08 (0.07)	- (-)	0.08 (0.07)
Maximum outstanding during the year			
Borrowings	- (-)	- (-)	- (-)
Deposit	207.32 (206.21)	- (-)	207.32 (206.21)
Other Liabilities	0.29 (119.61)	- (-)	0.29 (119.61)
Balance with Banks	- (-)	- (-)	- (-)
Advances	- (0.62)	- (-)	- (0.62)
Investment	97.66 (77.10)	- (-)	97.66 (77.10)
Other Assets	0.08 (0.07)	- (-)	0.08 (0.07)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)

(Figures in brackets pertain to previous year)
There are no materially significant related party transactions during the year.

3.4 Accounting Standard-19 "Leases":

3.4.1 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 31.03.2019	As at 31.03.2018
Total Minimum lease payments outstanding		
Less than 1 year	24.58	17.26
1 to 5 years	65.08	56.06
5 years and above	-	-
Total	**89.66**	**73.32**
Interest Cost payable		
Less than 1 year	6.03	4.77
1 to 5 years	7.89	13.19
5 years and above	-	-
Total	**13.92**	**17.96**
Present value of minimum lease payments payable		

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 1 year	18.55	12.49
1 to 5 years	57.19	42.87
5 years and above	-	-
Total	**75.74**	**55.36**

3.4.2 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 31.03.2019	As at 31.03.2018
Not later than 1 year	188.39	208.53
Later than 1 year and not later than 5 years	558.54	613.72
Later than 5 years	120.46	252.46
Total	**867.39**	**1,074.71**

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 3,522.61 crore (Previous Year ₹ 3,440.01 crore).

3.5 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 Basic and diluted	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	892,45,87,534	797,35,04,442
Number of Equity Shares issued during the year	24,000	95,10,83,092
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,45,87,534
Weighted average number of equity shares used in computing basic earnings per share	892,45,91,479	853,30,51,135
Weighted average number of shares used in computing diluted earnings per share	892,45,91,479	853,30,51,135
Net Profit/(Loss) for the Group (₹ in crore)	2,299.64	(4,556.29)
Basic earnings per share (₹)	2.58	(5.34)
Diluted earnings per share (₹)	2.58	(5.34)
Nominal value per share (₹)	1.00	1.00

3.6 Accounting Standard-22 "Accounting for Taxes on Income":

i) During the year, ₹ 878.16 crore has been debited to Profit and Loss Account (Previous Year ₹ 9,804.79 crore credited) on account of deferred tax.

ii) The breakup of deferred tax assets and liabilities into major items is given below:

₹ in crore

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Tax Assets		
Provision for long term employee Benefits	5,363.60	3,486.07
Provision for advances	4,404.39	4,415.43
Provision for Other Assets/ Other Liability	753.11	743.57
On Accumulated Losses	10,863.94	13,889.32
On Foreign Currency Translation Reserve	235.77	-
Depreciation on Fixed Assets	50.00	14.91
DTAs on account of FOs of SBI	277.68	317.04
Others	220.38	207.56
Total	**22,168.87**	**23,073.90**
Deferred Tax Liabilities		
Depreciation on Fixed Assets	99.44	89.71
Interest accrued but not due on securities	6,389.76	6,315.01
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	4,690.10	4,690.10
DTLs on account of FOs of SBI	2.33	2.80
Foreign Currency Translation Reserve		117.30

₹ in crore

Particulars	As at 31.03.2019	As at 31.03.2018
Others	8.22	26.66
Total	**11,189.85**	**11,241.58**
Net Deferred Tax Assets/(Liabilities)	**10,979.02**	**11,832.32**

3.7 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.

3.8 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	1,982.02	1,758.40
	- Deferred Tax	878.16	(9,804.79)
	- Write Back of Income Tax	(708.77)	(11.11)
b)	Provision on Non-Performing Assets	55,343.42	72,217.65
c)	Provision on Restructured Assets	(89.85)	(691.67)
d)	Provision on Standard Assets	20.51	(3,584.56)
e)	Provision for Depreciation on Investments	(606.00)	8,177.30
f)	Other Provisions	131.03	(103.65)
Total		**56,950.52**	**67,957.58**

(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.

Sr. No	Particulars	Brief Description
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	526.29	1,026.38
b)	Additions during the year	113.95	127.43
c)	Amount utilised during the year	66.22	227.72
d)	Unused amount reversed during the year	39.27	399.80
e)	Closing balance	**534.75**	**526.29**

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 **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 SBI's Board of Directors.

During the year, SBI has not utilized the CCPB for making specific provision for NPAs.

6 RBI vide Circular no. DBR.No.BP. BC.108/21.04.048/2017-18 dated June 06, 2018 permitted banks to continue the exposures to MSME borrowers to be classified as standard assets. Accordingly, SBI has retained advances of ` 242.32 crore as standard asset as on March 31, 2019. In accordance with the provisions of the circular, SBI has not recognized interest on these accounts and is maintaining a standard asset provision of ` 12.12 crore as on March 31,2019 in respect of such borrowers.

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 ₹ 34,554 crore (89.66% of total outstanding) as on March 31,2019.

8 SBI has made a provision of ₹ 3,984 crore (total ₹ 5,643.41 crore) for the year ended March 31, 2019 towards arrears of wages due for revision w.e.f November 01, 2017.

9 Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes ₹ 446.48 crore on sale of partial investment in SBI General Insurance Company Limited (Previous year ₹ 5,036.21crore on sale of partial investment in SBI Life Insurance Company Limited).

10 In respect of SBI Life Insurance Company Ltd.:

a) 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

b) IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to refund the excess commission paid to corporate agents to the members or the beneficiaries amounting to ` 275.29 crore (Previous Year ` 275.29 crore) vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014 .The company has filed appeals against the order with the Securities Appellate Tribunal (SAT).

As the final orders are pending, the aforesaid amounts have been disclosed as contingent liability.

11 The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI (Investment) Regulations, 2016 instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximate 12.74% (Previous Year 9.87%) of the total investments as on March 31, 2019.

12 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.

13 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.

14 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.

Smt. Anshula Kant	**Shri Arijit Basu**	**Shri Dinesh Kumar Khara**	**Shri P. K. Gupta**
MD (SARC)	MD (CCG & IT)	MD (GB & S)	MD (R & DB)

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

Mumbai
Dated 10th May 2019

State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2019

(000s omitted)

PARTICULARS		Year ended 31.03.2019 ₹	Year ended 31.03.2018 ₹
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)		4451,05,72	(12613,79,21)
Adjustments for :			
Depreciation on Property, Plant & Equipment		3495,89,21	3105,07,10
(Profit)/Loss on sale of Property, Plant & Equipment (Net)		32,35,82	30,73,27
(Profit)/Loss on revaluation of Investments (Net)		2124,03,82	1120,61,02
(Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/Associates		(466,47,81)	(5134,30,14)
Provision for diminution in fair value & Non Performing Assets		55253,57,08	71525,98,80
Provision on Standard Assets		20,50,53	(3584,56,16)
Provision for depreciation on Investments		(606,00,24)	8177,30,33
Other Provisions including provision for contingencies		131,02,52	(103,64,78)
Share in Profit of Associates		(281,47,94)	(438,15,98)
Dividend from Associates		(11,71,87)	(15,45,97)
Interest on Capital Instruments		4222,27,24	4554,43,06
		68365,04,08	**66624,21,34**
Changes in:			
Increase/(Decrease) in Deposits		218362,77,89	121391,84,57
Increase/(Decrease) in Borrowings other than Capital Instruments		41290,72,22	44832,14,90
(Increase)/Decrease in Investments other than Investment in Subsidiaries/ Joint Ventures/Associates		63373,44,50	(164770,34,41)
(Increase)/Decrease in Advances		(321988,70,29)	(134190,21,63)
Increase/(Decrease) in Other Liabilities		4182,31,31	(111,91,71)
(Increase)/Decrease in Other Assets		(35854,36,00)	(22273,22,00)
		37731,23,71	**(88497,48,94)**
Tax refund / (Taxes paid)		(8175,23,21)	(8010,41,70)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(A)**	**29556,00,50**	**(96507,90,64)**
CASH FLOW FROM INVESTING ACTIVITIES			
(Increase)/Decrease in Investments in Subsidiaries/Joint Ventures/Associates		(63,52,57)	104,83,55
Profit/(Loss) on sale of Investments in Subsidiaries/Joint Ventures/Associates		466,47,81	5134,30,14
Dividend from Associates		11,71,39	15,45,97
(Increase)/Decrease in Property, Plant & Equipment		(3005,51,02)	6601,82,54
(Increase)/Decrease in Goodwill on Consolidation		1734,07,01	(790,65,51)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(B)**	**(856,77,38)**	**11065,76,69**
CASH FLOW FROM FINANCING ACTIVITIES			
(Expenses on Shares issued and allotted on 27 March 2018) / Proceeds from issue of Equity Shares net of issue expense		(8,74,22)	23782,45,47

(000s omitted)

PARTICULARS		Year ended 31.03.2019 ₹	Year ended 31.03.2018 ₹
Issue/redemption of Capital Instruments (net)		3377,60,00	(12118,47,50)
Interest on Capital Instruments		(4222,27,24)	(4554,43,06)
Dividend paid including tax thereon		,,0	(2416,26,71)
Dividend tax paid by Subsidiaries/Joint Ventures		(120,69,39)	(143,58,57)
Increase/(Decrease) in Minority Interest		1421,74,62	997,46,74
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**(C)**	**447,63,77**	**5547,16,37**
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	**(D)**	**1076,28,67**	**1305,17,53**
CASH AND CASH EQUIVALENTS RECEIVED ON ACCOUNT OF MERGER OF BHARATIYA MAHILA BANK	**(E)**	**-**	**681,75,35**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)+(E)		**30223,15,56**	**(77908,04,70)**
CASH AND CASH EQUIVALENTS AT 1ST APRIL		**195289,10,83**	**273197,15,53**
CASH AND CASH EQUIVALENTS AT PERIOD END		**225512,26,39**	**195289,10,83**
Note:			
1) Components of Cash & Cash Equivalents as at:		**31.03.2019**	**31.03.2018**
Cash & Balances with Reserve Bank of India		177362,74,09	150769,45,69
Balances with Banks and Money at Call & Short Notice		48149,52,30	44519,65,14
Total		**225512,26,39**	**195289,10,83**
2) Cash Flow from operating activities is reported by using indirect method.			

Smt. Anshula Kant
MD (SARC)

Shri Arijit Basu
MD (CCG & IT)

Shri Dinesh Kumar Khara
MD (GB & S)

Shri P. K. Gupta
MD (R & DB)

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

Mumbai
Dated 10th May 2019

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, 2019, 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 Central Statutory Auditors including us;

b) Audited Results of 28 Subsidiaries, 8 Joint Ventures and 17 Associates audited by other Auditors (including 15 Regional Rural Banks); and

c) Un-audited results of 1 Subsidiary and 3 Associates (including 2 Regional Rural Banks)

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, 2019;

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.

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, 2019. 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	Auditors' Response
i	Classification of Advances and Identification of and provisioning for non-performing Advances in accordance with the RBI guidelines (Refer Schedule 9 read with Note 3 of Schedule 17 to the standalone financial statements) 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. Advances constitute 59.38% 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). The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3. 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 Solutions (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. 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. 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	Our audit approach towards advances with reference to the IRAC norms and other related circulars / directives issued by RBI and also internal policies and procedures of the Bank includes the testing of the following: - 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; - 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; 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. 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 valuer's provided by the Bank's management. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. 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.

Sr. No.	Key Audit Matters	Auditors' Response
ii	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the standalone financial statements) Investments include investments made by the Bank in various Government Securities, Bonds, Debenture, Shares, Security receipts and other approved securities. Investments constitute 26.27% of the Bank's total assets. These are governed by the circulars and directives of the Reserve Bank of India (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. 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 FIMDA 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. Accordingly, our audit was focused on valuation of investments, classification, identification of Non Performing Investments and provisioning related to investments.	Our audit approach towards Investments with reference to the RBI Circulars / directives included the review and testing of the design, operating effectiveness of internal controls and substantive audit procedures in relation to valuation, classification, identification of Non Performing Investments, Provisioning / depreciation related to Investments. In particular, a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of Non Performing Investments, Provisioning/depreciation related to investments; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; d. We assessed and evaluated the process of identification of NPIs, and corresponding reversal of income and creation of provision; e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	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) : 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 advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit approach involved :- a. Understanding the current status of the litigations/tax assessments; b. Examining recent orders and/or communication received from various Tax Authorities/ Judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice ; and d. 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.

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, 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 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 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, 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 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 Statements, respective management 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 managements 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.

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 along with 13 (thirteen) Joint Auditors did not audit the financial statements/ information of 14,796 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of INR 14,00,731.01 crores at 31st March 2019 and total interest income of INR 1,06,540.62 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 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 28 (twenty eight) Subsidiaries, 8 (eight) Joint Ventures whose financial statements reflect total assets of INR 2,25,286 crores as at 31st March, 2019, total revenues of INR 57,143 crores and net cash out flows amounting to INR 921 crores 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 INR 241 crores for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 17 (seventeen) 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 INR 5,766 crores as at 31st March, 2019, total revenues of INR 238 crores and net cash inflows amounting to INR 39 crores 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 INR 41 crores for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 3(three) 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.

8. 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, 2019 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

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.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

Shri Rajesh Sethi
Partner
Membership No: 085669

Place: Mumbai
Date: 10th May, 2019

Pillar 3 Disclosures (Consolidated)

as on 31.03.2019

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 31.03.2019

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 (International) 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 Pvt. 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
17	SBI Canada Bank	Canada	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
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	Non-financial Subsidiary: Not under scope of Regulatory Consolidation
27	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
28	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
29	GE Capital Business Process Management Services Pvt Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Non-financial Joint Venture: Not under scope of Regulatory Consolidation
30	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
31	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
32	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
33	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
34	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

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	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
36	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
37	Jio Payments Bank Limited	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	Joint Venture: Not under scope of Regulatory Consolidation
38	Andhra Pradesh Grameena Vikas Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
39	Arunachal Pradesh Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
40	Chhattisgarh Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
41	Ellaquai Dehati Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
42	Meghalaya Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
43	Langpi Dehangi Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
44	Madhyanchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
45	Mizoram Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
46	Nagaland Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
47	Purvanchal Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
48	Utkal Grameen 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
49	Uttarakhand Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
50	Vananchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
51	Saurashtra Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
52	Rajasthan Marudhara Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
53	Telangana Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
54	Kaveri Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
55	Malwa Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
56	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
57	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 consolidated both under the accounting and regulatory scope of consolidation as on 31.03.2019

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	15.57	99.72%		15.62
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 31.03.2019

(₹ 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	1,417.44	1,464.72
2	SBICAP Securities Ltd.	India	Securities Broking & its allied services and third party distribution of financial products	274.81	626.70
3	SBICAP Trustee Company Ltd.	India	Corporate Trusteeship Activities	90.96	105.12
4	SBICAP Ventures Ltd.	India	Asset Management Company for Venture Capital Fund	60.55	63.13
5	SBICAP (Singapore) Ltd.	Singapore	Business & management Consultancy Services	59.24	59.81
6	SBICAP (UK) Ltd.	U.K.	Arrangement of corporate finance & providing advisory services	1.91	2.06
7	SBI DFHI Ltd.	India	Primary Dealer in Govt. Securities	953.19	7,206.09
8	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Trusteeship Services to schemes floated by SBI Mutual Fund	30.24	30.27
9	SBI Global Factors Ltd.	India	Factoring Activities	325.93	1,302.75
10	SBI Pension Funds Pvt Ltd.	India	Management of assets of NPS Trust allocated to them	38.39	39.00
11	SBI Payment Services Pvt. Ltd.	India	Payment Solution Services	1,509.95	1,584.55
12	SBI Funds Management Pvt. Ltd.	India	Asset Management Services to schemes floated by SBI Mutual Fund	1,314.66	1,565.80
13	SBI Funds Management (International) Private Ltd.	Mauritius	Investment Management Services	2.03	2.96
14	SBI Cards and Payment Services Pvt. Ltd.	India	Credit Cards Business	2,856.19	19,257.82
15	SBI –SG Global Securities Services Pvt. Ltd.	India	Custody and Fund accounting services	159.91	167.91
16	SBI Business Process Management Services Ltd	India	Card Processing and Other Services	401.38	604.60
17	State Bank of India (California)	USA	Banking Services	945.08	5,458.48
18	SBI Canada Bank	Canada	Banking Services	779.22	5,766.39
19	Commercial Indo Bank Llc. , Moscow	Russia	Banking Services	205.46	498.76
20	SBI (Mauritius) Ltd.	Mauritius	Banking Services	1,037.08	6,235.40
21	PT Bank SBI Indonesia	Indonesia	Banking Services	694.08	2,458.21
22	Nepal SBI Bank Ltd.	Nepal	Banking Services	843.77	7,311.49
23	State Bank of India (UK) Limited	UK	Banking Services	1,658.39	14,512.00
24	Bank SBI Botswana Ltd.	Botswana	Banking Services	73.85	279.38
25	State Bank of India Servicos Limitada	Brazil	Representative Office Services	1.46	1.53
26	Nepal SBI Merchant Banking Ltd.	Nepal	Merchant Banking and Advisory Services	13.51	13.73

(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 regulator (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 200 million rupees of the equivalent. (b) Every bank shall maintain in Mauritius, capital of not less than 10%, 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	In case of excess capital beyond the regulatory minimum requirement, the excess capital may be paid back to the parent (via dividends or reduced capital) with the approval of SBI UK Board and the Regulator PRA. However, SBI (UK) Ltd. has committed to PRA in the Regulatory Business Plan that it will not reduce capital or declare dividend in the medium term considering the growth of Subsidiary and its capital requirements.

DF-2 : CAPITAL ADEQUACY

As on 31.03.2019

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 ◆ Risks related to Insurance Business ◆ Cyber Risk ◆ Market Risk ◆ Credit Concentration Risk ◆ Interest Rate Risk in the Banking Book ◆ Country Risk ◆ Underwriting Risk ◆ Strategic Risk ◆ Model Risk ◆ Contagion Risk ◆ Talent 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 — ₹ 1,43,298.45 crore
- Securitization exposures — Nil

Total ₹ 1,43,298.45 crore

(c) Capital requirements for market risk:

- Standardized duration approach;
  - Interest Rate Risk — ₹ 11,328.79 crore
  - Foreign Exchange Risk(including gold) — ₹ 188.60 crore
  - Equity Risk — ₹ 4,881.52 crore

Total ₹ 16,398.91 crore

(d) Capital requirements for operational risk:

- Basic Indicator Approach — ₹ 18,988.48 crore
- The Standardized Approach (if applicable)

Total ₹ 18,988.48 crore

(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 31.03.2019

	CET 1 (%)	Tier 1 (%)	Total (%)
SBI Group	9.78	10.78	12.83
State Bank of India	9.62	10.65	12.72
SBI (Mauritius) Ltd.	23.30	23.30	24.20
State Bank of India (Canada)	14.88	14.88	16.84
State Bank of India (California)	16.64	16.64	17.67
Commercial Indo Bank LLC, Moscow	36.70	36.70	36.70
Bank SBI Indonesia	29.89	29.89	30.68
Nepal SBI Bank Ltd.	13.20	13.20	14.79
Bank SBI Botswana Ltd.	24.95	24.95	26.11
SBI (UK) Ltd.	13.82	13.82	17.60

DF-3: CREDIT RISK: GENERAL DISCLOSURES

As on 31.03.2019

Qualitative Disclosures

- **Definitions of past due and impaired assets (for accounting purposes)**

Non-performing assets

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31st March 2006, a non-performing Asset (NPA) is an advance where

(i) Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan

(ii) The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC)

(iii) The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted

(iv) Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts

(v) A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season

(vi) An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.

(vii) The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitization transactions undertaken in accordance with the RBI guidelines on securitization dated February 1, 2006.

(viii) In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

'Out of Order' status
An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.
In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

'Overdue'
Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

- **Resolution of Stressed Assets**

Early identification and reporting of stress:
Identification of incipient stress in loan accounts, immediately on default*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

- **Discussion of the Bank's Credit Risk Management Policy**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

(i) Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorized broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.

(ii) Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with exposure of ₹ 10 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 31.03.2019

(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	2334946.70	409149.70	2744096.40
c	Geographic Distribution of Exposures: FB / NFB			
	Overseas	335714.97	45173.33	380888.30
	Domestic	1999231.73	363976.37	2363208.10
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)			173588.54
	i. Substandard			26136.88
	ii. Doubtful 1			34797.74
	iii. Doubtful 2			78115.25
	iv. Doubtful 3			25071.59
	v. Loss			9467.08
g	Net NPAs			66044.07
h	NPA Ratios			
	i) Gross NPAs to gross advances			7.43%
	ii) Net NPAs to net advances			2.97%
i	Movement of NPAs (Gross)			
	i) Opening balance			225104.51
	ii) Additions			33730.19
	iii) Reductions			85245.11
	iv) Closing balance			173589.59
j	Movement of provisions for NPAs			
	i) Opening balance			113581.21
	ii) Provisions made during the period			55712.38
	iii) Write-off			61663.24
	iv) Write-back of excess provisions			85.88
	v) Closing balance			107544.47
k	Amount of Non-Performing Investments			5738.38
l	Amount of Provisions held for Non-Performing Investments			4288.77
m	Movement of Provisions for Depreciation on Investments			
	Opening balance			10206.44
	Provisions made during the period			567.61
	Add: Foreign Exchange Revaluation Adj.			-
	Write-off			228.88
	Write-back of excess provisions			879.04
	Closing balance			9666.13
n	By major industry or counter party type			
	Amt. of NPA and if available, past due loans, provided separately			100306.83
	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 31.03.2019

(₹ In crore)

Code	Industry	Fund Based [Outstanding-O/s)]			Non-Fund Based(O/s)
		Standard	NPA	Total	
1	Coal	1907.78	399.00	2306.78	2102.25
2	Mining	4305.05	111.37	4416.42	1553.53
3	Iron & Steel	65632.86	25837.06	91469.92	27892.95
4	Metal Products	32144.68	2343.90	34488.58	9459.96
5	All Engineering	31547.12	11291.34	42836.46	76561.99
5.1	Of which Electronics	4645.90	4414.68	9060.58	2687.67
6	Electricity	9903.46	0.00	9903.46	0.00
7	Cotton Textiles	22890.53	5439.76	28330.29	1708.79
8	Jute Textiles	383.52	40.07	423.59	31.20
9	Other Textiles	11805.28	2504.97	14310.25	1756.97
10	Sugar	7477.27	1028.46	8505.73	1017.48
11	Tea	583.70	144.25	727.95	32.84
12	Food Processing	48429.45	6530.22	54959.67	2572.64
13	Vegetable Oils &Vanaspati	3409.91	2376.55	5786.46	2484.95
14	Tobacco / Tobacco Products	717.83	22.21	740.04	151.62
15	Paper / Paper Products	4140.04	641.66	4781.70	1153.22
16	Rubber / Rubber Products	7707.68	548.99	8256.67	2650.89
17	Chemicals / Dyes / Paints etc.	99608.43	3994.46	103602.89	61887.83
17.1	Of which Fertilizers	15984.54	995.21	16979.75	7252.59
17.2	Of which Petrochemicals	61932.02	354.11	62286.13	45975.01
17.3	Of which Drugs &Pharma	12312.33	1339.36	13651.69	2064.27
18	Cement	14072.39	1053.22	15125.61	4037.54
19	Leather & Leather Products	2294.91	334.55	2629.46	338.64
20	Gems & Jewellery	12408.40	797.59	13205.99	1636.70
21	Construction	29085.88	1355.17	30441.05	7999.57
22	Petroleum	34484.34	2057.61	36541.95	21939.04
23	Automobiles & Trucks	12336.59	3592.43	15929.02	6600.94
24	Computer Software	1811.28	58.83	1870.11	1071.71
25	Infrastructure	314266.93	47691.13	361958.06	82934.01
25.1	Of which Power	178655.83	25346.00	204001.83	25317.46
25.2	Of which Telecommunication	18736.29	7608.62	26344.91	9273.60
25.3	Of which Roads & Ports	46484.91	8292.02	54776.93	24547.41
26	Other Industries	302681.32	20810.02	323491.34	47620.91
27	NBFCs & Trading	344702.64	11608.73	356311.36	18143.94
28	Residual Advances	740618.90	20974.99	761593.89	23807.59
	Total	**2161358.16**	**173588.54**	**2334946.70**	**409149.70**

Table- B
DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2019*

(₹ In crore)

	INFLOWS	1 days	2-7 days	8-14 days	15-30 days	31 days &upto 2 months	More than 2 months &upto 3 months	Over 3 months &upto 6 months	Over 6 months &upto 1 year	Over 1 year &upto 3 years	Over 3 years &upto 5 years	Over 5 years	TOTAL
1	Cash	19001.21	3.94	0.00	0.32	3.36	0.77	1.81	2.05	2.00	2.50	5.23	19023.19
2	Balances with RBI	43277.09	2070.49	1100.77	1595.48	2068.17	1717.89	4300.45	25534.82	28427.37	12679.99	35424.43	158196.95
3	Balances with other Banks	29340.97	2531.00	2948.38	5287.83	3037.40	3116.30	1793.84	434.64	1040.26	1113.38	66.37	50710.37
4	Investments	6092.05	6552.79	2574.97	13757.30	9146.71	23875.10	25971.20	43994.61	169072.43	184035.77	499171.60	984244.53
5	Advances	24024.60	15136.74	13500.93	43620.82	35227.95	36887.02	75150.16	104282.37	1100046.57	296182.95	490588.07	2234648.18
6	Fixed Assets	34.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.86	19.88	39591.15	39651.72
7	Other Assets	33503.77	23289.39	24349.47	22521.90	19541.72	18570.38	26265.81	21854.28	21136.98	20909.13	36926.20	268869.04
	TOTAL	**155274.52**	**49584.35**	**44474.52**	**86783.65**	**69025.31**	**84167.46**	**133483.27**	**196102.77**	**1319731.47**	**514943.60**	**1101773.05**	**3755343.98**

*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 31.03.2019

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, 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.

Quantitative Disclosures as on 31.03.2019

(₹ In crore)

			Amount
(b)	For exposure amounts after risk mitigation subject to the Standardized Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.	Below 100% Risk Weight	1869877.19
		100% Risk Weight	449622.71
		More than 100% Risk Weight	424596.50
		Deducted	0.00
		Total	**2744096.40**

DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31.03.2019

Credit Risk Mitigation: Disclosures for Standardised Approach

(a) Qualitative Disclosures

- **Policies and Processes for, and indication of the extent to which the bank makes use of, on-and off-balance Sheet netting**

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:
Where bank,

a. has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt;

b. is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and

c. monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- **Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

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 :

(i) Classification of credit risk-mitigants

(ii) Acceptable credit risk-mitigants

(iii) Documentation and legal process requirements for credit risk-mitigants

(iv) Valuation of collateral

(v) Margin and Haircut requirements

(vi) External ratings

(vii) Custody of collateral

(viii) Insurance

(ix) Monitoring of credit risk mitigants

(x) General guidelines.

- **Description of the main types of collateral taken by the Bank**

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)

Gold

Securities issued by Central / State Governments

Debt Securities rated BBB- or better/ PR3/P3/F3/A3 for Short-Term Debt Instrument

- **Main types of Guarantor Counterparty and their creditworthiness**

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

- Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

Information about (Market or Credit) risk concentrations within the mitigation taken:

The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as: -

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates,
- Fixed assets and current assets of the counterparty.

Quantitative Disclosures as on 31.03.2019		(₹ 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.	127848.29
c)	(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)	55317.05

DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

As on 31.03.2019

	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
(b)	**Summary of the bank's accounting policies for securitization activities, including:**	
	Whether the transactions are treated as sales or financings;	Not Applicable
	Methods and key assumptions (including inputs) applied in valuing positions retained or purchased	Not Applicable
	Changes in methods and key assumptions from the previous period and impact of the changes;	Not Applicable

	Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.	Not Applicable
(c)	In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.	Not Applicable
	Quantitative Disclosures: Banking Book	
(d)	The total amount of exposures securitised by the bank.	Nil
(e)	For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	Nil
(f)	Amount of assets intended to be securitised within a year	Nil
(g)	Of (f), amount of assets originated within a year before securitisation.	Not Applicable
(h)	The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
(i)	Aggregate amount of:	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type	Nil
(j)	Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	Nil
	Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil
	Quantitative Disclosures: Trading Book	
(k)	Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	Nil
(l)	Aggregate amount of:	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type.	Nil
(m)	Aggregate amount of securitisation exposures retained or purchased separately for:	Nil
	Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and	Nil
	Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.	Nil
(n)	Aggregate amount of:	
	The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.	Nil
	Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital(by exposure type).	Nil

DF–7: MARKET RISK IN TRADING BOOK

As on 31.03.2019

(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	31.03.2019
Interest rate Risk (including Derivatives)	11,328.79
Equity Position Risk	4,881.52
Foreign Exchange Risk	188.60
Total	**16,398.91**

DF–8: OPERATIONAL RISK

As on 31.03.2019

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 MD (Stress Assets, Risk and Compliance)
- 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 (RNC-R & DB, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SAMG & 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, as part of AMA process. In addition, Near Miss Events and external losses are also captured so as 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. During current financial year RCSA was conducted 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 AMA Use-Test.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II defined Advanced Measurement Approach (AMA) 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 2019. Bank's Capital under AMA is also computed for the year ended 31st March 2019 as part of AMA Parallel Run.

DF–9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31.03.2019

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)	6,014.47

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)	31,084.48
Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	15,542.24

DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK as on 31.03.2019

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 (₹ In crore)	Notional	Current credit exposure
a) Interest rate Swaps	114,421.06	790.47
b) Cross Currency Swaps	56,468.29	1,415.50
c) Currency Options	29,380.72	140.17
d) Foreign Exchange Contracts	177,240.57	2,461.06
e) Currency Futures	-	-
f) Forward Rate Agreements	200.89	-
g) Others (please specify product name)	-	-
Total	**377,711.53**	**4,807.20**
Credit Derivative transactions	**NIL**	

DF-11: COMPOSITION OF CAPITAL

As on 31.03.2019

(₹ 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	114355.05	B1 + B2 + B7 + B8 (#)
3	Accumulated other comprehensive income (and other reserves)	16685.46	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)	1025.92	
6	**Common Equity Tier 1 capital before regulatory adjustments**	212074.36	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	1734.07	D
9	Intangibles (net of related tax liability)	775.73	
10	Deferred Tax Assets	10863.94	
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		

(₹ 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)
15	Defined-benefit pension fund net assets		
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	85.45	
17	Reciprocal cross-holdings in common equity	431.20	
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)	27.53	
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)	1703.18	
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	1385.68	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	317.50	
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	15621.10	
29	Common Equity Tier 1 capital (CET1)	196453.26	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	18491.95	
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)	18491.95	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	2039.29	
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)	192.36	
35	of which: instruments issued by subsidiaries subject to phase out		
36	**Additional Tier 1 capital before regulatory adjustments**	20723.60	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	639.40	
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)		

(₹ 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)**
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**	639.40	
44	**Additional Tier 1 capital (AT1)**	20084.20	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	216537.46	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	19973.90	
47	Directly issued capital instruments subject to phase out from Tier 2	7582.84	
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)	873.89	
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions	12739.78	
51	**Tier 2 capital before regulatory adjustments**	41170.41	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	88.01	
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**	88.01	
58	**Tier 2 capital (T2)**	41082.40	
59	**Total capital (TC = T1 + T2) (45 + 58)**	257619.86	
60	**Total risk weighted assets (60a + 60b + 60c)**	2008174.47	
60a	of which: total credit risk weighted assets	1592205.01	
60b	of which: total market risk weighted assets	204986.40	
60c	of which: total operational risk weighted assets	210983.06	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.78	
62	Tier 1 (as a percentage of risk weighted assets)	10.78	
63	Total capital (as a percentage of risk weighted assets)	12.83	

(₹ 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)
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)	7.825	
65	of which: capital conservation buffer requirement	1.875	
66	of which: bank specific countercyclical buffer requirement	0.00	
67	of which: G-SIB buffer requirement	0.45	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	4.28	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities		
73	Significant investments in the common stock of financial entities	797.46	
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	753.16	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	12739.78	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	19902.56	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0.00	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0.00	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0.00	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0.00	
82	Current cap on AT1 instruments subject to phase out arrangements	30%	
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	30%	
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	10863.94
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	753.16
	Total as indicated in row 10	10863.94
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	12739.78
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of row 50	12739.78

B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 Crore)

DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT

As on 31.03.2019

(₹ in crores)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
A	**Capital & Liabilities**			
i	Paid-up Capital	892.46	892.46	A
	of which: Amount eligible for CET 1	892.46	892.46	A1
	of which: Amount eligible for AT1	-	-	A2
	Reserves & Surplus	2,33,603.20	2,25,956.22	B
	of which: Statutory Reserve	66,344.10	66,344.10	B1
	of which: Capital Reserves	9,957.29	9,957.29	B2
	of which: Share Premium	79,115.47	79,115.47	B3
	of which: Investment Reserve	371.84	371.84	B4
	of which: Foreign Currency Translation Reserve	7,455.38	7,454.92	B5
	of which: Revaluation Reserve	24,653.94	24,653.94	B6
	of which: Revenue and Other Reserve	54,033.58	50,692.58	B7
	of which: Balance in Profit & Loss Account	(8,328.40)	(12,633.92)	B8
	Minority Interest	6,036.99	2,615.31	
	Total Capital	**2,40,532.65**	**2,29,463.99**	

(₹ in crores)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
ii	**Deposits**	**29,40,541.06**	**29,41,936.76**	
	of which: Deposits from banks	14,957.41	14,957.41	
	of which: Customer deposits	29,25,583.65	29,26,979.35	
	of which: Other deposits (pl. specify)			
iii	**Borrowings**	**4,13,747.66**	**4,13,739.79**	
	of which: From RBI	96,089.00	96,089.00	
	of which: From banks	1,61,212.56	1,61,212.56	
	of which: From other institutions & agencies	1,05,550.09	1,05,542.05	
	of which: Others (pl. specify)	-	-	
	of which: Capital instruments	50,896.01	50,896.18	
iv	**Other liabilities & provisions**	**2,93,645.69**	**1,49,858.99**	
	of which: DTLs related to goodwill			
	of which: DTLs related to intangible assets			
	Total	**38,88,467.06**	**37,34,999.53**	
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	**1,77,362.74**	**1,77,209.89**	
	Balance with banks and money at call and short notice	**48,149.52**	**46,304.01**	
ii	**Investments**	**11,19,247.77**	**9,74,465.94**	
	of which: Government securities	8,32,188.70	7,81,461.29	
	of which: Other approved securities	14,170.88	401.34	
	of which: Shares	42,840.46	9,903.40	
	of which: Debentures & Bonds	1,62,428.16	1,25,924.27	
	of which: Subsidiaries / Joint Ventures / Associates	3,520.05	2,234.31	
	of which: Others (Commercial Papers, Mutual Funds etc.)	64,099.52	54,541.33	
iii	**Loans and advances**	**22,26,853.67**	**22,26,680.65**	
	of which: Loans and advances to banks	79,297.79	79,271.54	
	of which: Loans and advances to customers	21,47,555.88	21,47,409.11	
iv	**Fixed assets**	**40,703.05**	**39,976.90**	
v	**Other assets**	**2,74,416.24**	**2,68,628.07**	
	of which: Goodwill	-	-	
	of which: Other intangibles (excluding MSRs)	775.73	775.73	
	of which: Deferred tax assets	10,983.19	10,938.74	C
vi	**Goodwill on consolidation**	**1,734.07**	**1,734.07**	D
vii	**Debit balance in Profit & Loss account**	**-**	**-**	
	Total Assets	**38,88,467.06**	**37,34,999.53**	

	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	114355.05	B1 + B2 + B7 + B8 (#)
3	Accumulated other comprehensive income (and other reserves)	16685.46	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)	1025.92	
6	Common Equity Tier 1 capital before regulatory adjustments	212074.36	
7	Prudential valuation adjustments	0	
8	Goodwill (net of related tax liability)	1734.07	D

B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 Crores) & Balance in Profit & Loss Account at the end of the previous financial year (₹ 4,818.18 Crore)

DF-16: Equities - Disclosure for Banking Book Positions

As on 31.03.2019

	Qualitative Disclosures	
1	The general qualitative disclosure with respect to equity risk, including:	
	● Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;	All equity investment in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.
	● Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 para C-2 of Bank's Annual Report.

Quantitative Disclosures

(₹ In crore)

1	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.		494.01
2	The types and nature of investments, including the amount that can be classified as:		
	Particulars	**Type**	**Book Value (In crore)**
	Publicly traded	Subsidiaries	621.00
	Privately held	Associates, Subsidiaries & JVs	4990.15
3	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period		484.29 (Gain)
4	Total unrealized gains (losses)[13]		-6.89
5	Total latent revaluation gains (losses)[14]		NIL
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital		-1.43
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		0.06

[13] Unrealised gains (losses) recognized in the balance sheet but not through the profit and loss account.
[14] Unrealised gains (losses) not recognized either in the balance sheet or through the profit and loss account.

DF-17: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

AS ON 31.03.2019

	ITEM	(₹ In millions)
1	Total consolidated assets as per published financial statements	38884670.60
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-1534675.30
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	332117.97
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	6317.41
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	3717918.00
7	Other adjustments	-162604.90
8	Leverage ratio exposure	41243743.78

DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

As on 31.03.2019

	ITEM	(₹ In millions)
	On balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	37349995.30
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-162604.90
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	37187390.40
	Derivatives exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	126206.31
5	Add-on amounts for PFE associated with all derivatives transactions	205911.66
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted CCP leg of client-cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	**Total derivative exposures (sum of lines 4 to 10)**	332117.97
	Securities financing transaction exposure	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	6317.41
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	0
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	6317.41
	Other off balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	14348303.00
18	(Adjustments for conversion to credit equivalent amounts)	-10630385.00
19	**Off-balance sheet items (sum of lines 17 and 18)**	3717918.00
	Capital and total exposures	
20	**Tier 1 capital**	**2165374.60**
21	**Total exposures (sum of lines 3,11,16 and 19)**	**41243743.78**
	Leverage ratio	
22	Basel III leverage ratio (%)	**5.25**

DF- GR: Additional Disclosures on Group Risk

As on 31.03.2019

Qualitative Disclosure	
In respect of Group entities * [Overseas Banking entities and Non-Banking entities]	
General Description on	
Corporate Governance Practices	All Group entities adhere to good Corporate Governance practices.
Disclosure Practices	All Group entities adhere to / follow good disclosure practices.
Arm's Length Policy in respect of Intra Group Transactions	All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security.
Common marketing, branding and use of SBI's Symbol	No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.
Details of Financial Support,# if any	No Group entity has provided / received Financial Support from any other entity in the Group.
Adherence to all other covenants of Group Risk Management policy	All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support':

a) inappropriate transfer of capital or income from one entity to the other in the Group;

b) vitiation of the Arm's Length Policy within which the Group entities are expected to operate;

c) adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;

d) evasion of capital or other regulatory requirements;

e) operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

* Entities covered:

BANKING - OVERSEAS	**NON - BANKING**
State Bank of India (Canada)	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards & Payment Services Pvt. Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Pvt. Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI Global Factors Ltd.
State Bank of India (Botswana) Ltd.	SBI Life Insurance Co. Ltd.
State Bank of India (UK)	SBI Payment Services Pvt. 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 31st March, 2019 have been disclosed separately on the Bank's website www.sbi.co.in under the link Corporate Governance.

Green Initiative

Dear Shareholder,

Green Initiative in Corporate Governance

In accordance with SEBI guidelines, we are issuing Annual Report in electronic form to those shareholders whose e-mail addresses are available.

Your Bank invites you to participate in the Green initiative by enabling the Bank to communicate with you through electronic mode i.e. e-mail. It will not only contribute to conservation of environment, but also bring in better efficiency in communication by obviating transit delays and losses. We request you to join us in this initiative by updating your email ID with your Depository Participant, if your holding is in demat form. Shareholders holding shares in physical form shall have to send their updated information / changes to the Registrar & Transfer Agent (RTA), M/s Alankit Assignments Ltd. through email to sbi.igr@alankit.com.

Further, while most of you hold shares of your Bank in demat form, some of you are still retaining the shares in physical form. The Shares held by you in physical form can be easily dematerialized i.e converted into electronic form. The various benefits derived out of dematerialization of shares are:-

- Immediate transfer of securities. No stamp duty on transfer of securities
- Reduction in risks associated with holding securities in paper form such as theft, damage due to fire, wear & tear etc., bad delivery in settlement process, fake / forged securities etc.
- Change in address recorded with DP gets registered electronically with all companies in which investor holds securities eliminating the need to correspond with each of them separately;
- Transmission of securities is done by DP eliminating correspondence with companies;
- Holding investments in equity, debt instruments and Government securities in a single account;
- Automatic credit into demat account, of shares, arising out of bonus/ split/consolidation/ merger etc;

If you are holding shares in physical form, please approach any Depository Participant (DP) (like SBICAP Securities Limited toll free number 1800223345 email- helpdesk@sbicapsec.com) of your choice for opening the Demat account. Fill in a Demat Request Form (DRF) and handover the relative shares certificate(s) to your DP for Dematerialisation of your shares. Shares will get converted into electronic form and will automatically be credited to your Demat Account.

If you are receiving dividend in the physical form, you are requested to furnish/ update bank account details with DP/RTA, as the case may be, to receive dividend electronically.

We are sure that you will appreciate the “Green Initiative” taken by your Bank and hope that you will enthusiastically participate in the effort.

Kind Attention of shareholders is brought to Section 38A of the State Bank of India Act, 1955 inserted with effect from 15.09.2010 by the State Bank of India (Amendment) Act, 2010. As per the said section, a dividend declared by the State Bank which has not been paid to a shareholder or claimed by any eligible shareholder, within thirty days from the date of declaration shall be transferred to a special account called as “unpaid dividend account”. Further, all unpaid dividend amount of period prior to the above amendment was already transferred to the said “unpaid dividend account.” Any money transferred to the unpaid dividend account of the State Bank as above which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Bank to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013, for being utilised for the purpose and in the manner specified in that section. In view of the above, all shareholders are requested to ensure that any dividend payable to them, are claimed without any delay.

State Bank of India

Proxy Form

Folio No.: _____

DP/Client-ID No.: _____

I/We _____

_____ resident of _____ being (a) shareholder (s)

of the State Bank of India holding (No.) _____ shares on the Register of shareholders

at the Central office of the Bank do hereby appoint_____ resident of _____

(or failing him/her_____ resident of_____) as my/our proxy to vote for me/us

and on my/our behalf at the meeting of the shareholders of the State Bank of India to be held at _____on

the _____ day of _____ and at any adjournment thereof.

Dated this _____ day of _____

₹ 1 Revenue Stamp

No instrument of proxy shall be valid unless in the case of an individual shareholder, it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholders first named in the Register or his attorney duly authorised in writing, or in the case of a Company, it is executed under its Common Seal, if any, or signed by its attorney duly authorized in writing.

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is, for any reason, unable to write his name, if his mark is affixed thereto and attested by a Judge, Magistrate, Justice of the Peace, Registrar or Sub-Registrar of Assurances, or other Government Gazetted Officer or an Officer of the State Bank of India.

A proxy, unless appointed by a Company, should be a Director of the Central Board/Member of the Local Board/Shareholder of the State Bank of India, other than an officer or employee of the State Bank of India.

No Proxy shall be valid unless it is duly stamped and unless it, together with the power of attorney or other authority (if any) under which it is signed, or a copy of that power of attorney or authority certified by a Notary Public or a Magistrate, is deposited with the Central Office or other office designated from time to time by the Chairman or Managing Director in this behalf, not less than 7 clear days before the date fixed for the meeting. (In case a power of attorney is already registered with the Bank, the Folio No. and Registration No. of the power of attorney be also mentioned).

The State Bank of India, Shares & Bonds Dept., Corporate Centre, 14th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai - 400 021 is authorised to accept the proxy form, power of attorney, authority or any other documents in this regard.

State Bank of India

Annual General Meeting of shareholders attendance slip

Date: | | | | | | | | |

Folio No: | | | | | | | | |

DP/Client-ID No.: | | | | | | | | | | | | | | | |

Full Name of the Shareholder/ First holder:
(as appearing on share certificate/recorded with DP) _____

Registered address: _____

_____ PIN | | | | | | |

Total number of Shares held: | | | | | | | | | |

Share Certificate Nos.,
(in case of physical holding) From | | | | | | | | To | | | | | | | |

Whether having voting rights in terms of State Bank of India

General Regulation R. 31* Yes / No

If yes number of votes to which he/she is entitled, in case of Poll by ballot.

In person as a shareholder							
As a proxy							
As a duly authorised representative							
TOTAL							

Signature Attested (Signature of Shareholder)

Name:

Designation:

Seal/Stamp:

Note:

i) The Branch Managers/Managers of Divisions of the branches of the State Bank of India (whose signatures are circulated) are authorised to attest the signature of the shareholders, on production of suitable evidence of his/her shareholding to the branch where the shareholders may be maintaining account.

ii) If the shareholder maintains account with a bank other than State Bank of India, the signature may be attested by the Branch Manager of that Bank, affixing the branch seal/stamp to evidence the attestation.

iii) Alternatively, the shareholder may have his/her signature attested by a Notary or a Magistrate.

iv) The signature of shareholders can also be got attested at the venue of the Meeting by the designated officers of the State Bank of India, on production of satisfactory evidence of his/her identification such as Passport/Driving Licence with photograph, Voters Identity Card or such other similar acceptable evidence.

* Regulation 31 - Determination of Voting Rights:

i) Subject to the provisions contained in section 11 of the Act, each shareholder who has been registered as a Shareholder for a period of not less than three months prior to the date of a general meeting shall, at such meeting, have one vote for each fifty shares held by him or it.

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

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

For Shareholder(s) use

M/s Alankit Assignments Ltd.
Unit: State Bank of India
Alankit Heights, 205-208, Anarkali Complex,
E/7 Jhandewalan Extension,
New Delhi - 110 055.

Tel. Nos. 011 – 4254 1234 / 7290071335

INVESTOR'S OPTION TO RECEIVE PAYMENT THROUGH CREDIT CLEARING MECHANISM / ELECTRONICALLY AS APPLICABLE

1. Investor's Name

(i) _____
(ii) _____
(iii) _____

2. Present Address

_____
_____
_____

Pin: _____

Tel. No. & Mobile No.

_____

Email address: _____

(For all future communication including, receipt of E-Annual Report)

3. Folio No.: _____ (Only in case of physical shareholders)

4. PF INDEX NO.: _____
(to be filled in only by SBI employees holding SBI shares)

5. Particulars of Bank Account

a. Bank Name: _____

b. Branch Name: _____
(Complete address)

_____

Pin: _____

c. 9- Digit MICR Code Number of the Bank and Branch:

(as appearing on the MICR cheque issued by the Bank)

d. Account Type: _____
(S.B. Account (code 10) or Current Account (code 11) or Cash Credit (code 13)

e. Account Number (as appearing on the cheque book.
Please attach a blank "cancelled" cheque or photocopy thereof)

I, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold State Bank of India responsible.

Place:
Date:

(Signature of the first holder)

Note:-

1. Shareholder(s) holding shares in Electronic (Demat) Form are requested to notify all the above particulars to their Depository Participant (DP), quoting their DPID/Client ID.
2. Shareholders are requested to opt for converting their physical holding into Demat account.
3. Shareholders/Bondholders are requested to avail Nomination Facility.
4. Nomination forms are available on Bank's website under link Investor Relations / Share Holder Info / Nomination forms.
5. Visit www.sbi.co.in / Investor Relations /SHARE HOLDER INFO for latest updates.

Route Map to venue of the AGM

Venue: "SBI Auditorium", State Bank Bhavan,
Madame Cama Road, Nariman Point,
Mumbai-400021 (Maharashtra)
Distance from Churchgate Station : 0.95 km
Distance from Chhatrapati Sivaji Terminus : 2.20 km



Notes

Notes

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yono SBI **YONO CASH**

WHY YONO CASH IS SAFE:

- Transact Via Dynamic Pin
- No Skimming
- No Card Trapping
- No Shoulder Surfing
- No Lost Card/Pin



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