

DIRECTORS' REPORT

I. Economic Backdrop and Banking Environment

Global Economic Scenario

The global economic growth has faced an arduous journey in 2020, with the COVID-19 pandemic leading to significant loss of both lives and livelihood. Global economy is expected to have contracted ~3.3% in 2020 against the growth of 2.8% in 2019. After the severe dent in the first half owing to lockdowns and restrictions, economic momentum picked up in the latter half of the year, owing to the removal of restrictions and unleashing of pent-up demand. The prompt measures taken by the governments and central banks have also prevented much deeper global recession. However, concerns about debt sustainability have started to surface as countries spend as much as they can to protect the vulnerable and to limit long-lasting damage to economies. Shifting market expectations can bring challenges to countries with higher levels of external debt.

Meanwhile, vigorous efforts of scientific community have helped in making multiple vaccines available globally. This has provided the necessary hope of coming out of this crisis. But the uneven distribution of vaccines globally is a matter of concern. Furthermore, the new virus mutations and increasing transmission are other factors that are dampening global growth prospects. Against this backdrop, IMF has projected a smart recovery of the world economy at 6% growth in 2021. The outlook for growth would improve if the production and distribution of Vaccines is accelerated, is better co-ordinated around the world and gets ahead of virus mutations. This in turn would allow various restrictions imposed to be relaxed quickly and speed up economic recovery. Furthermore, the outlook depends not only on the injection to infection ratio but also on the effectiveness of economic policies in limiting the damage caused by this crisis.

The pandemic has brought with it certain lessons for the world to learn. First is the necessity to improve health infrastructure. The countries, which were worst affected by the virus also faced acute health crisis. Equally important is the accelerated adoption of technology and increased focus on digitalisation and automation of various processes.

The quality and access to digital infrastructure has played a key role in the pace of economic recovery. This is another area that will have to be focused by all nations going forward.

India's Economic Scenario

FY2021 was the most tumultuous year in the history of last 75 years of independent India, as the COVID-19 pandemic wreaked havoc locally, as well as globally. Indian economy contracted by 7.3% (as against 4.0% growth in FY2020 and 6.5% growth in FY2019) owing to nation-wide lockdown imposed in Apr-May of 2020 and its after-effects in the subsequent months.

Industrial sector GVA, driven by the manufacturing sector emerged out of contraction in Q3 FY2021 and for the whole fiscal it declined by 7.0% as compared to the contraction of 1.2% in FY2020.

The services sector stepped out of contraction in Q4 FY2021 with the phased unlocking of the economy but declined by 8.4% in FY2021 as against 7.2% growth in FY2020. Despite gaining some traction, the contact-intensive services sector may take some time to reach pre-Covid levels.

Growth in agriculture and allied activities is the only silver-lining in such a gloomy year. Agri GVA expanded by 3.6% in FY2021 due to sufficient access to inputs, adequate and well-spread south-west and north-east monsoon rains, sufficient reservoir levels and improved soil moisture. As per the Third Advance Estimates for 2020-21, total foodgrain production in the country is estimated at record 305.44 million tonnes, an increase of 2.7% over the previous year. Foodgrains production has touched another record for the fifth consecutive year.

In FY2021, CPI inflation breached the upper tolerance band of 6% for eight consecutive months in the lockdown and post-lockdown period (Apr-Nov 2020) due to a series of cost-push shocks: supply chain disruptions, weather shocks, higher crude oil and other commodity prices and higher taxes. The increase in petrol and diesel prices is showing up in trade and transport costs, taxi and auto fares and its

second-round effects could push-up the prices of goods and services further in a broad-based manner. Owing to this, the annual average CPI inflation was 6.2% for FY2021 as against 4.8% in FY2020.

The contraction in merchandise exports and imports during FY2021 is an indication of fragile situation of world trade and global demand. India's merchandise exports (y-o-y) declined by 7.3% in FY2021 vis-à-vis a decline of 5.1% in FY2020 while imports shrank by a whopping 18.0% in FY2021 compared to 7.7% contraction in FY2020. The larger decline in imports as compared to exports led to a current account surplus of 1.7% of GDP in April-December of FY2021 as against a deficit of 1.2% in April-December of FY2020.

Reserve Bank of India (RBI) projects real GDP growth of 10.5% for FY2022 on the back of buoyant rural demand, strengthening of urban demand, strong investment demand and exports. The fiscal stimulus under AatmaNirbhar 2.0 and 3.0, coupled with increased allocation for capital expenditure under the Union Budget 2021-22, will definitely accelerate public investment and crowd in private investment. However, surge in infections, new mutants, partial lockdowns, high non-oil commodity prices and global financial market volatility impart downside risks to the growth.

The outlook for inflation will depend upon plethora of factors. While lingering supply chain disruptions, rising global crude oil prices and stronger pass-through of input costs could push up headline inflation, there is also a probability of softer international crude oil prices on the back of a weaker than anticipated global demand, bountiful food grains production and effective supply management. Preliminary estimates indicate that India will have normal monsoon this year (third time in a row).

With robust services exports and remittances, India is expected to see a current account surplus in FY2021. With strengthening US recovery leading to capital outflows, Rupee is expected to see depreciation pressures. However, the external sector metrics remain sustainable as RBI has ample forex reserves to defend the currency, which is not expected to



SBI is happy to announce the launch of YONO SBI in Sri Lanka, South Africa and Bangladesh. The virtual launch was done on 18-Mar-21 by Chairman, in the presence of other top executives of the Bank.

see a speculative attack as the weakness stems only from current account deficit and less capital flows.

Banking Environment

The banking sector saw tepid demand for credit in H1FY2021. However, credit offtake improved in H2, with the momentum picking up beginning October and registering a growth (financial year basis) since November. As per the provisional data released by RBI for FY2021, ASCBs credit has declined to a 59-year low of 5.6%, compared to 6.1% growth in FY2020. On the other hand, deposit growth remained robust and grew by 11.4% in FY2021, compared to 7.9% growth in FY2020, reflecting precautionary saving in the face of high uncertainty. Further, RBI's report on 'Quarterly statistics on Deposits and Credit of SCBs', indicates that credit by Public Sector Banks (PSBs) and private sector banks recorded 3.6% and 9.1% growth respectively, whereas lending by foreign banks declined during FY2021. The slowdown in SCBs' credit growth during FY2021 has been broad-based across all major sectors, except agriculture.

According to data on the sectoral deployment of bank credit for March 2021, credit growth to Agri & Allied activities has accelerated to 12.3% in March 2021 (4.2% a year ago), the highest since April 2017. Credit growth to industry decelerated marginally to 0.4% (0.7% a year ago) mainly due to credit to large industries, which contracted by 0.8% in March 2021 (as compared with a growth of 0.6% a year ago). This is primarily on account of large industries raising resources from non-bank sources. Credit growth to the services sector decelerated to 1.4% during FY2021 from 7.4% in the previous year, primarily driven down by sharp deceleration in credit growth to NBFCs after a spurt in the preceding year and contraction in credit to professional services. Further, personal loans accounted for one fourth of total bank credit and continued to record double-digit growth of 10.2%, compared to last year growth of 15.0%, led by housing and other personal loans.

To give support to the market and economy during pandemic, RBI announced several liquidity measures and also reduced the key policy repo rate by 115 bps to 4.0%

and CRR by 100 bps to 3.0%. Thus, the downward interest rate scenario has continued with decline in deposit and lending rates, aided by large surplus liquidity, the implementation of the external benchmark linked lending rates and subdued credit demand. If we look at SCBs, the lending rate (weighted average lending rates on fresh loans) has declined by 79 bps (PSBs: 120 bps, Pvt Banks: 22 bps) and weighted average domestic term deposit rate has reduced by 100 bps (PSBs: 89 bps, Pvt banks: 101 bps) during FY2021.

The current pandemic has highlighted the importance of maintaining business continuity in times of complete absence of physical interaction and building a robust digital banking infrastructure. The trend for mobile banking is encouraging. From ₹3.6 lakh crore in April 2020, the mobile banking payments have increased to ₹9.3 lakh crore in January 2021, fuelled by COVID panic led lockdown. Similarly, transactions in UPI have increased from ₹1.5 lakh crore in April 2020 to ₹5.0 lakh crore in March 2021, indicating an increase of 145%. The rapid rise of UPI has been due to features

ANYTIME CHANNELS – REACHING HEIGHTS & CORNERS OF THE NATION

ATMs have been installed at Tea Gardens in Assam



ATM installed in INS Vikramaditya



Khardungla, LEH ATM at 18379 feet, the highest altitude in the world

During Covid-19 pandemic lockdown, 80 mobile ATMs operated across all the Circles.



Floating ATMs installed in Kerala



like round the clock availability, single application for accessing different bank accounts, use of Virtual ID, which is more secure and requires no credential sharing. This shows that going forward, too, banks will have to focus on providing safe, secure, and easy to use digital applications for the expansion of their businesses and better customer service.

Outlook

The last financial year was exceptional by all standards in the recorded history of banking sector. The spread of the virus and subsequent lockdown in FY2021 was testing time for the Bank. The Bank's banking operations were sustained despite all odds.

FY2021 was practically under lockdown with progressive opening by February 2021. This naturally had taken a toll on the economy. The sudden loss in domestic demand had its impact on demand for credit. For most of the year the deposit growth outpaced the credit growth, reflecting the sudden drop in discretionary consumption. This has put sustained pressure on deposits rates, which have trended southwards.

The pandemic has also brought to light latent supply side inflationary trend, which

has now become visible in price indices. The recent minutes of the meeting of Monetary Policy Committee has therefore highlighted this as a risk that needs monitoring and warrants concrete actions.

Besides the COVID-19 pandemic, FY2021 also had to contend with other local disasters such a locust attack affecting northern states, outbreak of bird flu and floods in eastern part of the country.

The GDP growth for FY2022 has been projected at 10.5% (RBI) as compared to contraction of 7.3% in FY2021. However, the current financial year has begun with second COVID-19 wave and experts have informed that virus strain has mutated in India. Accordingly, quick immunisation of working population will be the most optimal scenario, which will impact the growth outlook. There is considerable uncertainty on how the demand will pick up in this financial year – notably it is difficult to predict if capital formation will see sustained recovery.

In this backdrop, the Bank's business needs careful assessment. The business continuity plans chalked out in FY2021 have worked well. Bank's support under AatmaNirbhar Abhiyan has been satisfactory. But with second wave, more detailed planning will be required. Banks

have created contingency buffers to cover losses over and above what was provided. The impact on asset quality of the banks due to second wave needs to be reassessed in respect of possible unexpected losses over and above what has been provided. Bank must resort to recently notified pre-package insolvency route to address stress in MSME segment.

However, as noted last year, the COVID-19 pandemic has also opened opportunities for the banks. Reordering of global supply chains presents unique opportunity to India to position itself as manufacturing hub to meet global demand, a proposition that continues to hold good. Rapid adoption of digital technology as seen in response to the COVID-19 has benefited the Bank considerably last year.

In a nutshell, the outlook on Bank's business and the economy will be conditional on time frame by which the virus is completely eliminated, and normalcy is restored. The headroom for another fiscal package has narrowed down and potential revenue generation has sharply dropped by 400 basis points as noted by Chairman of Finance Commission. Thus, for the Bank it is imperative that business procedures keep adapting to new operating environment.

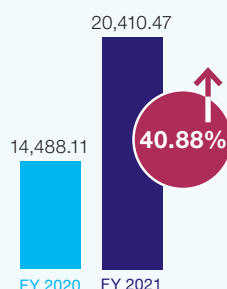
II. Financial Performance

Net Profit and Operating Profit

The Net profit increased by 40.88% to ₹20,410.47 crore in FY2021 from ₹14,488.11 crore in FY2020. The Operating Profit of your Bank for FY2021 increased by 5.02% to ₹71,554.15 crore from ₹68,132.61 crore in FY2020. (Including exceptional item of ₹1,539.73 crore in the FY2021 and ₹6,215.64 crore in FY 2020).

Net Profit

(₹ in Crores)



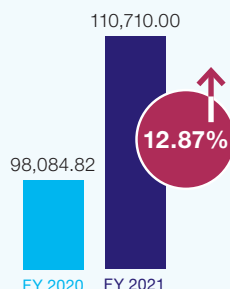
Net Interest Income

Net interest income increased by 12.87% to ₹1,10,710.00 crore in FY2021 from ₹98,084.82 crore in FY2020. Total interest income increased from ₹2,57,323.59 crore in FY2020 to ₹2,65,150.63 crore in FY2021 registering a growth of 3.04 %.

Total interest expenses declined from ₹1,59,238.77 crore in FY2020 to ₹1,54,440.63 in FY2021. Interest expenses on deposits during FY2021 recorded a decline of 3.37%, compared to the previous year.

Net Interest Income

(₹ in Crores)



Other Income

Other income (excluding exceptional item) increased by 7.57 % to ₹41,956.64 crore in FY2021 from ₹39,005.84 crore in FY2020

Operating Expenses

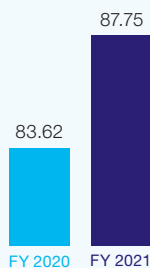
Operating expenses of the Bank increased by 9.95% to ₹82,652.22 crore in FY2021 from ₹75,173.69 crore in FY2020.

Provisions and Contingencies

Total provision and contingency decreased by 4.66% from ₹53,644.50 crore in FY2020 to ₹51,143.68 crore in FY2021. Major provisions made in FY2021: Provision of ₹27,244.35 crore for non-performing assets (as against ₹42,775.96 crore in FY2020) and Investment depreciation of ₹3,014.50 crore (as against ₹538.55 crore in FY2020) was made during the year.

The Provisioning to Gross Non-Performing Assets ratio (including AUCA) of the Bank as on 31st March, 2021 is 87.75% (Previous Year 83.62 %).

Provision Coverage Ratio



Assets and Liabilities

Total assets of your Bank have increased by 14.76% to ₹45,34,429.63 crore as at the end of March 2021 from ₹39,51,393.92 crore at the end of March 2020. During the period, the loan portfolio increased by 5.34% to ₹24,49,497.79 crore from ₹23,25,289.56 crore. Investments increased by 29.11 % to ₹13,51,705.21 crore from ₹10,46,954.52 crore. A major portion of the investment in the domestic market was in government securities.

Your Bank's aggregate liabilities (excluding capital and reserves) rose by 15.09 % to ₹42,80,554.44 crore as on 31st March

2021 from ₹37,19,386.49 crore as on 31st March 2020. The deposits rose by 13.56% and stood at ₹36,81,277.08 crore as on 31st March 2021 against ₹32,41,620.73 crore as on 31st March 2020. The borrowings increased by 32.62 % to ₹4,17,297.70 crore as at the end of March 2021 from ₹3,14,655.65 crore as at the end of March 2020.

Reserves and Surplus

An amount of ₹6,123.14 crore (as against ₹4,346.43 crore in FY2020) was transferred to Statutory Reserves. An amount of ₹1,465.12 crore (as against ₹3,985.84 crore in FY2020) was transferred to Capital Reserves. An amount of ₹1,928.20 crore in FY2021 (as against ₹1,119.88 crore in FY2020) was transferred to Investment Fluctuation Reserve.

Dividend

Your Bank has declared a dividend of ₹4.00 per share @ 400% for the year ended March 31, 2021.

Progress of Implementation of IND AS

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

SBI

WITH **DIGITAL APNAYEN,**
BRING YOUR CUSTOMERS
ON BOARD TO
DIGITAL BANKING.

Give your customers the power of digital banking by contributing to the GGFs Digital Apnayan initiative by onboarding 100 new customers to SBI's digital platforms such as YONO SBI, CIB, RINB, UPI, Debit Cards, PoS, BHIM, BHIM Aadhaar, etc.

CAMPAIGN PERIOD
Aug 15th to
Oct 31st, 2020

YONO SBI
E-BIM
UPI
AAPS

III. Core Operations

1. Retail & Digital Banking Group

Retail and Digital Banking is the largest business vertical of the Bank, with 99.45% of total branches and 98.04% of total human resource of the Bank. The Group comprises of eight strategic business units, which drive the largest branch network across the country. Your Bank is committed to customer delight at all its branches. The ever-evolving customer preferences, especially of the younger population, coupled with increased focus on enhanced customer convenience, are transforming the retail banking landscape.

Your Bank's customer base is steadily increasing across the country, making Retail Banking the most prolific segment of your Bank, both in terms of deposit mobilisation as well as extending customised credit. Your Bank continues to be the largest Home Loan provider in the country and the largest dispenser of Education Loans, which demonstrates its unflinching commitment to serve the society at large.

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

YONO is our flagship mobile banking and lifestyle app, a one-stop shop offering not just financial services but also a gamut of investment, insurance and shopping solutions. In addition, it also offers YONO Krishi which is a comprehensive multi – lingual platform for agriculture segment customers offering simplified finance (KCC Review/Agri Gold Loans), advisory / market intelligence related services (Mitra) as well as market linkage through Online Market Place (Mandij). YONO has crossed many milestones with 79.60+ million downloads and approximately 37.10+ million registrations as of 31st March, 2021.

Your Bank is committed to creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cyber security processes to ensure mitigation of various risks.

A. Personal Banking

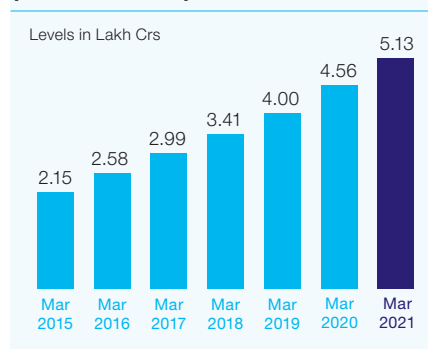
1. Home Loans

FY2021 saw a massive disruption in the real estate market, affecting the Home Loan business due to the COVID -19 pandemic and stringent lockdown measures. The pandemic had slowed down the pace for almost first half of the year and later due to various reviving economic measures announced by the Central and State Governments, the real estate market started regaining ground in the second half of FY2021.

Your Bank has crossed a historic landmark of ₹5 trillion (₹5 lakh crore) of home loan business, the first vertical in the Bank to touch the magic figure. The share of the home loan portfolio as a percentage of Domestic advances, now stands at 23.10% and 37% of whole Retail advances of your Bank.

We have sanctioned and disbursed over ₹1 trillion under home loans during FY2021 in midst of the COVID-19 pandemic.

Journey over the years (Home Loans):



Market Share: State Bank of India continues to be the market leader. Your Bank's market share in individual mortgages is at 34.53% (Mar'21) amongst all ASCB and at 21.79% (Sept'20) among all the players including HFCs (improved by

70 bps over Mar'20). Your bank has nearly 41 lakh home loan customer accounts and is determined to add more in the coming times.

Affordable and PSL: Your bank's Affordable Housing contributes 59.27% of its total home loan portfolio, while PSL stands at 33.19%.

CNA for PMAY subsidy: As the Central Nodal Agency (CNA) for PMAY-CLSS scheme, your bank has processed 2.20 lakh claims up to 31st March, 2021 aggregating to ₹4,816 crore of subsidy amount, leading to an income of ₹51 crore for your Bank. Additionally, your Bank has been nominated as CNA by MoHUA, the only commercial bank in the country (other CNAs are HUDCO and NHB).

Asset Quality: Maintaining a healthy asset quality was a challenge amid COVID-19 pandemic that has led to unprecedented economic fall-out in the country. Almost every sector was impacted due to the pandemic. Incessant follow up, soft reach out calls to customers and proactive measures initiated by your Bank resulted in Home Loan NPAs falling below March, 2021 level to 0.58%.

Based on RBI's COVID-19 relief measures of moratorium and restructuring of retail loans including home loans, your Bank has issued various guidelines to provide relief to its home loan customers. In the first phase, 28.26 lakh home loan borrowers were granted moratorium. In the second phase, the moratorium was extended to 34.04 lakh accounts. An online portal was launched for borrowers to apply for restructuring.

Initiatives: Your Bank has always been instrumental in customising and developing sustainable, creative solutions and continuously striving towards making SBI the 'No. 1 Choice of Millennial' for home loans. In this direction, a customised 'Special Top Up' scheme was launched for existing home loan customers to help them tide over financial crisis during COVID-19 pandemic.

End-to-end digitisation of entire home loan journey is under advanced stage of development and is likely to be rolled out shortly, which is aimed to ensure seamless pre- sanction and post-sanction services. It will not only ensure growth, but also bring

in more efficiencies in product delivery process of home loans and customer delight.

Your Bank has developed in-house contactless digital platforms such as CRM, YONO, OCAS which are being promoted extensively as resource tools to maximise home loan business and boost up our market share further.

Tie-ups with Builders: Amid burgeoning competition in the home loan market, onboarding maximum projects under Builder Tie-Up (BTU) provides much-needed leg-up to your Bank not only for accelerating home loan business but also for sourcing quality and less-risky proposals besides considerably improving the Turn Around Time (TAT). Your Bank has so far approved 7,329 projects (RERA approved) with aim to grow 20% YoY in the next two years in Builder Tie Up projects.

2. Auto Loans

In FY2021, your Bank's car loan market-share in total new car sales has jumped to 16.5% as against 14.4% in FY2020. While due to COVID-19 Pandemic, industry sales were affected; your Bank took various initiatives to maintain volumes and grew its portfolio YOY by 5% in the current fiscal. A vast product range covering all types of vehicles was made available to both existing and New to Bank (NTB) customers, through multiple channels, such as Branches, YONO, Dealers and CLPs. Your Bank's YONO car loan comes with benefits of 0.25% concession in rate of interest and NIL Processing Fee to customers, which is an additional feature provided by your Bank. Your Bank continued helping in upgrading the living standards of its customers by providing Auto Loans at competitive rates, thereby making "owning a car" an affordable proposition. These measures have helped your Bank to grow its loan portfolio to reach a level of 76,322 crores as of 31st March, 2021.

3. Education Loans

Education is the key prerequisite for creating human capital, as it helps in developing skills and productive human resources. Prior to 4th September 2020, education loans of up to ₹10 lakh outstanding was considered as Priority Sector Advance. With RBI's revised guidelines, w.e.f 4th September 2020, loans with limit up to

₹20 lakhs are now considered as Priority Sector Advances. Your Bank takes pride in being the largest education Loan provider in the country, with market share improving to 29.52%. Your bank has helped 47,959 meritorious students to realise their dreams by providing financial assistance to the tune of ₹5,980 crore during the year. Out of this, 39% of the loans were extended to girl students (increased from 35% in Mar'20). To broaden the scope of education loans, book quality business and enhance customer satisfaction, your Bank has taken following steps:

- Shortlisted a greater number of top-rated premier and reputed institutions taking total numbers to 217 for extending Education Loans under the Scholar Loan scheme with relaxed norms and concessional interest rates.
- Penetration through our Flagship product "Global Ed-vantage Education Loans" for studies abroad improved through extension of Door-step services through Education Loan Counsellors (ELCs) at select cities (We could sanction 1,397 cases amounting to ₹522 crore through this service).
- To ensure better tracking of the loan applications and faster sanctioning of loans, your Bank's Loan Origination System (LOS) was integrated with Vidya Lakshmi Portal (VLP) of the Government of India.

4. Personal Loans

Personal Loans, both secured and unsecured, are amongst the most popular products in your Bank and your Bank is a leader in this market segment. Your Bank is aggressively catering to the needs of salaried class (both government and private), pensioners and self-employed/ other customers. Your Bank is now extending loans to customers with salary accounts at other Banks also through SBI Quick Personal Loans (CLP Platform). As on 31st March 2021, Personal loan portfolio (Xpress credit and Pension loan) reached a level of ₹2,23,329 crore with a YTD growth of 33.89% (₹56,532 crore). The growth is contributed primarily by the flagship product Xpress credit to the tune of ₹51,367 crore (YTD growth 36.32%). During this financial year, your Bank has provided personal loans (Xpress credit and pension loan) amounting to ₹1,26,104 crore to more than 31.13 lakh customers,

which includes digital loans of ₹16,569 crore (PAXC – ₹9,402 crore, Insta Credit – ₹5,663 crore, PAPNL – ₹824 crore And Insta Pension – ₹680 crore).

Bank Launched a new product "SPL PAPL scheme" in May'20 for customers who were in urgent need of money wherein amount equal to 3 months' salary was offered as an advance and was available to the customers till Aug'20. We have extended 2,47,559 loans amounting to ₹2,953 crore under the product.

5. Consumer Durable Loans for e-Commerce Purchase

Your Bank has launched two end-to-end digitised loan products for purchase of consumer durables:

- Online EMI loans for e-Commerce.
- POS EMI Loans for e-Commerce. At present, the products are being offered to around 1 crore eligible customers.

EMI for Online e-commerce product facilitates your Bank's pre-selected customers to purchase consumer durable goods on EMI from online shopping portals like Flipkart and Amazon. Your Bank's efforts are on to rope in other major online aggregators for the benefit of its customers. Additionally, your Bank has developed POS enabled EMI facility for the benefit of pre-selected customers holding the SBI Debit cards for purchasing consumer durable goods from the approved shops/ mall/stores/show rooms. Checking of EMI loan eligibility by sending SMS "DCEMI" to 567676 is available for Customer convenience.

6. Liability and Investments Products

The overall CASA Deposits of your Bank has grown from ₹14,10,981 crore as of March, 2020 to ₹16,46,974 crore as of March, 2021, registering a growth of ₹2,35,993 crore (16.73%) YoY. The CASA Ratio improved from 45.16% as of March, 2020 to 46.13% as of March, 2021. P-Domestic Deposit has grown from ₹21,03,164 crore as of March, 2020 to ₹23,67,641 crore as of March, 2021 registering a growth of ₹2,64,477 crore (12.57%). Your Bank has launched Floating Rate Bulk Term Deposit with interest rate linked to external benchmark, viz., Repo Rate.

(a) Doorstep Banking Services

In a move towards customer convenience and ease of access to banking services, your Bank is extending Doorstep Banking Services for Cash Deposit, Cash Withdrawal, Pick up of Cheque Book Requisition Slip, Pick up of Cheques for Collection / Clearing, Life Certificate through Jeevan Pramaan, Pick up of IT/ Govt/ GST Challan with Cheque, Delivery of Statement of Account, Term Deposit Advice and TDS & Form 16 Certificate through Agents to all customers at top 100 banking centres. Senior Citizens of more than 70 years of age and differently abled persons are also extended Doorstep Banking Services at all centres PAN-India.

7. Salary Package Accounts

Your bank continued to focus opening Salary Package Accounts and providing personalised services to employees of Corporates, Defence, Police, Railway, Central and State Governments through Corporate Salary Relationship Managers. The total Salary Accounts customer base as on March 2021 reached a level of 165.78 lakh with addition of 3.74 lakh new Salary Package customers during FY2021.

8. Digital Personal Loan Offerings

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

- i) PAPL (Pre-Approved Personal Loan)
- ii) PAXC (Pre-Approved Xpress Credit)
- iii) PAPNL (Pre-Approved Pension Loan)
- iv) INSTA Top-up for Xpress Credit
- v) Insta Top-up for Pension Loan

Customers can avail the offerings on 24x7 basis, without any physical documentation and branch visit.

- The Bank has sanctioned 12.20 lac digital loans involving ₹19607 crores during the current FY as on Mar'21, out of which two most popular products

Xpress Credit and Xpress Credit Top up loans contributed ₹15065 crores.

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

9. NRI Businesses

As on 31st March 2021, your Bank has around 36 lakh NRI Customers, who are being served through 366 dedicated Specialised NRI Branches / NRI Intensive Branches in India, Foreign Offices in 32 countries, 233 Global Banks as Correspondent Banks and tie-ups with 50 exchange houses and 6 Banks (in the Middle East) to facilitate remittances. In order to provide a one stop service to NRI Customers 'Global NRI Centre (GNC)' has been set up at Ernakulam for all non-financial services of your Bank.

State Bank of India is the leader in NRI Banking space in India with a market share of 22.18% (as of March 2021). The NRI deposit base stands at US\$ 31.47 Billion (as on March 2021). The Indian diaspora, spread across the globe, has always reposed immense trust in us.

Your Bank has launched the following products / services in FY2021 for the benefit of its NRI clientele:

- Delivery of automated advice on registered email address on T+1 basis for all new / rolled over STDR/TDR/FCNR(B) deposits.
- Missed Call Banking Services through SBI Quick App. Customers can get Account balance as well as mini statement by just giving a missed call from their registered mobile numbers.
- Financial Transactions (NEFT/RTGS) have been extended to NRI Customers in YONO Interface.

10. Precious Metals

(i) Sovereign Gold Bonds:

Sovereign Gold Bond Scheme (SGB) was introduced by the GOI during FY2016 with the intention of promoting Digital Gold

instead of Physical Gold for the investors. Your Bank, during the FY2021, mobilised 3,319 kg gold (₹1,630.17 crore) under the scheme, which is the highest ever in a fiscal since inception of the scheme.

(ii) Gold Monetisation Scheme:

With the objective of mobilising gold, which is lying idle with households and institutions, the GOI introduced Gold Monetisation Scheme (GMS) during the year 2015-16. During FY2021, your Bank has mobilised 2,341 kg gold, bringing the cumulative mobilisation to 15,553 kg.

(iii) Other Gold Business:

In addition to mobilising gold under GMS and selling SGB, your Bank is also a primary player in the field of Bullion Banking. It makes available Metal Gold Loan to jewellers engaged in manufacturing of gold ornaments for the domestic and export purposes.

Your Bank, during FY2021, has extended Metal Gold Loans of 16,332 Kg.

Your Bank is also engaged in selling Wholesale Gold to jewellers/Traders. During the year, the Bank has sold 2,931 kg gold under the "Sale of Gold" Scheme.

11. Gold Loan

Your Bank offers general purpose personal loan against pledge of Gold Ornaments. During FY2021, the portfolio witnessed a YTD growth of 465% thereby reaching a level of ₹20,987 crore as on 31st March 2021 with Gold loan customer base at 1 million.

Your Bank has also made available personal Gold Loans for SBI's Home Loan customers by way of a product named "Realty Gold Loan" for meeting margin requirements, project cost escalation and registration charges.

12. Wealth Management Business

SBI Wealth provides comprehensive Investment & Insurance Solutions and Banking Services to both Affluent and High Networth Individuals. Our open architecture product platform leveraging our tie-ups for Mutual Funds, Portfolio Management Services and Bonds, helps clients with meeting their financial requirements.

Bank's Wealth Management Services are offered at 69 Centres through 161 Wealth Hubs, 4 e-Wealth Centres and a dedicated Global e-Wealth Centre for NRIs at Kochi.

SBI Wealth has shown exponential growth in terms of Client Acquisition and Assets Under Management during the year under review. The Number of Clients increased by 93% from 132,354 in March 2020 to 2,55,196 in March, 2021. Additionally, the AUM increased by 90% from ₹1,09,061 crore in March, 2020 to ₹2,07,167 crore in March, 2021. The investment AUM registered 89% growth during the FY2021, which stood at ₹8,592 crore. We have processed 36,000 SIPs with a value of ₹40 crore and the number of Investment Active Clients increased to 24,812 in March, 2021 over 14,056 clients in March, 2020.

Despite the pandemic, SBI Wealth focused on continuous and constant Client Contacts by our Wealth Sales Team to keep up the Confidence and Trust of Clients. We have achieved a Client Contact Ratio of 97% as of March, 2021. SBI Wealth introduced an e-Business Card, "Happy to Serve You", which enabled Wealth Sales Team to connect and render efficient Service Delivery for Wealth Clients. Our teams remain connected through Voice/ Video Calls to assure Clients all assistance in banking and Investment Services during the fiscal.

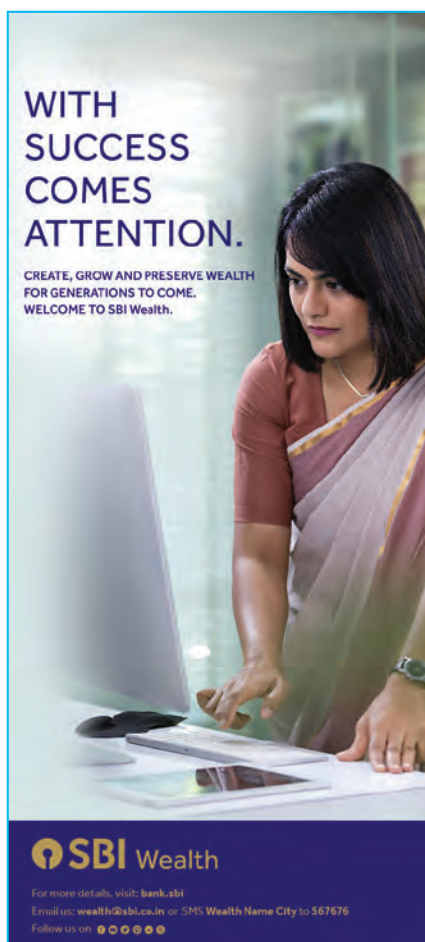
B. ANYTIME CHANNELS

As on	ATMs	Kiosks	ADWMs	Total
31 st March 2021	49,380	#	13,237	62,617
31 st March 2020	45,279	#	13,276	58,555
31 st March 2019	50,757	#	7,658	58,415
31 st March 2018*	51,616	#	7,925	59,541
31 st March 2017	42,222	986	6,980	50,188

* Kiosks are scrapped and not in use * Merged

1. ATMs/ADWMs

Your Bank has one of the largest ATM Networks in the world, with 62,617 ATMs, including Automated Deposit and Withdrawal Machines (ADWMs) as on 31st March 2021. In order to provide 24x7



With the objective to make the ATMs more secure, your Bank has installed Multi-Vendor Software (MVS) and End Point Security (EPS) covering implementation of BIOS Password, disabling USB Ports, upgraded Operating System, EMV Card Readers, anti-skimming devices and other software making all ATMs/ADWMs compliant of various control measures mandated by RBI.

To ensure safety of ATMs as well as the customers, coverage under e-Surveillance is being enhanced. Your Bank has covered around 43,200 ATMs under e-Surveillance as on 31st March, 2021 and eventually all ATMs are expected to be covered under e-Surveillance by 30th September, 2021.



cash deposit and withdrawal facility, your Bank has installed 13,237 ADWMs.

Nearly, 19% of the financial transactions of your Bank are routed through ATMs/ADWMs. With a market share of 29.32% (as per RBI Data as on March 2021) in ATM Network in India, it transacts 34.02% of the Country's total ATM transactions. On an average, over 1.12 crore transactions per day are routed through your Bank's ATM Network.

In order to strengthen the security of ATM cash withdrawals against skimming, cloning, theft of cards etc. by fraudsters, your Bank introduced OTP based cash withdrawal facility for transactions above ₹10,000 between 8 PM to 8 AM w.e.f. 1st January 2020. This OTP based cash withdrawal facility now stands extended to 24x7 for cash transactions of ₹10,000 and above from 18th September, 2020.

2. SWAYAMS: Barcode based Passbook Printing Kiosks

Your Bank has installed 18,073 SWAYAMs (Barcode based Self passbook printing kiosks) deployed across 15,857 branches. These include 8,181 kiosks in ATM rooms/e-lobbies/Through the Wall (TTW) available outside branch banking halls for extended hours. On a monthly basis, around 3.50 crore passbook printing takes place on SWAYAM kiosks.

3. Green Channel Counter (GCC)

Your Bank has deployed GCC terminals at almost all the retail branches for transactions through Debit Cards for promoting Green Banking. Transactions facilitated are – cash withdrawal, cash deposit, funds transfer within SBI accounts, Balance Enquiry, Green PIN generation and PIN Change and Mini Statement.

4. Green Remit Card (GRC)

The GRC is a cash deposit card through which funds can be deposited to a pre-defined account of Your Bank by using GRC in GCC/CDMs/ADWMs. Cash deposit facility through GRC is available 24*7 at CDM/ADWM and is useful especially for migrant workers.

5. Cheque Deposit Kiosk (CDK)/Smart CDK

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

6. 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 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 to this, all branches are authorised for opening NPS accounts under National Pension System. The details of Commission earned are as under:

JVs	Actuals YTD March, 2020	Actuals YTD March, 2021	% Change YOY
SBI LIFE	1,118	1,240	11%
SBI MF	375	464	24%
SBI GENERAL	315	327	04%
SBI CARDS	212	135	-36%
SSL	05	03	-40%
NPS	05	06	20%
TOTAL	2,030	2,175	07%

Initiatives and successes for FY2021 are mentioned below:

SBI Life

SBI Life Insurance ranks No.1 in private Life insurance industry under individual rated premium since FY2018. The protection share for State Bank of India in Individual Rated Premium has gone up from 6.3% to 8.6% as on 31st March 2021. Digital sourcing rate of SBI Life Banca is 99.6%.

SBI Mutual Fund

SBI continues to be No. 1 Mutual Fund Distributer having crossed a milestone of ₹1.10 lakh crore in Asset Under Management (AUM) as on 31st March 2021. Further SBIMF leads the ranks amongst AMC's and has crossed a milestone of ₹5.04 lakh crore in AUM. The digital mobilisation of business is providing ease to customers as well as operating staff. Almost 80% of SIPs are being mobilised through digital mode.

SBI General

The current year has witnessed significant migration of transactions over digital channel. The preferred products like PAI and Health Insurance have been seen a good traction this year. Personal Accidental Insurance is fully migrated on your Bank's YONO Digital Platform.

SBI Card

Your Bank is leveraging the technology for customer segmentation, that has resulted in sourcing of over 1.4 million cards through your Bank's Branches in current year. Card

issuance through digital journey has been received very well by customers and is on rising trend. Service portal for addressing customer queries on real time basis has been made available at branches, enhancing customer experience for credit card.

SBI NPS

Your Bank has upgraded its systems to provide an end-to-end digitisation for instant NPS account opening. Additionally, your Bank continues to enjoy its dominance with market share of 22%.

SBICAP SECURITIES LTD (SSL)

During FY2021, your Bank has taken initiative of focusing on SVP accounts sourcing in SSL.

7. Internet Banking and E-Commerce

YONO is our flagship mobile banking and lifestyle app, a one-stop shop offering not just financial services but also a gamut of investment, insurance, and shopping solutions. With a Digital-First approach, it is part of our continuous endeavour to provide innovative digital banking solutions to all our customers across the country.

The platform also offers YONO Krishi, which is a comprehensive multi-lingual platform for agriculture segment customers offering simplified finance (KCC-Review/Agri Gold Loans), advisory / market intelligence related services (Mitra) as well as market linkages through the Online Market Place (Mandi).

YONO has crossed many milestones with 79.6+ million downloads and approximately 37.10+ million registrations, till 31st March 2021, with an increasing momentum in adoption and progressively higher user engagement along with exponential business growth. The key highlights achieved during the year are as under

Key Performance Highlights of YONO:

- **App Adoption:** The registered user base of the YONO grew by ~ 75 % from 21.2 million (March'20) to 37.10 million (Mar' 21). The App rating on Android is 3.9641 and 2.6 on iOS.
- **Customer Onboarding:** Significant momentum was observed in new customer onboarding with ~94% of eligible savings accounts being opened through the YONO platform. 51.81 lakh of Digital Savings Accounts were opened during the FY2021.
- **Digital lending:** 13.57 lakh Pre-Approved Personal Loans (PAPLs) were opened in FY2021 amounting to ₹21,268 crore.
- **YONO Krishi:** YONO Krishi, a comprehensive multi-lingual platform for agriculture segment customers, launched in 2019, is an initiative by the Bank to make our farmer customers future ready by offering them constant digital innovations pertaining to their agricultural needs. As on 31st March 2021, 29.42 Lakh YONO Agri Gold Loans amounting ₹45,701 crore have also been sanctioned through YONO Krishi.
- **Simplified KCC Review** through YONO process was launched in August 2020, wherein the customer can get his/her KCC account reviewed online in a paperless, presence less manner, without visiting branch. During FY2021, 2.89 lakh KCC accounts with aggregate limits of ₹4,972 crore have been reviewed through the YONO Krishi-online process.
- **Online marketplace:** As on Mar'21, 100+ merchant partners were live on the B2C Market Place platform (including Mitra and Mandi), witnessing 11.92 lakh transactions amounting to ₹641 crore worth of Gross Merchandise Value in FY2021.
- **Cross sell:** The non-banking financial services product suite i.e., insurance,

mutual funds etc. achieved an all-time high performance during the fiscal. 3.85 Lakh SBI Credit cards were sourced during the year through YONO. Gross SBIMF investments stood at ₹2,434 crore. Approximately 29.41 lakh Personal Accident Insurance (PAI) policies were sold during FY2021.

C. Small and Medium Enterprises

Your Bank is pioneer and market leader in SME financing. With over sixteen lakh customers, the SME portfolio of ₹2,43,191 crore, as on 31.03.2021 accounts for nearly 10.40% 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 no. 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 loans up to ₹50 lakh. The SMECs have also been strengthened in terms of manpower, which has resulted in improvement in the service levels. Loans above ₹50.00 lakhs are being handled by Relationship Manager, SME so as to have better connect with the Customers. As on 31.03.2021, 1791 RMs (SME) are functioning PAN India.

With a view to focus on improving the connect with the Customers and to strengthen SME Business, we have revisited the SME structure in the Bank, wherein 80 Assistant General Managers

(SME) have been posted across all Zonal offices. This has given a good direction to our efforts and has started yielding results with many customers expressing satisfaction on the improved connect. Your bank has 670 dedicated SME Intensive Branches PAN India.

2. Digital Offerings

Your Bank is leveraging technology in every aspect of the value proposition from 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 for ensuring Ease of Banking.

Loan Life-Cycle Management

Online Loan Application and Online Lead Status:

Your bank is hosting an online loan application and tracking facility for MSME borrowers on the corporate website. A CRM ID is generated against customer's loan application submitted online or offline through Customer Relationship Management (CRM) application, which is sent to customer's mobile number. Customer can track his loan application through this CRM ID and mobile number on the online portal after successful OTP validation.

Customer Relationship Management (CRM):

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

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 stakeholders 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 returns. Using the platform your bank is sourcing leads for loan requirements from ₹1.00 lacs to ₹500.00 lacs. In FY2021 (up to 31.03.2021), 29,697 leads approved in-principle have been generated by the portal, out of which 20,676 leads for ₹7686.19 Cr have been sanctioned.

Digitalisation of Services for borrowers:

To enhance customer experience and for hassle-free submission of financials and other statements, your bank has made available this service, through its Corporate Internet Banking Platform.

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. In FY2021, as on 31.03.2021 a total of 40867 proposals were processed under Project Vivek. Further, during the year, technical enhancements were done in the project to improve the underwriting process. Simplified Automated Quick Renewal process under Project Vivek has been rolled out to simplify the process of renewal of Fund Based Working Limit.

SME Gold Loan

Your Bank has introduced a simplified product viz. SME Gold Loan to provide short term credit support to MSME units against Gold ornaments/ jewellery with simplified assessment and easy sanction. This has helped MSME units bridge their liquidity gap with an ease of availing finance and supporting their business growth. As on 31.03.2021, a total of 19,379 MSME units were supported amounting to ₹640 Cr.

Pre-Approved Business Loan (PABL)

Your Bank has introduced a simplified PABL product – An Analytics product for sanction of loans upto ₹10 lakhs for existing current account customers has been launched. As on 31.03.2021, a total of 2090 MSME units were supported with limits amounting to ₹72.50 Cr.

Import LC opening through YONO Business

Yono Business has re-imagined key customer journeys to provide a superior user experience such as online facility for profile management, fully digitised journey for issuance of Import letter of credit, simpler onboarding journey with reduced documentation for new to digital customers and much more. We have surpassed global – best – in – class players in terms of issuing import LCs through digital channel for our SME customers. As on 31.03.2021, 3233 Import LC for ₹3561.47 Cr were issued through Yono Business channel.

SME Finance For CAs under CLP

"SME Finance for Chartered Accountants under CLP" is designed for financing credit requirements of Chartered Accountants. It's a simplified, scoring based product available on Contactless Lending Platform (CLP). Under the product, Overdraft (Clean) and Term Loan facilities are being offered. It's a collateral-free loan covered under CGTMSE. Pricing is linked to EBLR. Product is rolled out in Metro & Urban centres including State Capitals/ Tier-I cities on 03.02.2021.

Compressed Biogas under SATAT Scheme

'SATAT' (Sustainable Alternative Towards Affordable Transportation) Scheme was launched on 1st Oct 2018 by Ministry of Petroleum and Natural Gas (MoPNG), Government of India. Your Bank has developed a new Product "Compressed Bio Gas (CBG) under SATAT Scheme" on 22.09.2020, to finance Entrepreneurs who have been awarded Letters of Intent (LOIs) by Oil Marketing Companies (OMCs) for setting up of CBG plants under SATAT Scheme. There is an assured offtake of CBG by the OMCs as per the Commercial Agreement entered. The term loan is repayable over a longer tenure with door-to-door tenor of 15 years and an escrow

mechanism is also proposed for capturing the cash flows and repayment from the Project.

COVID-19 Enablers

In line with the RBI's regulatory package, the following relaxations were permitted:

- Deferment of upto 6 months instalments extended in respect of Term Loans.
- Interest on WC limits for the period from 1st March to 31st August 2020 has been deferred.
- Reassessment of working capital cycle & credit period and resetting of limit accordingly, including reduction in margins has been provided.
- Sanction of GECL, CCECL and re-assessment of WC are done on fast track basis to ensure prompt disposal of request and release of funds.
- All eligible customers contacted for extending the relief measures, proactive approach was adopted, SMS, e mails sent.
- Instalment recovered for the month of March'20 has been refunded wherever refund has been sought.
- Stoppage of SI/NACH wherever requested has been effected.

Competitive Rates of Interest

Your Bank has linked all floating rate loans to Micro, Small and Medium Enterprises (MSMEs) to External Benchmark w.e.f. 01.10.2019.

Trade Receivables Discounting System (TReDS)

State Bank of India was the first among all PSBs to register as a financier on the TReDS platform, set up to provide finance to MSMEs. We have our presence on all the 3 TReDS platforms in the country i.e. RXIL, M1 exchange and Invoicemart. Your Bank was actively participating in the online biddings on the platform and was offering very competitive rates for the benefit of MSMEs. In FY2021 (from 1.4.2020 to 31.03.2021), Bills aggregating ₹934.47 crores were discounted. During the year, 4 more new branches were authorized to conduct TReDS business. With this, your Bank is having presence in all geographies, with a total of 6 branches doing TReDS business.

Supply Chain Finance

Leveraging state-of-the-art technology and branch network, your Bank continues to be a major player in Supply Chain Finance by strengthening its relationship with the corporate world, across various sectors. Your bank has extended supply chain finance to 28,000 plus dealers and 14,000 plus vendors with total sanctioned limits of over ₹43,696 crores.

52 new tie-ups were done during the financial year include corporates such as Arcelor Mittal Nippon Steel, OPPO Mobiles India Pvt. Ltd (One Plus Division), Exide Industries Industrial Division, Bata India Pvt Ltd, Avon Cycles, Tata Consumers Products Ltd, Jindal Aluminium Ltd, Terumo India Pvt Ltd etc. New e-DFS limits of ₹4500 Cr were sanctioned up to 31st March 2021. To ring fence the supply chain portfolio, Bank has put in place suitable risk mitigation measures and risk-based pricing for the Supply Chain Portfolio.

Being the country's largest lender, your Bank had also undertaken leadership role in implementation of proactive measures to support the dealers availing e-DFS facility during the Covid pandemic related business slowdown. We offered extended Credit Periods without any penal charges for the consignments of the dealers so as to factor in the elongated holding of inventories due to lockdown.

3. Business Partnerships and 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. Your bank has also tied up with repositories NERL & CCRL for financing against e-NWR and NEML (subsidiary of



Inauguration of New branch in the presence of the Chairman

NCDEX) for e-auctioning of NPA/Stressed Accounts under WHR Financed.

4. Risk Mitigation

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

D. Rural Banking

Agri Business

During FY2021, your Bank's lending under the Agri business has crossed a major milestone of ₹2,13,000 crore, catering to 1.37 crore farmers, which is the highest for any Bank.

Your Bank has stood along with the farmers during the COVID-19 pandemic and offered additional emergency credit line of 10% of sanctioned limit to 19,81,981 borrowers to help them in meeting their immediate credit needs. Of this, 1,63,111 borrowers have availed loans to the tune of ₹671

Cr. Moreover your Bank has extended interest deferment facility in 19,93,281 Agriculture Cash Credit accounts and provided moratorium on EMIs and Term loan instalments in 2,42,911 accounts to support the farmers during the COVID-led pandemic.

Your Bank has been the spearhead in driving the campaign for saturation of the PM Kisan beneficiaries. To this end, total 54.43 lakh applications were received and 46.29 lakh applications have been sanctioned up to 31st March, 2021.

During the year, Agri Gold loan portfolio has increased from ₹58,987 crore to ₹66,877 crore.

Your Bank has launched three new products under the Aatmanirbhar Bharat schemes viz. Agri Infrastructure Fund (AIF), Animal Husbandry Infrastructure Development Fund (AHIDF) and PM Formalisation of Micro Food Processing Enterprises (PM FME) to bolster the investment credit portfolio in the Agri segment.

The Ground Level Credit disbursements to the farmers over the years are as follows:

FLOW OF CREDIT TO AGRICULTURE				(₹in crore)
YEAR	TARGET	DISBURSEMENT	% ACHIEVEMENT	
FY2016	89,781	1,02,423	114	
FY2017	95,168	1,25,270	132	
FY2018	1,05,741	1,66,819	158	
FY2019	1,16,315	1,56,385	134	
FY2020	1,27,947	1,77,473	139	
FY2021	1,74,468	1,98,268	114	



SAMPOORNA TARAKKI SAMJHO PAKKI.

Ab chahe jo bhi ho zarurat, SBI ke sang hogi poori.

SBI has taken the initiative of financing the entire value chain and boosting overall growth of farmers with products for financing to Dairy, Fishery, Farm Mechanisation, Rural Godown, Gold Loan, etc. This Farmer's day, put your best foot forward for a promising future.

KEY HIGHLIGHTS:

- Credit guarantee schemes are available on select products
- Interest concessions available



During FY2021, your Bank launched the SBI-OTS/ Rinn Samadhan scheme this year under which 6,21,182 accounts have been settled.

Additionally, an individual vertical named as Financial Inclusion & Micro Markets (FI&MM) has been established by your Bank to cater to the diverse credit needs of the rural population across the country.

1. Micro Credit (SHG-ank Linkage)

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

Your Bank has the Highest Market share in SHG loan outstanding among all banks with outstanding loans of ₹17,662 crore to ₹7.83

lakh SHGs as on 31st March, 2021 covering more than 75 lakh women members. State Bank of India's market share of loans under National Rural Livelihood Mission among PSBs is 25.81% as on 31st March, 2021.

Your Bank has (a) sanctioned 89,626 loans ever since introduction of e-Mudra scheme for financing Micro enterprises up to the limit of ₹50,000. Of which, (b) 74,461 loans for ₹347.83 crore have been disbursed up to 31st March, 2021.

Your Bank has launched "PM SVANidhi Loans" with effect from 02.07.2020 to support the livelihoods of street vendors during the COVID-19 pandemic. As on 31.03.2021, we have disbursed 5,39,535 loans, amounting to ₹538.18 crore to street vendors.

2. Digital Step Collaborations

Under the digitisation of products and processes, Agri Gold loans are now processed and sanctioned through YONO Krishi digital platform. Similarly, the KCC reviews are also being processed through the YONO Krishi channel.

To address high volume and low ticket loans in the Agri Business with digital optimisation strategy, your Bank is exploring opportunities to enter into commercially viable partnerships with selected Agri-techs who have differentiated Business Models. This will help in facilitating the transformation of Agri supply chain/value chain to improve farm production/income opportunities to farmers with digital tools such as Artificial Intelligence (AI), Block Chain, IoT (Internet of Things)/ML powered capabilities. The continuous engagement and connectivity with farmers is expected to provide last mile relationship and strong association with your Bank. Your reviews are also being processed through the YONO Krishi channel. Bank sees Agri-Tech as a channel to bring in new segment of customers (which the bank could not access earlier) – a channel to improve decision making, grow top-line and improve efficiency. The partnership will also serve as an opportunity to cut operational costs, credit costs, improve profitability and user experience as digital transformation will no longer be optional but a necessity for structural change in the digital ecosystem.

Your Bank has executed agreements with 19 National Business Correspondents (BCs)

and 41 State Level BCs for the collection of repayments in Standard overdue accounts. As on 31st March, 2021, 57,145 Customer Service Points (CSPs) have been mapped with 14,657 branches for collections.

3. Other Activities

Your Bank has celebrated the World Soil Day on 5th December, 2020 and Kisan Diwas on 23rd December, 2020 with farmers by felicitating them for their trust in your Bank. In addition to this, your Bank has onboarded 44 Farmer Producer Companies (FPCs) on this day with a purpose to extend its support to the initiative of collectivisation of farmers to make farming a sustainable business.

4. Financial Inclusion (FI)

Your Bank has aligned its business performance with national priorities and focused attention is being provided towards financial inclusion activities. The Bank is working towards attaining the objectives set by GOI viz. inculcating habits of thrift, ensuring availability of credit facilities and promotion for digitisation of financial eco system in rural/semi-urban areas.

As on 31st March, 2021, your Bank has 71,968 Customer Service Points (CSPs) providing access to various banking products and services in unbanked areas while reducing footfalls in the branches. It has recorded ~58.78 crore transactions amounting to ₹2,52,470 crore, translating to more than 16 lakh transactions per day on an average. Furthermore, the Channel has opened 13.76 crore BSBD Accounts with ₹37,430 crore deposit so far and has brought the unbanked/under-privileged section of the society under the ambit of formal banking system.

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 8 crore customers.

Imparting Financial Literacy

With the objective of imparting free financial literacy, credit counselling and propagating use of electronic payment systems, your Bank has set up 341 FLCs across the country. Despite COVID-19, during the period between 1st April, 2020 and 31st March, 2021, FLCs have



conducted 11,943 camps where 3.64 lakh people have participated. As a pilot project implemented by RBI, your Bank has also set up 15 Centres for Financial Literacy (CFLs) at Block level, five each in the State of Maharashtra, Chhattisgarh, and Telangana. Another 230 CFLs are being set up across the country to create financial awareness among the rural masses.

Rural Self Employment Training Institutes (RSETIs)

Your Bank has set up 152 RSETIs spread across 26 States and 3 Union Territories. RSETIs act as social change agents, empowering rural youth towards sustainable livelihood through skill development and training, helping them to establish their own micro enterprises, thereby creating rural employment and wealth creation. Despite the COVID-19 pandemic, the RSETIs have trained 66,260 candidates and achieved 107% of the Annual Training Target set by Ministry of Rural Development (MoRD).

During the pandemic, the Bank's Customer Service Points across the country served in difficult terrains/conditions to meet financial requirements of the people in need.

E. NBFC Alliances

Your Bank has created NBFC Alliances Department in October 2018 after the guidelines on Co-origination of Loans with NBFC-ND-SIs, were issued by the RBI. While under Co-origination, 8 NBFCs were

on-boarded, RBI has come up with fresh guidelines on co-lending of loans with NBFCs on 5th November, 2020 covering all NBFCs including HFCs providing a wider basket along with more convenience for operations, which supersedes its earlier Co-origination guidelines. Your Bank's policy on co-lending with NBFCs is available on the official website and co-lending is set to be a new focus area for your Bank to bolster its Priority Sector loans. Through the co-origination arrangement, your Bank has sanctioned 38,000 loans in the last one year in a complete digitisation mode for loans up to ₹1 lakh. Alongside co-lending, your Bank through the Business Associate policy with NBFCs, MFIs and BCs will be increasing its footprint in the under covered geographies in the country with focus on growth in its Priority Sector loan books

F. Government Business

Your Bank is at the forefront in conducting Government Business and is an accredited Banker to major Central Government Ministries and Departments. Your Bank is the market leader in Government Business with a market share of over 67% in Central Government Turnover and more than 80% share in Government Commission.

Your Bank, with its wider presence and digital prowess has been Preferred partner to the Government for "Digital India". Your Bank is continuously engaged in developing customised technology solutions, to keep pace with the Government's digital

initiatives facilitating transition to the online mode, providing greater efficiency and transparency, resulting in ease of doing business and ease of living for the citizens.

Your Bank is actively engaged in implementation of Social Security Schemes of the Government of India viz- PM Kisan Samman Nidhi Yojana, Pradhan Mantri Shram Mandhan Yojna, Pradhan Mantri Kisan Mandhan Yojna, and PM Garib Kalyan Yojna for PMJDY Women Beneficiaries.

Govt. Turnover and Commission

(₹in crore)

Particulars	FY 2019-20	FY 2020-21
Turnover	52,62,643	50,77,446
Commission	3,742	3,617

Following initiatives were implemented during the year:

1. Pradhan Mantri Garib Kalyan Yojna for PMJDY Women Beneficiaries

Your Bank has facilitated release of ₹30,796.39 crore to 20.54 crore beneficiaries. Your Bank has developed an online portal for monitoring of the funds transferred to women PMJDY beneficiaries as per the guidelines received from the Finance Ministry for generating MIS up to Branch level in respect of funds distribution.

2. PM-CARES

During the outbreak of COVID-19, your Bank has opened accounts meant for collection of Donations by Central and State Govts, largest among these being PM-CARES account.

3. PM Kisan Samman Nidhi Yojana

As accredited Bank to Ministry of Agriculture & Farmers Welfare, your Bank has facilitated distribution of ₹63,170 crore under the scheme in FY2021.

4. Direct Benefit Transfer (DBT)

All the major schemes of Direct Benefit Transfer (DBT) of Gol and State Governments are being implemented through your Bank on a PAN India level. Your Bank is the sole Banker for processing

Direct Benefit Transfer of LPG subsidy (DBTL). Total number of transactions and amount processed in FY2021 are as under:

(₹in crore)

Particulars	No. of Transactions	Amount
DBT	80.20	3,97,524
DBTL	107.85	15,506

5. Ministry of Home Affairs

Your Bank has been authorised by the MHA, to open FCRA accounts of all NGOs to receive foreign contributions. There are over 23,000 FCRA certificate holders across the country, which are required to open account with Your Bank. Around 10,000 accounts have been opened during FY 2020-21.

SBI

KISAN KI UNNATI SE HAI DESH KI PRAGATI.

SBI Agri Loan Products for your every agricultural need.

- AGRI GOLD LOAN**
 - Digital sanction on YONO KRISHI
 - Low interest rate
- KISAN CREDIT CARD**
 - Interest rate at 7% p.a
 - 33% incentive for prompt paying farmers
 - Collateral free loan up to ₹1.6 lakh
- MUDRA LOAN**
 - No collateral upto ₹10 Lakhs
 - Simple documentation
- LOANS FOR SELF HELP GROUPS**
 - Loan for livelihood
 - Flexible repayment
- TRACTOR LOAN**
 - Landholding required: 2 acres
 - Flexible repayment
- ASSET BACKED AGRICULTURE LOAN**
 - Loan up to ₹ 2 Cr.
 - Low interest rate
- ATMA NIRBHAR BHARAT SCHEMES:**
 - Loans available under Agri Infra Fund, PMFIS scheme, ASIDF scheme
 - To establish cold storage, warehouses, silos, food processing units etc.
 - Credit Guarantee available
 - Interest subvention available
- FARMER PRODUCER COMPANIES (FPCs)**
 - Loans available for all activities of FPCs
 - Attractive interest rates
 - Credit guarantee available
 - Interest concession available

For more details, visit bank.sbi or Contact Branch Manager

6. GeM (Government e-Marketplace)

Your Bank is the pioneer amongst Banks for financial integration of payments to suppliers for procurement of common goods and services through GeM portal. The GeM Pool accounts of five States and 988 Autonomous Bodies have been opened with your Bank.

7. e-Tendering

12 State Governments have been provided the product by integrating with SBMOPS. Our endeavour is to onboard all State Governments in a phased manner. The e-Tendering Solution has been provided to CPWD and NRIDA (National Rural Infrastructure Development Agency), for Pradhan Mantri Gram Sadak Yojna.

8. Passport Seva Project

Your Bank is the Sole Banker in the Passport Seva Project by integrating with SBMOPS for collection of fees. Integration with SBI e-Pay is also underway to provide an alternate option.

9. Ministry of Railways

Integration of SBI UPI and Rlys (CRIS) ATVM tickets is in final stage after successful test transactions. POS machines are being provided to TCs in moving trains. Furthermore, 10,326 machines are made operational.

10. Department of Post

MoU has been executed for collection of Postal Life Insurance through SBI (for both mandate and VAN models).

Centralised Integrated Payment System (CIPS), to take care of entire Postal Payments, was implemented in Delhi PAOs by your Bank on a pilot basis during FY 2020-21. Riding on successful implementation now it has been decided by Postal headquarters to extend the scheme PAN India and MoU to this effect is going to be executed shortly.

11. Income Tax Refund Order (ITRO)

MoU has been executed with CBDDT making your Bank the Sole refund Banker for Income Tax refund. SBI has successfully processed more than 2.6 Cr. refunds in FY 2020-21 amounting to ₹2.6 lakh crores

12. National Health Authority (NHA)

National Health Authority (NHA) is the umbrella body for implementation of Ayushman Bharat Yojana (ABY) in the country with the help of State Health Authority (SHA) in the States. Your Bank is proud to be associated with NHA as the Principal Banker.

13. Pension Payments

Your Bank has been administering pension payment to 58.81 lakh pensioners and made disbursement of total pension amount of more than ₹1,50,860 crore in FY2021. New pension accounts of 3.38 lakh pensioners have been added in the current fiscal.

Your Bank has revamped Pension Sewa website www.pensionseva.sbi, enabling pensioners to login and view their pension details viz. transaction details, generation of pension slips, and arrear calculation sheet, amongst others from the comfort of their home.

14. Small Savings Schemes

State Bank of India services more than 82.59 lakh PPF and 20.32 lakh Sukanya Samriddhi accounts making it the highest among all the authorised Banks. Additionally, 5.35 lakh PPF accounts and 2.40 lakh Sukanya Samriddhi accounts have been added during FY 2020-21.

G. D&TB – Marketing

D&TB – Marketing, erstwhile Transaction Banking Unit (TBU) leverages technology to provide comprehensive solutions for bulk transaction requirement of clients, facilitating their efficient funds management along with value added services such as customised MIS and dedicated single point client support among other areas. The Digital & Transaction Banking services facilitate your Bank to maintain close relationship with clients and also to assess their other Banking requirements such as Credit, Fund Management and Cross Selling. During FY2021, the D&TB played a vital role in providing doorstep services and facilitating transactions during the COVID-induced lockdown.

Your Bank offers a wide range of D&TB products/services to Corporate, Government Departments, Financial Institutions and SME Clients. Corporate and Government clients along with SME continue to be the key focus segment for the Bank.

Keeping in line with market trends, your Bank is continuously updating/evolving the bouquet of D&TB products/services offered to meet client requirements as well as has the best of products in market, benchmarked to those offered by competitors. In order to bolster the businesses of the clients through the digital transaction mode during COVID-19, D&TB Marketing conducted several campaigns during the year.

Despite the lockdown of businesses due to the current year challenges posed by the pandemic, the D&TB Fee Income for the fiscal increased from ₹1,902.77 crore in FY2020 to ₹2,009.75 crore in FY2021.

The turnover for FY2021 registered a Y-o-Y increase of 10.92% with transactions amounting to ₹67,64,137 crore in FY2021 over ₹60,98,347 crore in FY2020.

Your Bank was recognised as “Best Transaction Bank in India” by Asian Banker Magazine, Singapore for the fourth consecutive year in a row in 2020. Your Bank was also recognised as “Best Payment Bank in India” by Asian Banker Magazine, Singapore for the second consecutive year in 2020.

2. Global Banking

A. Corporate Accounts Group (CAG)

Corporate Accounts Group (CAG) is a dedicated Strategic Business Unit (SBU) of your Bank handling the portfolio of ‘high value credit’ with a USP of specialised and efficient delivery platform. The CAG SBU has four specialised Branches headed by the General Managers located in India’s top three commercial centres viz. Mumbai, Delhi, and Chennai.

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

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

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

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

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

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

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

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

The total loan portfolio of CAG as on 31st March 2021 was ₹5.42 lakh crore (fund based - ₹3.61 lakh crore and non-fund based - ₹1.81 lakh crore) compared to total loan portfolio of ₹5.37 lakh crore (fund based

- ₹3.64 lakh crore and non-fund based - ₹1.73 lakh crore) as on 31st March 2020. Due to ample liquidity and benign interest rate, top-rated Corporates shifted their borrowing towards market related instruments such as CPs, NCDs. Hence, there was substantial growth in Investment book during the year.

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

B. Treasury Operations

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

Last one year has been a challenging one for all due to COVID-19. However, through the use of robust technology solutions, your Bank has been successful in providing unhindered services to our Treasury customers throughout this testing period, while following all health-related safety precautions.

1. Interest Rates Movements and SLR and Non-SLR Portfolio of Your Bank

Global Markets manages the domestic Investment Portfolio of your Bank and also maintains regulatory requirements of CRR (Cash Reserve Ratio) and SLR. The COVID-19 pandemic continued to have a major impact on economies and financial markets across the world. The Indian economy had a robust V-shaped recovery from -23.9% YoY GDP growth in Q1 FY2021 to 0.4% in Q3 FY2021 as large parts of the economy were opened up after the initial lockdown. Though, towards the end of FY2021, threat of another lockdown due to a new virulent strain of COVID-19 is looming large.

To cope with the lower revenues due to COVID-19, government increased its gross borrowing from the budgeted ₹7.8 lakh crore to ₹13.7 lakh crore. At the same time uptick in global prices of base metals and disruption of supply chains in domestic

markets led to inflation picking up. The CPI remained above 6% till November 2020, touching a high of 7.61% in October 2020, easing thereafter due to a sharp fall in vegetable prices and favourable base effect.

During FY2021, RBI took various monetary measures to support the economy. RBI continued its "accommodative" stance through the year, cut policy repo rate from 4.40% to 4% and reverse repo rate from 4.00% to 3.35% and undertook unconventional measures viz. Targeted Long-Term Repo Operations (TLTROs), asymmetric Open Market Operations (OMOs), and Simultaneous Sale and Purchase of securities, amongst others. RBI also temporarily cut Banks' CRR requirement by 1% of NDTL (Net Demand and Time Liabilities) and provided relaxation in maintenance of Liquidity Coverage Ratio. To ease absorption of large G-Sec/SDL issuances, RBI also increased HTM limit from 19.5% of NDTL to 22%. RBI also added net liquidity of ₹3.17 lakh crore through purchase of securities under Open Market Operations (OMOs). On account of these measures, 10-year benchmark bond yield fell from a high of 6.50% (09th April 2020) to a low of 5.72% (22nd May 2020).

During the years, deposit growth was robust and advances growth muted leading to surplus liquidity with your Bank. This has resulted in our investments in debt securities going up sharply this year with the additional investments spread across Government securities and corporate bonds. On the other hand, low interest rates have impacted portfolio NIMs adversely. Your Bank actively participated in the TLTROs and Partial Credit Guarantee Scheme (PCGS), playing its part in supporting RBI and Government's efforts to improve access to funding for economic recovery.

2. Equity Markets

The year was marked by uncertainty in global equity markets since the month of February 2020 due to COVID-19's rapid spread across some countries. Large liquidity injections by major central banks caused significant FPI inflows into Indian equity markets. The pace of FPI investments increased sharply from November, 2020 as the emergence of at least three viable vaccines improved prospects of an end to the global pandemic and return to normalcy. FPIs had invested ₹2.74 lakh crore in the Indian equity markets in FY2021.

Your Bank actively participated in the equity markets, both during the March 2020 sell-off and the rally during FY2021. The year also saw many successful IPOs with strong listing gains. Your Bank's investment in the primary market proved very fruitful generating high returns. We continue to manage the equity portfolio by realigning the book according to market movements while keeping a tab on domestic and global macros and are continuously working towards achieving strong returns.

3. Private Equity/Venture Capital Fund

Your Bank has been active in the Alternative Investment space throughout the year. Amid pandemic, your Bank part divested its stake in non-core assets and assessed a number of new investment opportunities. During the year, your Bank sanctioned investments of nearly ₹600 crore in Private Equity/Alternative Investment Funds.

4. Forex Markets

The GMU handles the foreign exchange business of your Bank, providing solutions to the customers for managing their currency flows and hedging risks through options, swaps, and forwards, in addition to providing liquidity to markets. Your Bank is a leading player in USD-Rupee Spot and USD-Rupee Forward markets and has a high market share in merchant foreign exchange flows. Your Bank is the leader in providing liquidity in CCIL Fx Clear platform. The volume traded in Currency Futures puts your Bank in the bracket of leading client Banks of exchange houses. Your Bank is actively onboarding customers on FX-Retail platform rolled out by CCIL through which customers will benefit from transparent and competitive pricing. Your Bank has also made available FX All and e-Forex trading platforms to customers looking at their requirements. Your Bank is also working on providing a fully digital Trade Finance solution through our YONO Business platform.

This year RBI has allowed Indian banks to participate in the offshore USD-Rupee markets. Accordingly, your Bank has started participating in the offshore USD-Rupee market.

Impact of the COVID-19 crisis on trade flows was felt in the Indian foreign exchange markets this year, though significantly higher investment flows provided some cushion.

Using technology, your Bank managed to provide all foreign exchange services to its customers unhindered, including adjusting to Work From Home arrangements of corporate clients. We have also tested our ability to run all our operations successfully while working from home through secured VPN.

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

Derivative transactions carry market risk, that is, the probable loss your Bank may incur as a result of adverse movements in interest rates/exchange rates. It also carries

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

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



SBI

**REDEEMING YOUR REWARD POINTS
CAN BE REWARDING FOR THE PLANET.**

Contribute your reward points to SBI Green Fund

To know more, visit: <https://rewardz.sbi/donation/sbi-green-fund>

²FX-All is an electronic foreign exchange trading platform and aggregator

³e-Forex is SBI's internet-based platform for customers to book foreign exchange transactions online

C. INTERNATIONAL OPERATIONS

18

Branches / Offices

- Belgium (1)
- Germany (1)
- UK (1)

Subsidiary

- Russia (1)
- UK (13)

Rep office

- France (1)

17

Branches

- USA (3)

Subsidiaries

- California (7)
- Canada (6)

Rep Office

- USA (1)

1

Rep Office

- Brazil (1)

229 points of presence in **31** countries

19

Branches/Offices

S Africa (2)

Subsidiary

Mauritius (15)
Botswana (1)

Investment

Nigeria (1)

Branches/Offices

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

160

Branches/Sub Offices

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

Subsidiary

Indonesia (11)
Nepal (108)

Joint Venture

Bhutan (1)

Rep Office

Philippines (1)

12

Branches/Offices

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

Rep Office

Iran (1)
UAE (2)

Exchange Co.

Oman (2)
Dubai (1)

2

Branch

Australia (2)

The accounting policy for derivatives has been drawn up in accordance with the RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for FY2021.

Foreign Banking Subsidiaries / Joint Ventures Share Holding (%)

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

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

Global Presence

The Bank's first global footprint was with the branch of Bank of Madras in Colombo, Sri Lanka in July 1864 (First amongst Indian Banks). With a presence across all time zones through 229 offices in 31 countries, Your Bank has gradually spread its wings across the globe and has become a pioneer of International Banking among the Indian PSBs. The overseas offices of SBI offices are being managed by IBG.

The details of offices opened/closed are furnished in the below table:

Overseas Offices	As on March 20	Opened during the year	Closed during the year	As on March 21
Branches /Sub-Offices / Other Offices	58	0	3	55
Subsidiaries	(9)	0	0	(9)
Offices of Subsidiaries	163	0	0	163
Representative Offices	7	0	1	6
JV/ Associates / Managed exchange Cos /Investments	5	0	0	5
Total	233	0	4	229

During FY21, your Bank continued to consolidate its overseas operations by rationalizing offices with sub-optimal performance enabling improvement of cost efficiencies. The Bank has closed four foreign offices- Lenasia Marketing Office (South Africa), Selatar Remittance Center (Singapore), Bab-al-Bahrain Limited Service Centre (Bahrain) and its Representative Office at Istanbul (Turkey). During this period, your Bank has not ventured into opening of new branches/offices on account of its focus on consolidation and prevailing global scenario due to Covid 19 Pandemic.

Covid 19 and IBG Response: Covid-19, the global pandemic, has disrupted the global economic system pushing countries into various degrees of recession. Apart from repercussions of the pandemic, countries have also been handling the economic contraction caused both by the pandemic and the health measures like lock down, movement restrictions etc. Slow-down in the economic activity and consequent impact on levels of global trade, investments etc. have been witnessed.

Your Bank has shown remarkable resilience in continuity of its core functionalities at our offices across the globe despite heterogeneous challenges on account of the pandemic.

IBG has adapted well to optimize its cost of resources in view of liquidity flush in the market by substituting its high cost resources with various low-cost alternatives by diversifying its liability base. It has raised sizeable long-term resources from developments banks in Asian countries like Japan and Korea apart from borrowings from multi-lateral agencies at finer rates. It has also leveraged its digital offerings like SBI YONO by launching in new geographies to improve penetration through contactless offerings for raising retail deposits.

Despite subdued business growth for the first half year, IBG has not only crawled back to reclaim its pre-Covid business levels but has also registered growth in its overseas portfolio while ensuring control over the quality of assets in the wake of stretched effect of Covid 19 on various sectors. Apart from meticulous credit monitoring, IBG has been agile in shedding

problem assets showing signs of stress to minimize the possibility of losses on account of further deterioration in asset quality. Despite consequent business loss challenges like scarcity of quality assets and low credit off-take due to limitations on capital expenditure by various regulators etc., IBG has been able to build on its asset levels. Your bank has also emerged as a Lead Arranger in loan syndication deals with banks in countries like South Africa. Further, it has maintained its connect with the clientele through various outreach initiatives with exporters, banks etc. to reinforce the existing relationships and also to forge new ones.

Apart from dealing with various business challenges, International Banking Group (IBG) has successfully met the expectations of the overseas regulators by taking necessary steps like providing relief to its clientele through restructuring packages including deferments and moratoriums, wherever prescribed by the local regulations. IBG has also adapted to the changes in the regulatory framework of various countries in the wake of Covid 19.

IBG has maintained decent profitability during the year despite the shrinking of spreads, subdued credit growth, decline in Non-Interest income due to impact on LC/BG, remittance business etc. It has embarked upon various new business initiatives like Merchant Banking, Factoring Services etc. to supplement its income streams.

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

1. Credit Contribution: Business Driver

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

Your Bank sanctioned Foreign Currency loans to the tune of USD 8.9 billion to Indian related corporates and USD 8.6 billion to overseas entities. In the field of Energy, your Bank has provided funding to oil companies, which have significant strategic importance for India, in terms of augmenting India's Energy Security amid unstable Crude and Forex prices. 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. Trade Finance

Your Bank provides a slew of Trade Finance products and services to exporters and importers through an extensive, well equipped branch network that operates in all time zones in India and abroad. Global Trade Department (GTD) of IBG facilitates and supports our Foreign Offices (FOs) for an orderly growth of Trade Finance portfolio. GTD formulates policies and innovates new products for FOs as per changing regulatory norms and market demands. It takes a lead in introduction

SBI

TRAVEL LITE, CARRY THE ONLY CARD YOU'LL NEED.

Congratulations!
 You can now travel without worry with your State Bank Foreign Travel Card.

This card is all you need to make purchases, pay merchants, for booking hotels, withdraw cash in different currencies and make online purchases too. This card is a better option than carrying cash, Debit/Credit Card and is available in 9 currencies.

US\$ US Dollar
€ Euro
£ Pound Sterling
AUS Australian Dollar
CAN Canadian Dollar
¥ Japanese Yen
SAR Saudi Riyal
S\$ Singapore Dollar
AED UAE Dirham

Benefits you enjoy with your card:

- Multi-currency card
- Safer than carrying cash
- Accepted at 55.9 million terminals globally
- Withdraw cash at 2.5 million ATMs globally
- Enjoy exciting offers from leading merchants across the globe
- Chip & PIN-based security makes it safe to use while traveling
- Global 24/7 customer assistance services

Enjoy a host of benefits and enjoy your trip with the State Bank Foreign Travel Card.

Best Regards,
 Team SBFTC

State Bank Foreign Travel Card No.:

of new technologies to improve service quality in Trade Product offerings viz., Bill Discounting under Letter of Credit, Secondary Market Participations in Bank / Corporate Risk, India centric Trade Credit, ECA/MLA backed Trade Finance, Supply Chain Finance program, Letters of Credit, Bank Guarantees etc. During the FY21, Bank has introduced Factoring into its Trade Finance product portfolio and it is now available to our customers at our foreign offices. Robust Trade Finance technology solutions for back end operations with a customer interface and AML / CFT compliance solution integrated to it, is available at all FOs.

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

Trade finance business has a contribution of ~ 27% in the IBG advances portfolio. SBI has been awarded “The Best Trade Finance Provider (India) –2021” for ninth consecutive year by Global Finance Magazine.

3. Overseas Treasury Management

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

- Liquidity Management
- Dealing Room Operations
- Investments

TMG-IBG manages overall liquidity portfolio of IBG and also monitors ALM ratios. TMG is the nodal department for raising Long and Medium-Term Funds through Bond Issuance (MTN/ Standalone 144A), Syndicated Loans etc. In addition to this, TMG also utilizes various means of borrowings, to keep the cost of resources



Shri Dinesh Khara (Chairman), Shri Ashwani Bhatia MD (GB&S) and Shri Venkat C Nageswar, DMD (IBG)- at the launching Ceremony of USD 600 Million Notes under MTN Programme at BSE (India INX) on 28th January 2021.

in check. During the FY, in order to optimize cost of resources, TMG has prepaid high-cost borrowings and deposits and replaced them with lower cost funds. TMG is actively engaged with Supranational entities in arranging foreign currency finance/ refinance at competitive pricing.

During the FY 21, your Bank has issued bonds to the tune of USD 600 Mio in January 2021, with overall fixed coupon of sub 2% (pricing of this bond) which was for the first time in India.

TMG also manages Investment book of Bank’s foreign operations, which currently stands at ~ USD 5.8 Bn. These investments provide stable interest income for IBG and also help in maintenance of liquidity ratios. The department also monitors and provides guidance to dealing rooms at major centres, and facilitates Money Market, Forex and Derivative functions at FOs. Currently there are four major dealing rooms at London, New York, Hong Kong and Bahrain, that work on a hub and spoke model to help smaller Foreign Offices in their operations. During the year FY21, your bank has commenced trading in Rupee Non-Deliverable Forwards (NDF) through Hong Kong, Singapore and IFSC BU (Gandhinagar) and is looking forward to expand this activity to other centres as well.

4. Global Payments and Services

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

- Tie-up with 45 Exchange Companies and five Banks for channelizing inward rupee remittances from overseas to India.
- During FY21, GP&S on behalf of domestic branches, handled sizeable volumes of Export bills (in USD and Euro) and Foreign Currency Cheque collection.
- During the same period, GP&S handled online inward remittance transactions amounting to USD 9.04 billion, received from various global centers.
- 172 Vostro Accounts for different Correspondent Banks/ Exchange Companies/ SBI Foreign Offices are being currently maintained by the unit.

- GP&S is Pan India Nodal Office for handling ACU transactions for SBI.

5. Retail Strategy

Your Bank has been a “window to India” for NRIs residing in different parts of the world through its specialized retail and remittances products. The notable achievements for the year are:

- YONO SBI, one of the most ambitious and secure digital offering of the bank has now been extended to customers at our overseas offices. It has been successfully launched in UK, Mauritius, Maldives, Bangladesh, South Africa, Sri Lanka and Canada with non-face to face account opening facility operational in UK and Canada. We are planning to launch SBI YONO in Singapore, Bahrain, and USA by the end of FY22. More than 40,000 overseas customers have been onboarded through YONO.
- “Namaste UK” product of YONO SBI UK allows has been launched, that enables prospective Indian Expats to open an Account with SBI UK, even before landing in UK, from India itself. Similar product is also being launched in Canada, including Student GIC accounts for Indian students, who have enrolled in Canadian universities. We plan to launch a similar product at Singapore too in the coming months.
- “One View” feature of YONO Global allows our Foreign offices customers, to view their Domestic SBI Accounts through YONO Global App, practically merging all enquiry features of Domestic YONO SBI with our Global version. More than 2,200 SBI Foreign office customers are already using this feature.

6. Financial Institutions Group – Correspondent Relations

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

- FIG continues to leverage on the Bank's correspondent network of 227 Banks in 56 countries to deliver tailored financial solutions for its global customers by adopting a data driven approach through its FI CRM (Financial Institutions – Customer Relationship Management) application, which provides 360 degree view of engagements with Correspondent Banks.

- FIG strives to make SBI the Correspondent Bank for all Indian Public sector and private sector banks by utilizing its global presence and utilizes our correspondent network for raising long term syndicated loans for Foreign Financial Institutions.

- FIG product focus areas have widened over the years beyond mere account relationship to Trade Finance, Credit, Treasury, Debt Capital Markets, Forex Business, Transaction Banking, Remittances and Currency Clearing.

7. IB Domestic

Your Bank is well equipped to provide a wide range of products and services to exporters and importers through an

extensive branch network that operates domestically and internationally.

International Banking-Domestic (IBD) serves as a single point of contact between the Domestic Offices and Foreign Offices in areas related to Trade Finance and International Banking. IBD aims at improving synergies and trade flows between Domestic Offices and Foreign Offices/ Correspondent Banks and trading community, by acting as a robust link between them.

In a bid to facilitate Trade community, Forex Service charges are being rationalized and aligned with the market every year by IBD. IBD also facilitates system related enhancements and updates in Exim Enterprise/SWIFT.

IBD is also actively involved in re-building skills of IB officials by partnering with ICC, FIEO, FICCI, CII etc. and organizing Trade related workshops/ Seminars which provide good platform for networking with Exporters/ Regulators/ Industry majors in addition to coordinating and liaising with Trade bodies and ICC subgroups for developing relations and strengthening ties.

Centralized Co-ordination Cell Foreign Bank Guarantee (CCC-FBG) for processing



Lead Arranger SBI launches Syndication loan of USD 400 Mio for First Rand Bank in South Africa.(Officials from left to right : Mr. Syam Prasad Ankala (CEO, SBI South Africa), Mr. Venkat C Nageswar (Dy. Managing Director, SBI), Mr. Suresh Chaytoo – Sector Director and Global Head of Banks at Rand Merchant Bank (Division of FirstRand) and Mr. Pon Erwin - Head of Asia – First Rand Group

Inward and outward Foreign Bank Guarantee, has been exclusively set up under the aegis of IB-Domestic to provide a one stop solution to Correspondent Banks/ Foreign Offices/ Domestic Banks/ Domestic Offices seeking Domestic Foreign Bank Guarantees based on their counter Guarantees.

IBD is instrumental in improving FEMA compliance across the Bank. The department ensures timely submission of RBI/FEMA related returns in addition to issuing instructions with regard to revisions in FEMA/ RBI guidelines.

In order to facilitate customers for Overseas Direct Investment /Foreign Direct Investment, IBD has been instrumental in streamlining internal processes and policies so that customers and Bank are able to meet the regulator's expectations.

IBD is meticulously working on revamping our trade process under Trade Centralization and Digitization project and an entirely new set up, for handling Trade Finance equipped with latest technological systems and processes, is expected to be functional by end of FY22.

8. Technology Initiatives at Overseas Offices

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

- Your bank has rolled out two Remittance corridors during the year- Mauritius to Bangladesh and Gulf to Sri Lanka.
- Your bank has developed an in-house paperless solution for its internal correspondence and approval mechanism as part of its green banking & sustainability initiatives. It has been rolled out at some of our geographies along with Corporate Centre and is expected to be implemented in all other geographies by June 2021.
- Your bank has set up a centralized back office in Mumbai to handle the entire transaction life cycle for foreign offices with a view to improve operational efficiencies and cost reduction and to enable foreign offices have an enhanced focus on vital areas of Business, Compliance and Risk.

- Your bank has also developed an in-house credit monitoring tool- 'Early Warning Signal' system for focused credit monitoring and identification of stress signals.
- Your bank has also initiated the Automation project for Regulatory reports for our Foreign Offices during the year and the process has already been completed for our offices in South Africa and Sri Lanka. The process shall be completed for 16 more countries in FY22.



Inauguration of Circle Call Centre (CCC), Amaravati by Shri C.S.Setty MD (R&DB),

SBI

POWERING MSMEs WITH SME GOLD LOAN

- LOAN AMOUNT: FROM ₹1 LAC UP TO ₹20 LACS
- OVERDRAFT AND DEMAND LOAN
- COMPETITIVE INTEREST RATE LINKED TO EBLR + 1% (EFFECTIVE RATE 7.65% W.E.F. 1st JULY 2020)

3. Commercial Clients Group (CCG)

A. Commercial Clients

The CCG vertical is headed by the MD and supported by two DMDs, five CGMs, ten CCG Regional offices (CCGROs) and three Direct branches headed by GMs. CCG has 51 Branches in 8 locations, spread across the country. The vertical services the credit needs of large corporate clients. The Vertical also includes Specialized Branches like Branches catering to specific industries as well as capital market. The mandate of the vertical is to cater to all needs of this segment of corporate clients, to manage associated risks and sustain growth.

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 and earnings amongst others, across the entire group. Your Bank has set up experienced team of 'Structuring Specialists' to support deal structuring for large proposals across lending, bonds, International Banking, and Structured / Mezzanine Finance.



CCG Mar'20 & Mar'21 Levels are as given below:

Levels	(In Crs)	
	Mar'20	Mar'21
Non-food Advances	415,744	408,110
CASA Deposit (%)	26.04	23.64
Avg Business per employee	150.26	168.97
Other Income (excluding income from AUCA recovery)	2,777	3,163
Pre -TPM Operating Profit	33,311	32,623

YONO Business

CCG, along with IT, has launched a digital offering, YONO Business for corporate customers which is designed to provide a best in class, user-friendly platform for transaction banking as well as Trade Finance business. Earlier, there were five customer interfaces viz. Corporate Internet Banking (CINB), Cash Management Product (CMP), e-Trade, e-Forex and Supply Chain Finance (SCF) which have been since re-imagined in a single platform named "YONO Business". Further, for onboarding of customers to digital platform, multiple documents and multi-visits to branches were required, which

was reduced to a single omnibus document with a single visit to the Branch. User Profile management was enhanced to do away with branch visits. To increase wallet share of Trade Finance business, complete digital request for Import LC issuance was launched. LC Amendment, request for closure and View and Manage Transactions, LC Bill Acceptance etc. are also part of the release. Export LC Advising and Unified Export Bill lodgment and Negotiation/ Discounting are being worked upon.

To increase income from Forex business, Forex rate booking including document upload facility for a digital journey

introduced. Customer also has an option to negotiate with the dealer above a predefined threshold. Waiver of physical submission of original/hard copies for certain type of forex booking will be released. e-Forex on mobile is being planned to be released. Digital journeys for Pre-approved Business Loans and request for services have also been rolled out.

API banking services will be released shortly to Corporates for a seamless payment journey. This will enable payments to be made directly from customer's ERP with adequate security including use of multi-factor authentication. We are also smoothening the funds transfer journeys for corporates to match global best in class experience.

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

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

B. Project Finance and Structuring SBU

Your Bank's Special Business Unit known as Project Finance and Structuring Strategic Business Unit (PF&S SBU) deals with the appraisal and arrangement of funds for large projects in infrastructure and other sectors such as Power, Roads, Ports, Railways, Airports, 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. PF&S SBU 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.

There has been step up in investment in Infrastructure sector by the government along with various sectoral reforms and incentives, which has resulted in inflow of new projects particularly in sectors such as City Gas Distribution, Road, Power Renewables among other sectors. Infrastructure sector is expected to experience a fillip with the enhanced Capex expenditure of ₹5.54 lakh crore along with Performance Linked Incentive (PLI) Scheme

for various sectors announced in the February 2021 budget, duly supplemented by introduction of National Infrastructure Pipeline (NIP) with an estimated investment of ₹140 lakh crore for supporting 7,700 infrastructure projects. Your Bank is closely monitoring all the projects under implementation and expect to tide over the impact of the COVID-19 pandemic in a short to medium term.

Marking a shift towards 'Originate to Distribute' business model, Structuring Team has been set up at PF&S SBU to provide customised structuring solutions for financing structure of projects while keeping the Return on Equity from the transaction a priority. Experienced officials have been recruited from different sector and industries to provide Structuring Solutions to our clients.



Watsun Infrabuild Pvt. Ltd.



RSPL (Chemical)



Madhepura Electric Locomotive Pvt Ltd



Swan LNG Private Limited



e- Inauguration of 12 SME branches by MD (R & DB), Shri C.S.Setty

4. Stressed Assets Management

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

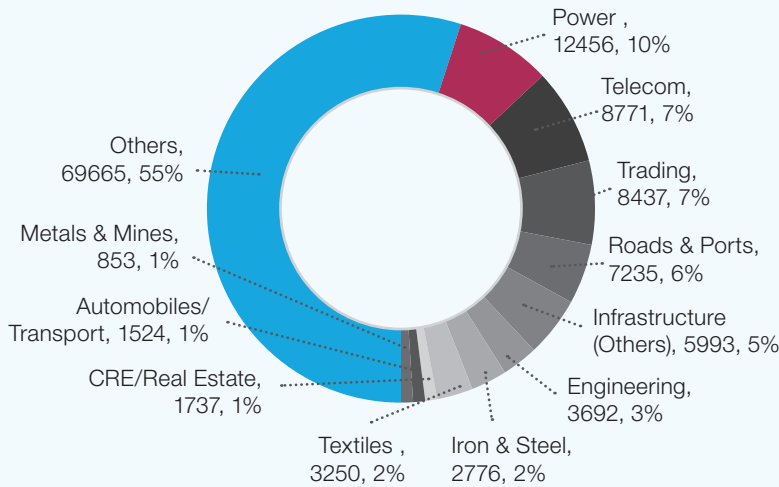
Levels	₹ in crore				
	FY2017*	FY2018	FY2019	FY 2020	FY2021
Gross NPA	1,77,866	2,23,427	1,72,750	1,49,092	1,26,389
Gross NPA%	9.11%	10.91%	7.53%	6.15%	4.98%
Net NPA%	5.19%	5.73%	3.01%	2.23%	1.50%
Fresh Slippages + Increase in O/s	1,15,932	1,00,287	39,740	54,510	29,332
Cash Recoveries / Up- gradations	32,283	14,530	31,512	25,781	17,632
Write-Offs	27,757	40,196	58,905	52,387	34,403
Recoveries in AUCA	3,963	5,333	8,345	9,250	10,297
PCR	61.53%	66.17%	78.73%	83.62%	87.75%

* Post merger

2. In the backdrop of COVID-19, though it is anticipated to have a large spurt in NPA Level during FY 2020-2021, your Bank is taking all pre-emptive measures by extending assistance to its borrowers to face the new challenges and continue as performing assets. However, the current level of NPA has significantly come down due to the following:
- i. RBI's 7th June 2019 circular on prudential framework for resolution of high value distressed assets has provided a new avenue for timebound resolution of these accounts (out of NCLT process). Your Bank is actively exploring resolution under this mode.
- ii. Insolvency and Bankruptcy Code (IBC) 2016 for resolution of Stressed assets has provided Bank with a time bound, transparent, and effective mechanism to tackle stressed assets. Resolution has been achieved in some of high value NPA accounts referred to NCLT under the Code. The cases referred to NCLT for resolution are monitored at a specialized NCLT cell at SARG. A total of 900 cases (whole bank) were referred to NCLT as on 31st March 2021, out of which 707 cases have been admitted. Furthermore, 112 cases have been resolved including some high value accounts from RBI's 1st & 2nd reference lists.
- iii. OTS/Compromise route is also explored for recovery of sticky loans from eligible cases. Bank's Board approved OTS Scheme for various products, non-discretionary and non-discriminatory, is also offered to all eligible borrowers for maximizing resolutions.
- iv. In non-NCLT cases, recovery is explored through action under SARFAESI Act, filing of suit in DRTs and Courts. The sale of mortgaged properties is explored through common e-Auction Platform <https://ibapi.in> ("e-Krya" - Indian Banks Auction Properties Information) under the aegis of IBA.
3. Stressed Assets Resolution Group (SARG) for providing focus on resolution of NPAs with sector specific approach. At present, the vertical is headed by Managing Director, supported by Deputy Managing Director and three Chief General Managers overseeing the sector-wise portfolio and a CGM (Operations) monitoring the credit portfolio of accounts with an outstanding upto ₹50 Cr. and accounts under liquidation. The Account Management Teams functioning under the guidance of Six General Managers. *As on March 2021, SARG has 17 Stressed Assets Management Branches (SAMBs) and 48 Stressed Assets Recovery Branches (SARBs) across the country, covering 49% and 88% of your Bank's NPAs and AUCA, respectively.*

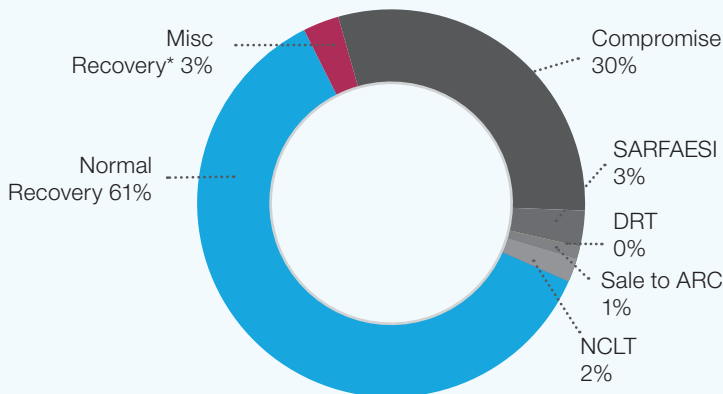
Industry wise distribution of the NPA portfolio (as on 31st March, 2021) is represented as under:

Industry wise NPA



4. Apart from normal recovery, a significant portion of the recovery at SARG comes from Compromise and NCLT. The vertical also introduces special OTS schemes (Non-discretionary and Non-discriminatory) from time to time. A team has been set up to look after the sale of Assets to Asset Reconstruction Companies (ARCs) on Cash and/or Security Receipts (SR) basis.

Mode Of Recovery - Whole Bank- FY21



5. Today, SARG stands as one of the most important verticals of your Bank and the GNPA of your Bank is on course of a downward journey. Resolution of stressed assets by SARG presents the following latent income generating avenues for your Bank:

- Cash recovery in NPAs and AUCA
- Reduction in loan loss provisions
- contribute to your Bank's bottom-line.
- Unlocking the capital for credit extension.

6. 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. For this purpose, the Bank is also making extensive use of common landing platform for PSBs (<https://ibapi.in> "e-Krya" - Indian Banks Auction Properties Information).

7. Various new IT initiatives have been rolled out including LITMAS (Litigation Management System) for better monitoring of legal recourses undertaken in the stressed account for expediting recovery. Bank has also rolled out Property Portal to showcase the assets to prospective buyers with an intention to enhance marketing and better realization of value of available assets. It will further strengthen the transparency and efficiency in the process. Going forward, SARG is looking towards complete digitalization of the vertical, with end-to-end process automation, starting from Premigration of the account to Resolution of the account, through a menu driven dashboard solution encompassing all activities of SARG at one place, giving the desired output at the right time, resulting in enhanced productivity, efficient use of manpower and optimum results.

IV. Support and Control Operations

1. Human Resources and Training

A. Human Resources

Your Bank believes that its employees are at the core of its strategies to achieve all present and future organisational goals. The Human Resources Department of your Bank goes beyond the routine and encompasses all aspects of people management by building a positive work culture for realising your Bank's business goals. We believe that our Human Resources is our strength and will be pivotal in helping us face the new challenges on the fronts of knowledge, technology and changing trends in national and global economy.

Your Bank's Human Resource Department is making all efforts for effective designing and implementation of various HR policies, procedures, and programs for developing and managing knowledge, skills, creativity, aptitude, and talent and for using them optimally. The focus of HR has now moved to the strategic utilisation of employees and the measurable impact of employee's performance on business. The HR Management of your Bank continuously aligns its strategies with the ever-changing aspirations of the workforce to increase efficiency and promote participative work culture in the organisation.

The summarised HR Profile of the Bank as on 31st March, 2021 is as under:

Category	31.03.2020	31.03.2021
Officers	1,06,361	1,08,772
Associates	1,03,134	1,00,796
Subordinate staff & Others	39,953	36,084
Total	2,49,448	2,45,652

1. STEPS: Core Values of Bank

The core values of your Bank have been made into an integral part of our day-to-day professional life, by including 'STEPS' under annual performance appraisal system (CDS) to emphasise upon the importance of "Service, Transparency, Ethics, Politeness and Sustainability".

2. Productivity Enhancement Initiatives

- Your Bank adopts a Branch Manpower Model for Manpower Planning and to ensure optimal utilisation of Human Resources. The model is based on the productivity parameters at the branches such as 84 work-drivers of operations, transaction load factors, number of advance accounts, feedback from the operating units and organisational structure, amongst others.
- Bank has streamlined its promotion and transfer process, and these are now completed in the first Quarter of a Financial Year. This will give the required assurance and stability to the branches and other units to actively focus on business activities, during the major part of the year. This year majority of promotion interviews were conducted through video conferencing and despite the challenges posed by COVID-19 Pandemic, promotion exercise was concluded before 30th April, 2020, that is, within one month.
- Your Bank's Career Development System (CDS) under project "Saksham" has been highly successful in ensuring a credible data backed performance evaluation process. The system ensures strong accountability, performance visibility and greater alignment

between individual and organisational goals. CDS has brought in a fair and transparent system driven process for assessment of performance, which also helps in developing employees through a detailed annual competency mapping framework.

- For a Bank with a large footprint and diversified set of roles, specialised skills are very important to drive success. To

ensure deep domain knowledge and to foster expertise, your Bank has defined career paths for its officers in Scale-II to V as per 7 Job Families viz. Credit & Risk, Sales, Marketing and Operations, HR, Finance and Accounts, Treasury and Forex, IT and Analytics.

- "SBI GEMS" a mechanism to promote recognition and develop organization memory of such recognition is in place in your Bank.
- Your Bank has in place a policy on Succession Planning for the Senior Leadership positions to ensure smooth transition at all the critical executive level positions. Succession Planning exercise to all DMDs/CGMs/GMs critical profiles has been completed during FY2021. The key outcomes of Succession Planning are to follow up using the results in a consistent, open and transparent manner to prepare and update Development/Training Programmes and to take Staffing Decisions during posting, including the relative priority of the developmental assignments that benefit the officer and your Bank.
- Your Bank organised two webinars viz. 'Put Your Mind at Ease' during Oct-Nov'20, to help employees manage their stress and time in a better way. The two webinars were handled by a professionally qualified counsellor and were also addressed by the Chief Medical Officer (CMO) from Corporate Centre. Both the webinars had been taken positively by the employees and were actively participated by 1,183 and 764 employees, respectively.

3. Recruitment

- Your Bank is actively recruiting specialised talent on lateral/ contractual basis in the areas of Wealth Management, IT, Information Security, Risk, Credit, and Audit, among other fields in order to meet the demands of the fast-changing business landscape and also to meet the regulatory requirement.
- Your Bank is making extensive use of digital platforms in the recruitment process in order to reach out to a wider pool of candidates. Advertisements are published on LinkedIn, Naukari.com,

and iim.jobs, besides publishing our recruitment notification on Facebook and Instagram handles. Use of social and digital media in our recruitment process has enabled your Bank to reach out to larger pool of tech-savvy and aspiring candidates. Additionally, your Bank has also tied up with professional bodies such as ICAI in order to reach out to a good talent pool of candidates for specialist positions.

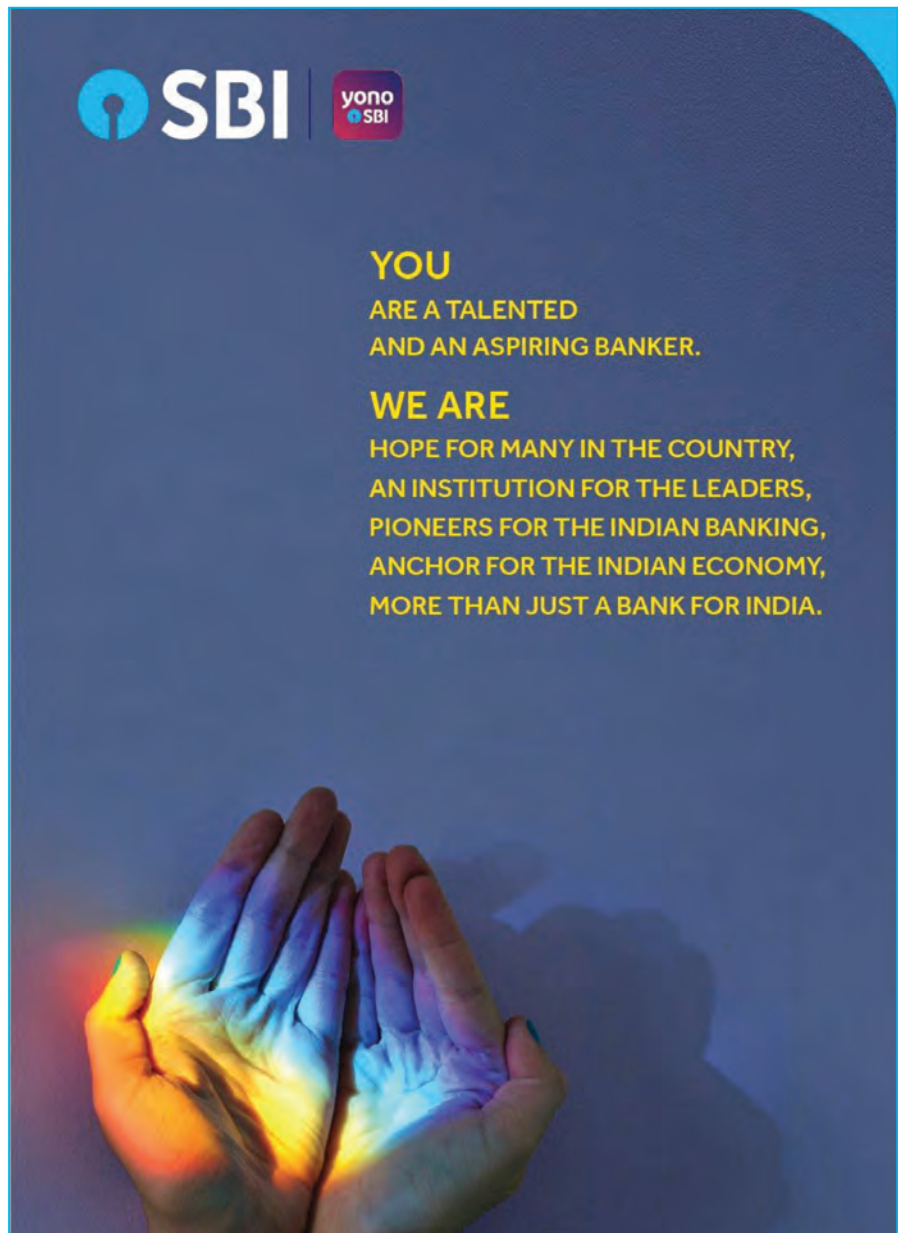
- As a measure to complete the recruitment process in a time bound manner your Bank utilised the IT platform and conducted the recruitment interviews through video conferencing following the social distancing protocols during the COVID-19 pandemic. This also reduced the long distance travelling through public transport for the interviews.

4. Gender Diversity

Gender Sensitivity and Inclusiveness have always been the cornerstones of your Bank's HR policy. Out of the total work force, the representation of women is over 25.92%. Furthermore, the women employees in your Bank are spread across all geographies and levels of hierarchy.

5. Reservations and Equal Opportunity

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



Representation as on 31st March, 2021:

Sr. No.	Cadre	Total	SC	ST	OBC	DAPs*
1	Officer	108772	19555	9098	22973	2128
2	Clerical	100796	16237	8090	26159	2340
3	Sub-Staff	36084	8857	2288	8915	214
Grand Total		245652	44649	19476	58047	4682

* Differently Abled Persons

6. Industrial Relations and Staff Welfare

- Your Bank is having a harmonious relationship with the staff and officers' federations. Your Bank has been continuously emphasising on healthy work environment, mutual respect and empathy at work-place and a good work-life balance to foster a healthy and happy workforce.
- Your Bank took a number of transformative initiatives during the year in the area of Staff Welfare. These initiatives are crucial to ensure that your Bank remains in the forefront of banking in India and our employees are equipped to meet the challenges of tomorrow.
- Your Bank has introduced payment of fixed Ex-Gratia amount in lieu of compassionate appointment for ₹12-30 lakh in different grades, 12 months' salary and education financial support for the children in the age group of 3-21 years up to the graduation level for the bereaved family of the deceased employee w.e.f 1st April 2020.
- To provide more flexibility to the employees in acquiring assets or taking care of personal requirements, your Bank has enhanced the loan limits in line with market prices.

7. COVID-19 Pandemic

The entire world was impacted by the COVID-19 pandemic leading to unprecedented disruptions across all sections of life and your Bank was no exception. All the staff members rose valiantly to the challenge of keeping the banking operations running during this critical period. Your Bank took a number of proactive mitigating measures/initiatives for staff benefit, such as reimbursement of expenses incurred on COVID Tests and Treatment, special support of to all the employees found positive due to COVID-19, and sanction of Special Leave to employees on quarantine, to contain and reduce the spread of the virus among the staff members. In the initial phase, your Bank also provided monetary compensation to employees who were in the forefront of the operations. These measures ensured

that the employees remained motivated and equipped to handle the crisis well. Unfortunately, some of our members lost their lives while ensuring uninterrupted service to the customers. For support of the family members of such deceased employees, cash compensation was introduced.

The unprecedented challenge posed by the COVID-19 pandemic has also led us to reinforce the process of continuity of operations and seamless functioning in the Banking Industry. Towards this end, your Bank has tried to realign and rework the existing "Work from Home" Policy into a more comprehensive and robust "Work from Anywhere Policy". The Policy will provide more flexibility to our staff members to continue working from alternate locations including home in times of crisis or calamity, giving them freedom to attend to their domestic requirements in addition to performing official duties. This will ensure a stable work-life balance for our staff members and will also lead to less crowding at workplace, savings on overhead costs for the organisation without disruption in the banking activities.

8. Care for Retired Employees

- Your Bank has launched a new scheme named as "e-Pharmacy" for providing domiciliary facility under SBI Health Assist Group Mediclaim Policy for retirees. An arrangement has been made with Lifetime Wellness RX International Limited popularly known as M/S Apollo Life for providing pharmacy services to the members of annual payment plan through an App named "URWORLD".
- Your Bank has rolled out the facility for obtaining life certificates through "Video based identification" in MyHRMS app. It is a facility for contactless submission of life certificate without visiting the Branch by staff pensioners and can be submitted through MyHRMS app from any Android or iOS mobile at the convenience of pensioner. Auto Email/SMS is generated in all cases of approval/rejection. This facility is in addition to existing physical submission or digital submission through Jeevan Pramaan.

- Your Bank is introducing one-time nomination facility for pensioners. The nomination facility is in addition to existing nomination facility for account balances of pensioners. The facility shall facilitate settlement of pensionary dues due to stoppage of pension, non-submission of life certificate and subsequent demise, arrears on account of retrospective wage settlement under bipartite settlements, revisions on account court directives, and revision in dearness allowance, amongst others.

B. Strategic Training Unit

The extraordinary circumstances of FY2021 have been an ultimate test of leadership and forethought. Your Bank's response to these recent black swan events is an optimised and resilient training system that is strategically tuned into the long-term business goals.

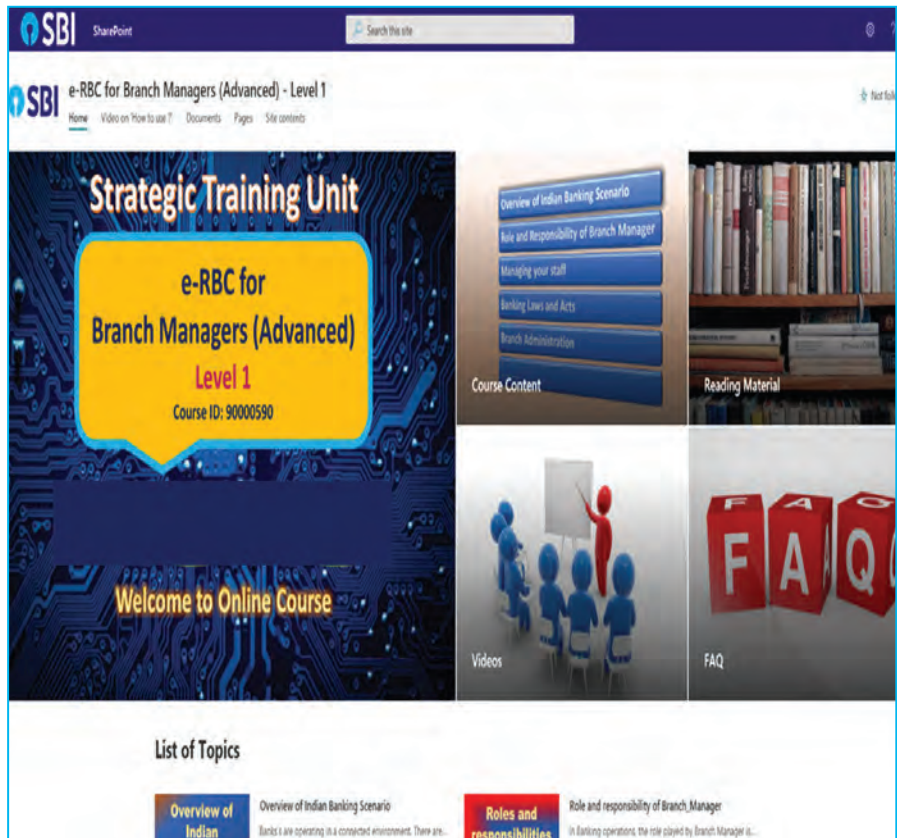
During these times, we utilised pandemic engendered limitations to drive user ease through online learning, promote pull mode of learning, teach new skills, and broaden the knowledge horizons of our workforce. As a result, our initiatives garnered global recognition, significantly reduced training expense for your Bank and at the same time enabled consistent delivery of sophisticated and interesting learning experiences.

The innovative measures undertaken by our over 400+ strong team of in-house educators and banking experts at the 6 Apex Training Institutes (ATIs) and 51 Regional Institutes of L&D (SBILDs) are mentioned below:

Hitherto classroom training was the mainstay of training with judicious use of e-channels. However, to provide constant learning support despite impaired mobility, a robust virtual learning system, which is capable of connecting the manifold functionaries and providing a deep understanding of contemporary circumstances was the need of the hour.

1) Perfecting Agile Delivery Channels: For creating a resilient online training network your Bank undertook the following steps:

- i. To foster learner interest and ensure learning retention, a repertoire of “Blended Learning” strategies such as videos, pre-reads, case studies, quizzes, interactive and recorded webinars were brought into play.
- ii. The Faculty was rigorously coached in delivering effective and engaging online interactions through external trainings and simulation courses.
- iii. All stakeholders associated with imparting training were onboarded on a single virtual platform.
- iv. An in-house, automated centralised training calendar management system was instituted.
- v. All this resulted in an enhanced interface between employees and faculty with nearly 51,000 webinars successfully conducted and 73% of staff having at least 1 live interaction with the Faculty and Subject Matter experts. On an average each employee attended around 11 webinars in FY2021.



2) Complete Remodelling of the content:

- i. For New Inductees: All induction programmes for Probationary Officers/ Trainee Officers and Award Staff (Junior Associates) have been executed virtually. Your Bank also spearheaded creation of a comprehensive common training program for newly recruited officers of all the Public Sector Banks. This was launched on 1st October, 2020 by the Hon'ble Finance Minister.
- ii. For all employees up to the Senior Management level: As a part of mandatory learning, the following is being offered to the employees:
 - a. **e-RBC:** In addition to RBI Mandated certifications in five domains, your Bank has created 45 niche Role-Based Certifications for around 2 lac employees (RBC acquired by 96% Officers and 98% Award Staff). During the year, all of these 45



certifications have been completely migrated to the e-platform by creating a digital repository of pre-reads, video tutorials, and interactive webinars followed by an online assessment.

- b. **e-Lessons:** 5 for digital skill building and 5 for Compliance have been crafted for promoting compliant and sound business practices suited to the new paradigms. 95% eligible employees completed these 10 gamified e-lesson.

iii. For Top Executives:

a. Online Assessment Centre (OAC): We have initiated assessment of leadership competencies based on an Online Assessment Centre. Individual Development Plans charting areas of strength and development will be provided to each participant. Additionally, several MOOC platform offerings have been shortlisted based on competency needs.

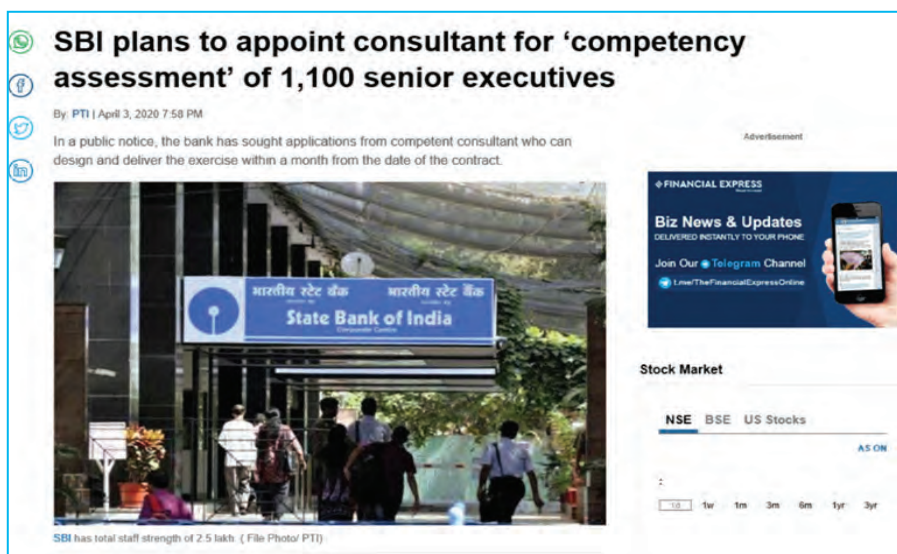
b. Immersive Credit Skilling: To make a positive difference in the economic scenario requires adroit handling of credit portfolio while resolving off-beat situations. Accordingly, all business leaders of DGM rank have been imparted intensive training in solution oriented credit decision making.

Accordingly, all business leaders of DGM rank have been imparted intensive training in solution oriented credit decision making.

3) Industry Connect: Awareness of contemporary issues is essential to effectively negotiate the prevalent changes and disruption. Accordingly, the following knowledge rich resources were harnessed:

i. Industry Associations: Collaborative programmes were rolled out with prestigious organisations such as ICAI, FEDAI and CARE to sensitise the workforce and keep them abreast of the current situation.

ii. **MOU:** Your Bank inked an MOU with a global front-runner for strategic collaboration in Executive Education.



Your Bank has also entered several MOUs under its “University Connect” for collaborative training of students.

4) Redefining the Scope of Training:

i. ‘Samunnati’ a Participative Coaching intervention for Branches: To enable the Branches to become more goal-driven and competitive, a radical coaching intervention based on ‘Action Research model’ has been rolled out. Action Research involves participation of the unit undergoing transformation. It is a dynamic approach, which interlinks elements such as problem identification, planning, action, and impact assessment. Under “Samunnati”, faculty members of Regional L&D institutes adopted one branch each across pan-India to extend guidance

and learnings for viable growth-models along with significant case studies.

ii. ‘SBI Wizards’ Fostering Positivity: An online quiz event “SBI Wizards” was rolled out in FY2021. The Quiz was the first of its kind initiative hosted on a large scale and was structured as a hybrid event (part self-paced, part online, and part physical). In line with the positivity theme, the participant group was widened to include one family member of the employee.



SBI Wizard: Final Event and Information Mailers



iii. **Fostering Positivity and Emotional wellbeing:** To engender a positive approach, several initiatives such as podcasts “SBICB-On-Air”, webinars on “staying fit” and “building mental resilience”, contemplative exercises like “Samya - A time to ponder”, virtual power talks by luminaries and programmes on inclusive workplaces like “Samya-leave no one behind” were undertaken by your Bank.

iv. **Building Inclusiveness:** 11 exclusively designed collaborative webinars for 596 PwD employees ensured that the employees remained engaged with your Bank even during exemption from attending office during the pandemic.

v. **Online Peer Learning tools:** Social Learning received a fillip with more than 60,000 employees participating in the online “Case Study Discussion Board” built around sharing of individual views and experiences on real-life case studies. The daily online quizzing portal “My Quest Today” was also accessed by more than 90,000 employees to test their knowledge levels. The urgent real-time operational knowledge need has been addressed by enhancing features and knowledge bank of search engine askSBI – 92% of Branches have utilised it.

vi. **Stepping Up as Strategic Influencers:**

a. Anweshan: Having a diverse and multi-generational workforce translates into innovative work practices emanating from every corner of the country. During FY2021, we launched “Anweshan”, which is an e-publication for disseminating these best practices for improved business outcomes across your Bank.

International Women's Day - 2021

SAMYA
An Annual Magazine from
State Bank Institute of Consumer Banking,
Hyderabad

60

SBI

Samya: Inaugurated on International Women's Day

SBI

ARE YOU PRACTICING SOCIAL DISTANCING?
Be honest. Be responsible.

We request you to practice social distancing at all times. Together, let's make our office premises a safer place for all.

WEAR MASK AT ALL TIMES

b. **Partnered Research:** To rapidly translate the ongoing changes in the financial eco-space into competitive advantage, the Research Wings at ATIs partnered with Business Units for 51 relevant and practical studies.

c. **Post-Doctoral Research Fellows:** For establishing our pedigree in leadership training, our PDRFS were leveraged as academic emissaries to establish our unique credentials into applied leadership training. They also networked to connect to global clientele and International thought leaders.

5) Expanding our Footprints:

Leveraging our capability in conducting Virtual Trainings, we were keen to test the mettle of our in-house offerings and optimally utilise our training resources in the external arena. Accordingly, the following initiatives were undertaken:

i. **Launch of Webpage:** STU webpage was launched on the Bank website to facilitate exploration/nomination

for our online courses and contains comprehensive details of all the digital and other initiatives offered by us in the learning space as also the feasible modes of delivery.

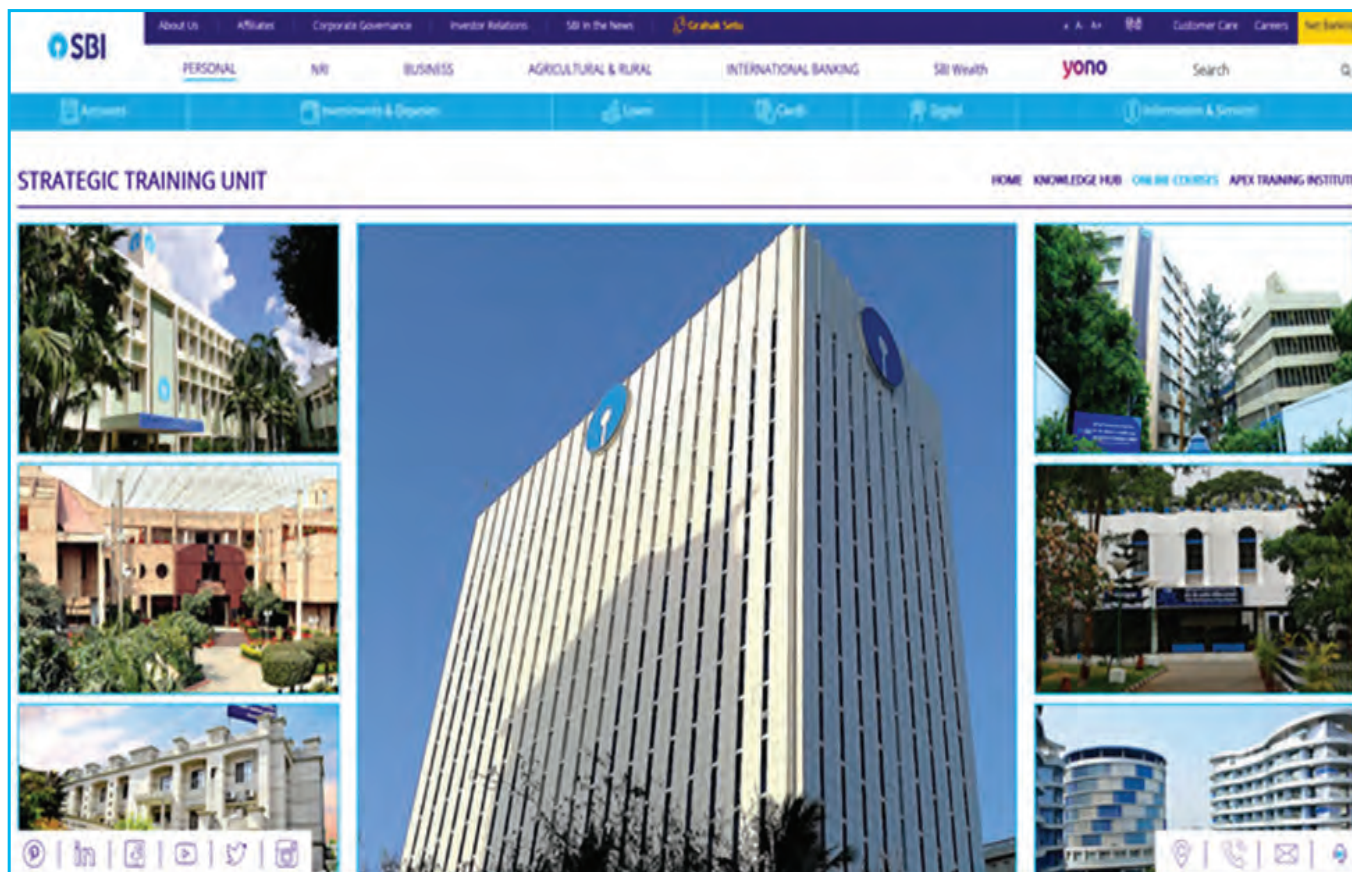
ii. **MOOCs on edX:** Your Bank is the first Corporate organisation in India and second financial institution in the world (after World Bank) to host in-house MOOCs on edX. So far, thirteen MOOCs have been launched and have received enthusiastic market response.

iii. **e-Panel Discussions:** During the year, more than 30 online discussions were organised in the presence of eminent academicians and industry experts to provide a platform for sharing best practices that are relevant to the current economic scenario.

6) **Sustainability at Core:** With the understanding that the greatest threat our planet faces is the belief that someone else will save it, all our ATIs & SBILDs have pro-actively

and intensively internalized eco-effective practices like- captive Sewage Treatment Plants (STPs) with recyclers, vermi-composting for recycling bio-degradable wastes, usage of solar panels/ Solar Plants to reduce conventional-source power consumption, rain water harvesting, and ensuring all our premises (ATI & SBILDS) are "Plastic Free Zones" with ban of single-use plastic. Most of our ATIs have been rated either Platinum or Gold by Indian Green Building Council and are also ISO 9001:2015 certified.

7) **Awards:** Your Bank has won five prestigious Brandon Hall Excellence awards 2020 for "Best Use of Blended Learning", "Best Learning Program supporting a change Transformation Business Strategy", "Best unique or innovative Learning & Development Program", "Best Advance in Technology for Crisis Management" for e-RBCs and "Best Advance in Social Learning Technology" for e-Gyanshala.



2. Information Technology

A. Network Infrastructure Improvement

To deal with the COVID-19 pandemic crisis, your Bank had taken several initiatives during the year to ensure smooth processes.

Your Bank arranged 600 connections of 4G connectivity for mobile van ATMs to ensure the ease of cash withdrawal during peak pandemic period.

Your Bank has ensured proper network connectivity during the two major cyclones viz. Amphan in Kolkata (in May 2020) and Nisarg in Mumbai and Maharashtra circles (in June 2020) and made sure that none of the digital channels suffer and our customers in the affected area may undertake their digital journeys, as effortlessly as before.

Your Bank is relentlessly working on improving the network experience and minimise branch isolations. Several unreliable and high-latency network links have been replaced with low-latency wired and terrestrial wireless links.

Your Bank, in its endeavour to better manage its network operations is in the process of establishing two advanced AI/ML and Analytics based Network Operating Centres (NOC-1 and NOC-2).

B. Work from Anywhere (WFA)

Your Bank swiftly deployed Virtual Private Network (VPN) to empower the operational staff across India to Work From Anywhere (WFA) and ensure "Business-As-Usual". Despite the lockdown, annual closing exercise was conducted without any glitches. WFA has been accepted as a new norm in your Bank. Many administrative and operational activities in domestic and foreign office/branches are being carried out remotely through WFA facilities.

C. YONO

YONO, the most ambitious, path-breaking, and secure digital offering of your Bank, launched in November 2017, has grown significantly in terms of volume, which shows its acceptance amongst users.

YONO has already crossed 70.5 million downloads, has a registered user base of 37.09 million and average daily logins of around 10 million. YONO is a single touchpoint and one-stop solution for various Banking, Financial and Lifestyle needs of the customer through a convenient, intuitive, and user-friendly interface offering the customer one view for an enhanced digital experience.

Customers can conveniently avail pre-approved loans online and get immediate disbursement without visiting the branch and with zero paperwork. YONO Quick Pay offers convenient payments/fund transfer without logging into the main application. Many new products/features have been launched like, KCC review, P-segment gold loan, insta account opening through Aadhar OTP based e-KYC authentication and pre-approved agri loan (SAFAL).

YONO Krishi launched in July 2019 with features such as agri gold loan, YONO Mandi and YONO Mitra, cater to the banking and agricultural needs of farmers through a digital platform.

YONO provides exclusive shopping deals from 100+ leading merchants such as Amazon, Myntra, Flipkart, Uber, OLA, Zoomcar, Yatra, Cleartrip, IRCTC, Redbus, Medlife, VLCC, Agricart, BigHaat, and Kisan Store, amongst others on a single platform.

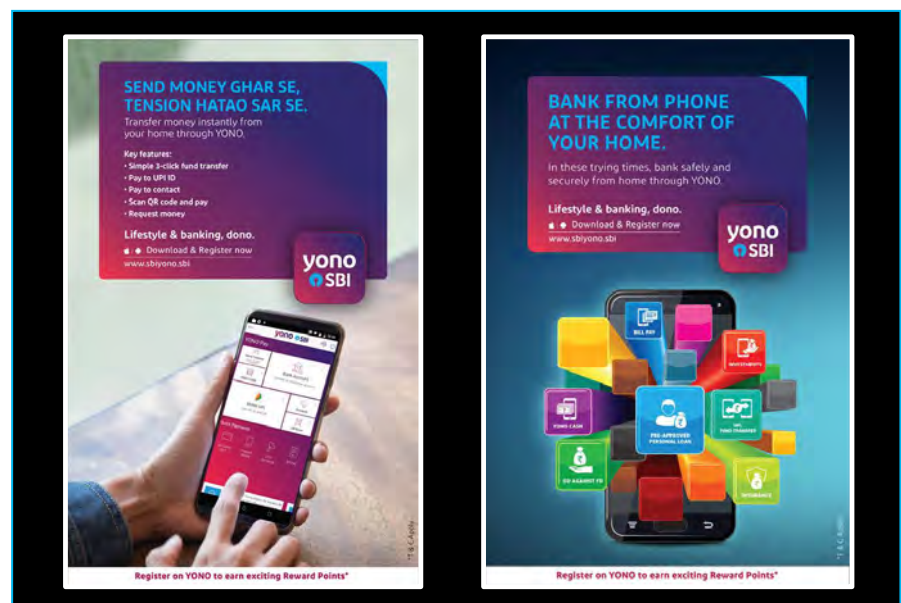
D. Channels and Operations

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

Your Bank works both as payment aggregator and payment gateway, which is a unique PCIDSS certified secured platform for facilitating seamless e-commerce transactions between businesses, merchants, Customers and financial institutions, for various kinds of payment modes. The platform is provided through our Payment Aggregator (SBI e-Pay) and Payment Gateway (SBIPG) applications by integrating with thousands of Merchants on the one end and large number of Payment Channels such as Banks, Wallets and Cards at the other end. SBIPG processes all debit/credit card transactions of Payment Aggregators, SB Collect, SBI-MOPS and YONO.

2. Payment System (PS) and Cash Management Product

Your Bank holds a major share in NEFT outward remittances with 27.88 crore transactions with over 9.01 % market share. In RTGS, 1.86 crore outward transactions were effected during FY2021, implying a market share of over 11.72%. Your Bank provides RTGS/NEFT facility to all its customers on a 24x7 basis and using the secure SWIFT messaging platform for transmitting cross border financial and non-financial messages.



Cash Management Product is a technology-driven platform for straight through processing of bulk transactions of corporates and governments.

The various types of businesses handled by CMP system are summarised below:

- a) Payments for Government of India, State Governments, Ministry of Defense, Railways, Various Corporates
- b) Cash and Cheques Pick-up and deposits
- c) VAN-based collection of cash, cheque collection and e-collections (NEFT, RTGS, INB)
- d) Digi-dealer mobile app and web base cash and cheque collections
- e) Liquidity and Mandate Management

During the year, your Bank has extended VAN based Collection to prestigious clients such as Vodafone Idea Ltd, Nayara Energy, Haldia Petrochem Ltd, BSNL, and BSES Energy, amongst others. API based integrations for validating dealer data and pushing MIS are being promoted in a big way for improving customer experience.

3. Foreign Office

Your Bank has introduced Open Banking (OB) in UK following instructions of European Banking Authority (EBA). The technological solution is hosted on Meghdoot infrastructure and was made live for our European Branches and Bahrain to meet the critical Regulatory requirement. Your Bank now has the capability to introduce OB in other geographies, as and when required by other Foreign Offices. Few of newly launched functionality are mentioned below:

- a) SBI YONO Global Mobile application has been launched in Mauritius and Maldives in addition to UK
- b) USD remittance is available to Mauritius customers
- c) OTP on mail is available to the customers of Bahrain, Mauritius, Maldives, Hong Kong, South Africa & Sri Lanka
- d) Customers of Nepal, Mauritius, Singapore, Bangladesh, Maldives, Oman, Bahrain, UK, Hong Kong

and South Africa can use ATM Management services from FEBA, which includes ATM Card Limit change, Usage change and Channel Change

High Interest Savings Account (HISA): Creation of new product for giving variable higher rate of interest benefit to the customer during first year of account opening in Canada rolled in production on 24th September, 2020.

4. ATM

Your Bank's ATM department is PCI-DSS Compliant, which is a benchmark security standard for payment card industry and stands tall with 26.51 crore active cards as on 31st March, 2021.

Following new facilities have been rolled out during the fiscal:

- YONO QR based cash withdrawal on SBI MVS ATMs/ADWMs using YONO Lite Application up to ₹4,000 per day
- Generation of Green PIN on SBI Automated Deposit and Withdrawal Machine ADWMs
- Generation of Green PIN, Blocking of Debit Card and Issuance of Replacement card Issuance through IVR
- Card Issuance Tracking for Customers through INB
- TLS 1.2 implementation has been completed in all MVS ATMs (CAPEX and TOM ATMs on MVS) to strengthen the security between ATM Machine and Network

5. Internet Banking

Internet Banking continues to provide seamless online experience, offering secure and diverse banking services to 802.92 lakh Retails Users and 28.50 lakh Corporate Users.

Many new services were rolled out for Retail customers like OTP over email to Resident Indians, SMSes in Hindi, Real Time Multiple Demand Loan for e-commerce transactions. Keeping in view increased cyber threats, the security of customer accounts was further enhanced by introducing Captcha at Login (Image & Voice), provision to Lock/Unlock INB

access, facility to Enable / Disable UPI as mode of payment.

For our corporate customers, a Unified corporate banking setup - YONO Business providing Single Sign-On for customers to access five applications viz. CINB, CMP, SCFU, e-Trade and e-Forex was launched. Additionally, new to digital customers were provided online onboarding of CINB, e-Trade and e-Forex. Other end-to-end digital offerings were (a) Debit card authenticated onboarding for Saral customers and (b) Pre-Approved Merchant Loan - a digital loan product for Saral customers. An Online Account opening facility was also launched for non-individual accounts like Sole Proprietorship, Partnership and HUF entities.

Over 19,592 merchant integrations have been done during the year to fuel the e-Collections, e-Payments and e-Commerce eco systems. VAN-based funding for PSUs was provided for Govt e-Marketplace. Additionally, online e-Mandate creation for payment of EMIs and other recurring amounts launched.

6. Yono Business

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

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

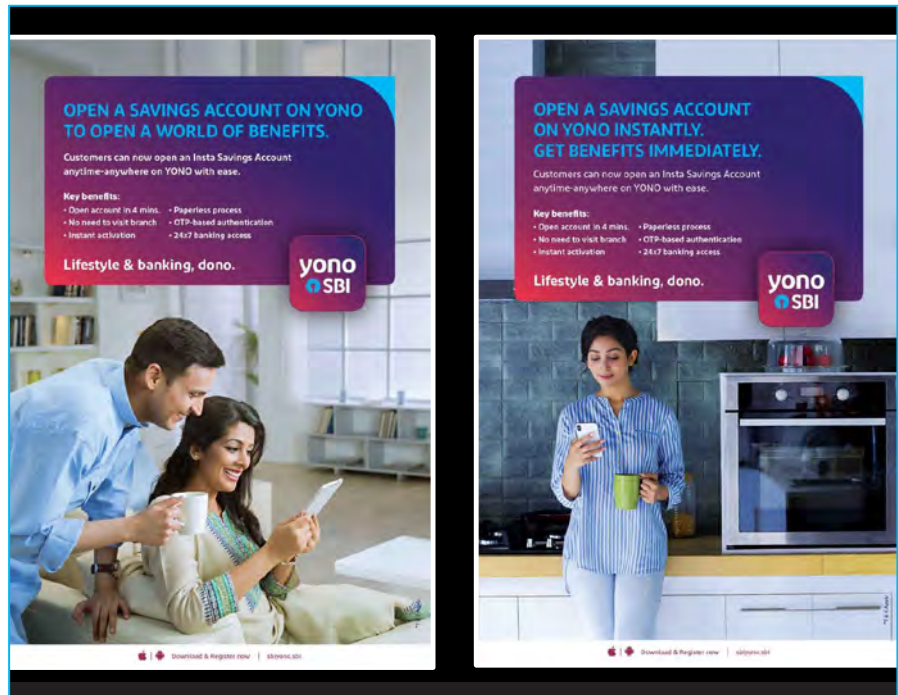
The three pillars are built on strong foundational capabilities across ways of working (cross-functional garage construct), modern technology architecture and skills (Agile, product management) to sustain the transformation. It digitally serves multifarious Banking interface requirements of all types of non-individual entities; right from a small proprietorship/MSME to large multinational corporates to Central and State Governments.

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

- Simplified and intuitive onboarding journey for new to Digital customers
- Existing legacy document process has been replaced with new omnibus document eliminating multiple visits to Branches. Digital onboarding for walk in customer through YONO Business Branch interface
- Additional Product offering for existing customers
- Corporate user management as end to end digital journey to Corporate Administrator for user management ensuring security and convenience
- Intuitive Dashboard made available to Corporates with features such as Consolidated real time account positions of A&L, Fund flow position, alerts and notifications like LC due date, and instalments due date, amongst others
- Re-imagined import LC journey and Forex rate booking in less in less than 15-20 minutes without the requirement to visit the branch

“You Only Need One” yonoBUSINESS is the umbrella under which your Bank’s corporate digital transformations take shape. It is different not only in terms of what it promises to deliver – in scale, scope and the use of technology such as API banking but also how it aims to deliver it – through adoption of an agile approach in cross-functional development squads to foster speed in innovation.

One of the largest digital transformation initiatives undertaken by any bank for their corporate customers, yonoBUSINESS spans across all corporate streams/ departments - from Account Opening, Payments to Trade and Advances. Working on the end-to-end digitisation yonoBUSINESS aims to redefine the way the bank and its customers approach to corporate banking.



E. Mobile Banking

Your Bank’s Mobile Banking department is the second largest alternate channel in terms of volumes after ATM. It handles various critical customer facing mobile applications and services.

1. UPI

Unified Payments Interface (UPI) is one of the flagship applications of your Bank that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing and merchant payments into one hood.

2. YONO Lite

During FY2021, following facilities were introduced for the customers through YONO Lite:

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

In addition to the above, availability of the App in 11 regional languages (Kashmiri, Assamese, Telugu, Tamil, Kannada, Malayalam, Gujarati, Marathi, Punjabi, Odiya and Bangla) has also been initiated for user’s ease.

3. SBI Quick

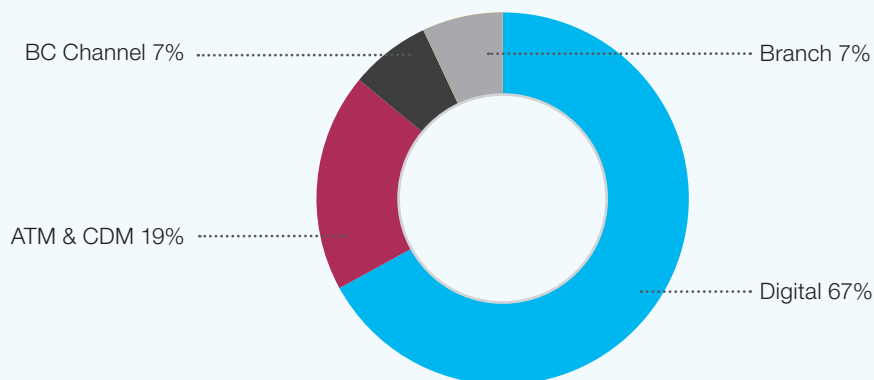
During FY2021, following facilities were introduced for the customers:

- Cheque lodgement through Positive Pay System
- SMS and Missed call-based loan lead generation for Personal loan, Gold loan, Home Loan and Car loans
- Mobile Top-up and Recharge facility
- SBI Samadhaan consolidation in SBI Quick app
- Availability of the App in 12 regional languages (Kashmiri, Konkani, Khasi, Telugu, Tamil, Kannada, Malayalam, Gujarati, Marathi, Punjabi, Odiya and Bangla)

4. SBI Secure OTP

Revised registration process (SIM based registration) for SBI Secure OTP has been implemented for more security and to safeguard the interest of the customers.

% Share of Alt Channels FY-21



F. Executive Support System

1. Customer Relationship Management (CRM)

CRM provides a state-of-the-art solution for the integrated management of sales, service, and marketing activities. It has a built-in campaign management modules and ensures the timely delivery of service. Complaint management module in CRM has now migrated to more sophisticated and advance system, that is, CRM-CMS wherein customer entire trail of previous complaints and other details are captured in the application giving ease to users and customer for complaint lodgement, tracking and resolution. Few of the customer centric projects initiated during the year are as follows:

- Deceased claim settlement through CRM for hassle free claim settlement
- Internal Ombudsman workflow for rejected complaints
- Automation of identified services through Registered Mobile Number (RMN) and IVR
- Launch of Circle Call Centre, where Bank's employees attend the call referred by Contact Centre
- AI-Based email handling solution for immediate segregation of complaint for faster resolutions

- Complaint category for grievance on COVID-19 ex-gratia payment
- Door-step banking facility
- Compliance of Government's EASE 3.0

2. Data Warehouse

Your Bank is implementing a best in class Data Warehousing solution "Next Gen Data Warehouse" in order to accommodate the growing volume of Data with the aim to become the Single Source of Truth for all data purposes of your Bank. An advanced analytical platform with component such as Data lake, and Virtualisation Layer, amongst others is being implemented to enhance the analytical capabilities of your Bank.

3. Data Governance

Data, being considered as the new oil, needs to be properly treated, nurtured and protected throughout its life cycle. Your Bank has already put in place an enterprise-wide Data Governance Structure in the form of Data Governance Councils (DGCs) at Corporate Centre, Business Verticals, Circles and AO levels supported by Data Governance Officers (DGOs) at each level. This robust Data Governance ensures sustained growth and compliance with evolving Regulatory laws regarding data privacy.

4. Business Intelligence Department

Following the principle of Single Source of Truth (SSOT) your Bank has decided to make the Business Intelligence Department (BID) to be the SSOT for all types of reports/ dashboards (Regulatory as well as MIS). BID has developed various Dashboards encompassing all the critical business areas, which need to be adopted in true sense for optimal utilisation. Adoption of these centralised dashboards will also reduce dependence on multiple data sources thereby reducing the Data-Stress for the Operating functionaries.

5. Analytics

Your Bank is steadfastly using and enhancing its analytics capabilities by using AI/ML for improving efficiency, reducing risk, and growing business. Some of the projects executed during the year using analytics were:

- a) Digital Lending: Business Growth through e2e Digital lending through products such as Pre-approved personal loan (PAPL), Pre-approved Business loans, Two -wheeler loan, and POS online EMI, amongst others. Additionally, a new AI based model



has been developed for SME New to Bank (NTB) customers.

- b) Analytics to mitigate risk by using AI driven models: Established a fraud prone branch model to identify high risk branches. Furthermore, ATM suspicious chargeback model for identification of suspicious chargeback complaints has also been implemented along with EWS models for early signals of stress in borrowers. Intelligent Sampling of Vouchers (ISMOVVR) model for Identification of outlier vouchers for re-verification and to prevent frauds has been initiated.
- c) Operational efficiency: Staff Optimisation and ATM network optimisation is being carried out through the footfall model and ATM win-back model, respectively. Additionally, ML based charges model to prescribe branches for proper classification. NLP based ML model to control income leakage.

6. Cyber Security

Your Bank has a robust Cyber Security framework in place. Your Bank has a Cyber Security wing, which conducts ethical hacking on Internet facing applications. This

is a proactive step taken to plug the loophole in applications before it is discovered and eventually exploited by any outsider. There is an approved Standard Operating Procedure (SOP) for Internal Ethical Hacking by the staff. Your Bank encourages its staff members to perform ethical hacking attempt on your Bank's infrastructure.

Your Bank has also initiated measures to put in place Next Gen Global Cyber Security Operations Centre (NGGCSOC) with advanced technologies and best in class products leveraging AI/ML capabilities to strengthen the Cyber Security Posture of your Bank. As on date, the NGGCSOC deployment is underway.

Your Bank has implemented Proactive Risk Management (PRM) solution to combat attacks such as phishing, credit card frauds, internet banking frauds, and mobile banking frauds, amongst others. Laced with robust data analytics, AI & ML, PRM is capable of detecting and alerting fraud and suspicious account and transaction activity, while facilitating effective counter measures.

Your Bank is fully complied with all the 21 mandatory controls and 10 advisory controls prescribed by the SWIFT.

G. Core and Special Projects

1. Special Project

Your Bank has initiated number of special projects for ensuring customer convenience. Few of the projects are mentioned below:

- a) **Foreign Inward remittance to PM Care account:** Developments in Rupee Flash API platform and Rupee Express Application have been launched to allow foreign inward donations into specially designed PM Care Account to fight Corona Virus Pandemic.
- b) **Parking payment through FASTag:** Integration of GMR International Airport Parking facility at Hyderabad with NETC SBI FASTag. This is a pilot project, initiated by NPCI to enable the customers to pay parking charges through FASTag.
- c) **I-Meeting application:** I-Meeting application has been successfully extended to the 17 LHO for conducting their Quarterly Local Body Meeting (LBM) meetings.
- d) **CKYC Signzy Scanning Solution:** AI Based scanning application for speedy and error-free scanning the documents in CKYC formats.

- e) **Pension Seva:** Revamp of Registration in Pension Seva through mobile OTP. This will enable pensioners to avail a range of facilities without visiting the branch.
- f) **Issuance of immediate PRAN Card:** Photo and signature upload facility at branches for NPS registration to facilitate immediate PRAN Card issuance by CRA to the subscribers without waiting for physical copy of application.
- g) **CKYC for FI Accounts:** As per regulatory compliance, CKYC process for Financial Inclusion accounts implemented and made operational on 1st September, 2020.
- h) **Aadhaar Masking:** As per compliance, Aadhaar Masking was implemented at CKYC and other channels on 3rd October, 2020.
- i) Photo and signature upload facility at branches for NPS registration to facilitate immediate PRAN Card issuance by CRA to the subscribers without waiting for physical copy of application.

2. IT-Corporate and SME Loans

Your Bank captures the entire journey of Corporate and SME Loans through its in-house developed Loan Life Cycle Management System (LLMS), the entire life cycle of the credit process is automated leading to standardisation of the credit process, enhanced risk management and improved user experience and TAT.

During FY2021, following major new offerings were initiated under the LLMS:

Pre-Approved Business Loan (PABL)

PABL is a digital pre-approved loan product for your Bank's existing current account customers, based on the cashflows in the account. The loan is provided for meeting the customer's multiple requirements related to their business activity. In this, dropline overdraft account is opened, and no primary and collateral security is required.

Guaranteed Emergency Credit Line (GECL) 1.0 & 2.0

Based on the directions of RBI and various initiatives of the Government of India, your Bank has launched GECL 1.0 & 2.0 to provide finance on liberal terms to the units affected by the COVID-19 pandemic.

Through these products, your Bank made available additional credit facilities to the eligible existing borrowers by way of ad-hoc facilities, that is, Guaranteed Emergency Credit Line (GECL) to tide over the current crisis situation.

Digitalisation of Stressed Assets Recovery Group (SARG)

Various formats and process flows of SARG have been digitalised with end to end process on the LLMS platform. The Sanctioning Committees have also been created in the LLMS. Digitalisation of SARG has resulted in standardisation of the proposal formats, process flows and creation of corporate memory.

3. IT-Retail Loans

The system caters to technological developments related requirements pertaining to sourcing, processing, underwriting and disbursement of retail loans through Loan Originating System (LOS) Personal Banking (PB), LOS(Agri) and Retail Loan Management System (RLMS). The lead sourcing and loan collections are handled through Online Customer Acquisition System and Loan Collection System application, respectively.

- a) LOS PB: Over 21,000 branches/RACPCs/RASMECCs/RBOs and more than 1,00,000 users are linked to application. During FY2021, a total of 19,25,295 loan accounts amounting to ₹2,25,933.17 crore have been sanctioned.
- b) LOS Agri: Over 24,000 branches/RACCs/RBOs and more than 1,50,000 users are linked to application. In FY2021, a total of 61,82,327 loan accounts amounting to ₹98,465 crore were sanctioned.
- c) RLMS: Over 21,021 branches/RACPCs/RASMECCs/RBOs and more than 1,00,000 users are linked to application. In FY2021, approximately 25 lakh loan accounts amounting to ₹1,00,000 crore were sanctioned.

Major implementations: Retail Loans: in RLMS during FY2021

- a) RLMS, an end to end digitised platform, has already seen the processing time for the loan journeys coming down drastically by taking only 10 minutes, thereby resulting in increased business.

- b) In RLMS, Pension Loan, Personal Gold Loan, Xpress Credit and Smart Home Top-Up Loan products were launched PAN India during the year.
- c) Development and CUG roll out of Home Loan journey was also done in RLMS during FY2021.
- d) RLMS is also being integrated with YONO and CRM for processing applications that are sourced through these channels. Besides, development and CUG roll out of DDE functionality for Xpress Credit loans has also been undertaken. Furthermore, your Bank has also focused on the development of RTXC loan journey including DDE functionality and launch of CUG.
- e) With the proposed rollout of remaining products during FY2022 in RLMS, your Bank expects increased efficiency and user experience, improvement in TAT and growth in your Bank's business.

4. Customer Service

Your Bank has put in place a robust online Complaint Management System (CMS), where customers can lodge their complaints / feedback / suggestions online through our website www.sbi.co.in. In addition to this, your Bank's Contact Centres operate 24*7*365 in different geographical areas, servicing its customers in Hindi, English and 10 major regional languages. For improving the quality of resolution of customer grievances, it has established Circle Complaints Resolution Centres (CCRC) in all Circles. The CCRC will free the Branches from complaint handling and ensure better utilisation of time for better customer service and business development. Your Bank has also established Circle Call Centres with its own staff for handling any issue beyond the purview of our regular Contact Centres, so as to ensure a better customer experience. The CCRCs have handled 7.91 lakh cases during the current financial year. Similarly, CCCs have handled a total cases of 1.72 lakh during FY2021. Your Bank has conducted a campaign 'Grahak Santrupthi' during the period Aug'20 - Oct'20 for reduction in complaints in three categories Transfer of Accounts, Deceased Account settlements and Staff Misbehavior Complaints, which resulted in reduction of 73%, 64% and 44% respectively. Proper and timely resolution of customer grievances

is our high focus area. We are conducting Root Cause Analysis of major areas of complaints and are utilising the findings for product and process improvement. Country wide E-Town hall meetings were conducted in 464 centres to collect feedback from the customers regarding your Bank's products and processes. A total of 12,201 customers participated in the meetings.

With structural transformation to digital banking, your Bank is in the process of leveraging the CRM Tool to use analytics and artificial intelligence. Your Bank believes that these digital tools and technology can completely transform the customer experience in the days to come. Furthermore, it has introduced 5 Registered Mobile Number based services from Contact Centre, which have helped the clientele in these testing times. Additionally, your Bank is in the process of revamping the Contact Centre operations with state-of-the-art technology and to harness untapped potential.

Even during these difficult times of the COVID-19 pandemic, Your Bank has conducted virtual customer meets for seeking customer feedback for improvement in customer experience. It has also conducted programmes to sensitise the Branches for providing good Customer Service. With the launch of the Doorstep Banking, the customers can avail ten doorstep services such as Account statement, Cash withdrawal facility, Life Certificate submission etc. Pensioners can avail this facility for submitting the Life Certificate without visiting the Branches. Virtual Pensioners meets were also conducted to inform the Senior Citizens on the benefits and the ways in which they can avail of the Doorstep Banking Services. Your Bank has introduced the concept of Floor Managers in over 2,400 branches for enhanced customer experience.

H. Financial Inclusion and Government Schemes (FI&GS)

To enhance customer convenience and customer delight, following new facilities were introduced during the FY2020-21:

- a) Multi Device Login: Implementation of KO (Kiosk Operator) family concept with KO family consisting of a KO and maximum of 5 sub-KOs. Through this service, the Customer Service Point (CSP) is able to offer

the services through multiple nodes simultaneously, within. This will enable the CSP to provide service through more than one device (maximum Six) using a single CSP code, replicating a branch set up.

- b) EMV enablement on MATM: Micro ATMs (MATMs) in the BC channel have been made ready for acceptance of EMV chip cards, which helps in reducing the risk associated with magnetic stripe cards.
- c) Passbook Printing for FI & non-FI customers: Passbook of all the customers can be updated at the CSP outlet through bar code validation. Passbook printing at CSP location has helped in decluttering of the branches.
- d) Voice prompt: Voice Prompt while performing transactions at CSP outlets rolled out in Hindi, English, Tamil and Telugu. It acts as a risk mitigant for illiterate/semi-literate customers as they can hear the details of the transactions being performed in their account.

I. Trade Finance

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

Eximbills Enterprise (EE): EE is the centralised technology platform facilitating Trade Finance transactions. The Web based application uses latest technology and has STP capabilities with various systems enabling bank to meet market requirements. It has a seamless real-time

integration with multiple applications for smooth transaction flow. The centralised structure helps in risk management by standardising the operational processes and provides MIS for decision making and statutory and regulatory reporting.

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

CE's unique and highly configurable User Management allows Corporates to operate with ease, comfort, and flexibility. Some of the unique features like Corporate group level view of all sub-companies, Trade Portfolio One-view Dashboard, Notifications and Alerts, Digital Document Submission, etc. adds to the customer's experience and delight.

During COVID-19 situation and lock-down durations, CE has played a very crucial role in helping Corporates to continue their Trade finance businesses digitally, without any interruptions and thereby facilitating a strong push for 'AatmaNirbhar Bharat', vision of Govt of India.

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

Award	Category	Remarks
IBA Annual Banking Technology Awards 2021	Best Payment Initiatives	Winner
	Best Digital Financial Inclusion	Winner
	Most Innovative Project	Winner
	Best use of Data Analytics	Runner-up
Banking Frontiers Finnoviti Award	Finnoviti Award 2021	Winner (AI /ML models like Project Shikhar & Recommendation Engine)
M & O Certificate by M/s Uptime Institute, USA	Maintenance & Operations Certificate of Data Centre	<ul style="list-style-type: none"> • Gachibowli Data Centre awarded the M&O certificate (Stamp of Approval) from Uptime Institute • Only Data Centre in the BFSI sector in India to Achieve M&O award by Uptime Institute

3. Risk Management

A. Risk Management Overview

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

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

Your Bank is committed towards creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading controls and security measures, including cyber security measures, to ensure avoidance or mitigation of various risks. Your Bank has policies and procedures in place to measure, assess, monitor, and manage risks systematically across all its portfolios.

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

1. Credit Risk Mitigation Measures

Your Bank has put in place strong credit appraisal and risk management frameworks for identification, measurement, monitoring and control of the risks in credit exposures. The industrial environment is scanned, researched, and analysed in a structured manner by a dedicated team for deciding its Outlook and growth appetite for 39 identified industries/sectors, which constitute close to 70% of your Bank's total advances (excluding Retail and Agri). Risks

in these sectors are monitored continuously and wherever warranted, the industries concerned are reviewed immediately. Impact of the COVID-19 pandemic on your Bank's portfolio is tracked very closely. Your Bank identified corporates that may require additional assistance very early in Q1 of FY2021, which facilitated quick remedial measures. In addition to this, various analyses were undertaken to proactively identify probable stressed portfolios and necessary remedial measures were taken in time. Similarly, impact of the pandemic on multiple industries such as NBFC, Construction, Textiles, Ports, Shipping, and Hotel was carried out. Exposure to sensitive/stressed sectors such as Real Estate/Telecom are reviewed at half-yearly intervals. Sectors such as NBFC, Power, Telecom, Textiles, which are going through a challenging phase, are watched continuously and analysis of new developments are shared with the business groups to enable them to take informed credit decisions. Furthermore, knowledge sharing sessions are conducted for the benefit of the operating staff at various levels. Additionally, monthly dashboard covering top 15 industries is provided to business units detailing the developments in this important Industries / Sectors in these sectors to keep them updated on the latest information/developments.

As of FY2020, credit rating thresholds were based on the outlook of the industry/sector. As the Probability of Default (PD) for industries may not be same, your Bank has decided to shift to a framework for arriving credit rating threshold, based on both the PD and Outlook of the respective industry/sector w.e.f. 1st April, 2020.

Your Bank uses various internal Credit Risk Assessment Models and scorecards for assessing borrower-wise credit risk. Models for internal credit ratings of the borrowers were developed in-house. They are reviewed through cycles of comprehensive validation and back testing frameworks including external validation and review. Your Bank also has in place 'Dynamic Review of Internal Rating' framework, which facilitates early identification of stress and triggers the appropriate mitigation mechanisms.

Your Bank has adopted an IT platform for credit appraisal processes through a Loan Origination Software/Loan Lifecycle

Management system (LOS/LLMS). Models developed by your Bank are hosted on these platforms, which are interfaced with CIBIL and RBI defaulters' lists.

Your Bank has a framework for Risk Adjusted Return on Capital (RAROC) and the Customer level RAROC calculation has also been digitised. Furthermore, behavioural models for monitoring and scoring retail borrower performance have been developed and hosted on Credit Risk Data Mart.

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

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

Your bank has been tracking the credit portfolio in view of the current Pandemic. Bank performed customised stress testing of all portfolios including Corporate, Retail – Personal segment, SME & Ag portfolios, at periodic intervals during 2020-21 to identify stress built up. Bank has also identified borrowers well in advance to take appropriate mitigation measures. These measures facilitated smooth implementation of various support measures for the stressed sectors.

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

2. Market Risk Mitigation Measures

Your Bank's market risk management consists of identification and measurement of risks, control measures, monitoring, and reporting systems. Market risk is managed through a well-defined Board approved Investment Policy, Trading Policy and Market Risk Management Policy and Market Risk Limit Policy that caps risk in different

trading desks or various securities through trading risk limits/triggers for effective and judicious management of investment funds. These risk measures include position limits, gap limits, tenor restrictions, sensitivity limits, namely, PV01, Modified Duration, Value-at-Risk (VaR) Limit, Stop Loss Trigger Level, NOOP, Forex Daylight Limit, LMAT, UMAT and Options Greeks are monitored on end-of-day basis.

Value at Risk (VaR) is a tool used for monitoring risk in the Bank's trading portfolio. Enterprise level VaR of your Bank is calculated daily and back tested daily. The Stressed VAR for market risk is also computed daily. This is supplemented by a Board approved stress testing policy and framework that simulates various market risk scenarios to measure stress losses and initiate remedial measures.

The market risk capital charge of your Bank is computed using the Standardised Measurement Method (SMM) applying the regulatory factors.

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

3. Operational Risk Mitigation Measures

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Key elements of your Bank's Operational Risk Management, among others, include timely Incident reporting, ongoing review of Systems and Controls, enhancing risk awareness through Risk & Control Self-Assessment (RCSA), Theme based RCSA, monitoring of Key Risk Indicators (KRIs) and aligning Risk Management activities with Business Strategy.

Your Bank has a detailed Business Continuity Plan (BCP) in place for ensuring continuity of operations at the Branches and Offices during disruptions. BCP enabled us to ensure minimum business disruption during the natural disasters which occurred during the year such as the cyclones in the eastern coast and the disruption caused by the COVID-19 pandemic.

For FY2021, your Bank has allocated capital for Operational Risk as per the RBI



requirements under the Basic Indicator Approach (BIA).

Your Bank observes Risk Awareness Day on 1st September annually to improve its risk culture. As part of sensitisation, Risk Awareness Day pledge was administered, and an online Quiz contest was conducted for the Bank employees. Furthermore, risk awareness is also being embedded through the training system at all levels. In addition to this, training sessions for CFOs of the Circle and DGM (Risk) of Business Units for mitigation of Operational Risk at all Branches/ CPCs/Business Units are being organised regularly.

4. Enterprise Risk Mitigation Measures

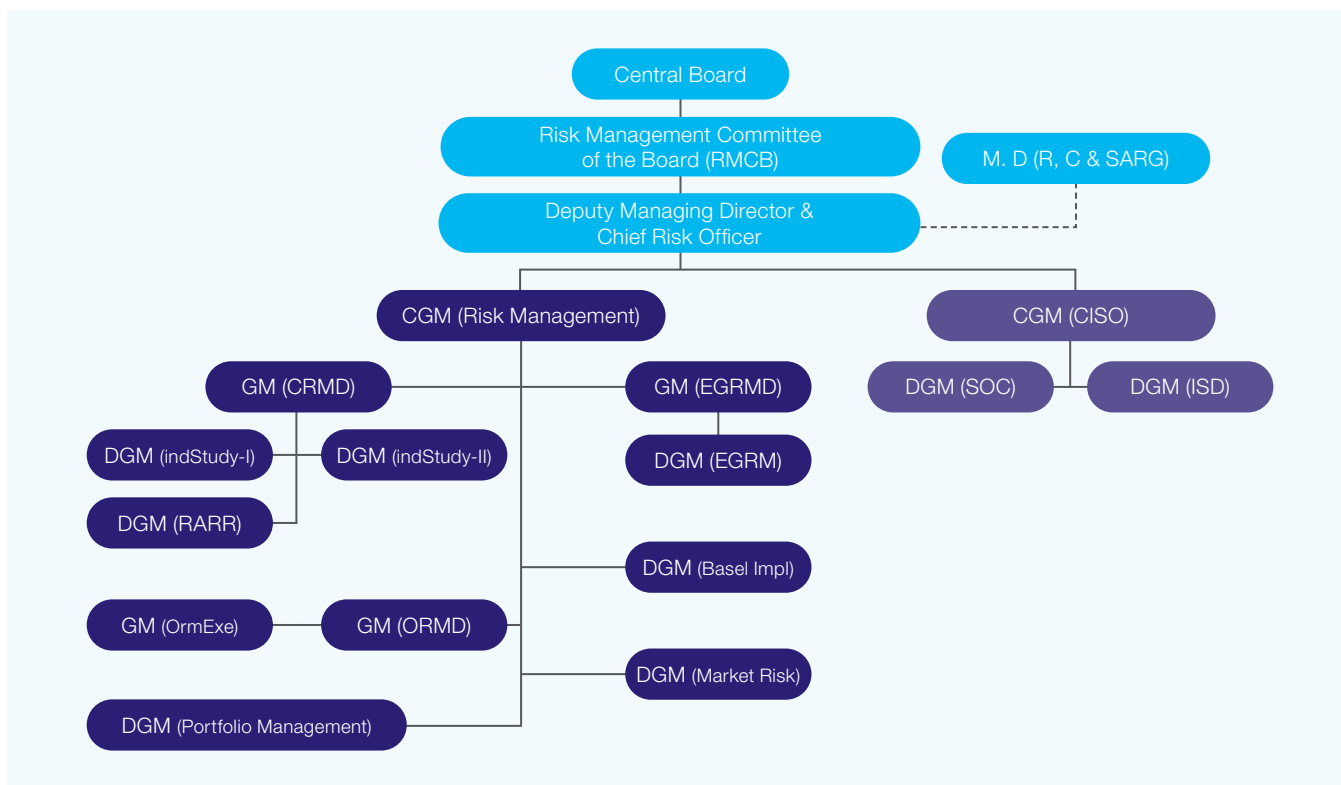
Enterprise Risk Management aims to put in place a comprehensive framework to manage and align risk with strategy at the whole Bank level. It encompasses global best practices such as establishing a Risk Appetite Framework, Risk Culture Assessment framework, Material Risk Assessment, amongst others.

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

The Risk Appetite Framework incorporates limits for major risks with monitoring parameters. In order to promote a strong risk culture in your Bank, a Risk Culture Assessment Framework is being operationalised in a phased manner. As part of Material Risk Assessment Framework, a quarterly analysis of risk-based parameters for Credit Risk, Market Risk, Operational Risk and Liquidity Risk, amongst others, is presented to the Enterprise and Group Risk Management Committee (EGRMC)/ Risk Management Committee of the Board (RMCB).

Your Bank conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) exercise on a yearly basis with respect to adequacy of Capital under normal and stressed conditions at Solo and Group level. The document includes an assessment of identified risks at Bank level and at Group level, internal controls and mitigation measures, and capital assessment.

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



5. Group Risk Mitigation Measures

Group Risk Management aims to put in place standardised risk management processes in Group entities. Policies relating to Group Risk Management, Group Liquidity and Contingency Funding Plan (CFP), maintaining Arm's Length and requirements for Intra Group Transactions and Exposures are in place. Additionally, monitoring of the consolidated Prudential Exposures and Group Risk components is being done regularly.

All Group entities where SBI has 20% or more stake and management control, including non-banking entities, carry out the ICAAP exercise and a Group ICAAP Policy is in place to ensure uniformity.

6. Basel Implementation

The RBI Guidelines on Basel III Capital Regulations have been implemented, and your Bank is adequately capitalised as per current requirements, including maintaining the required level of Capital Conservation Buffer (CCB). Your Bank is identified as D-SIB by the Regulator and

is accordingly required to keep additional Common Equity Tier 1 (CET1) of 0.60% of RWAs from 1st April, 2019.

B. Internal Control

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

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

Some key initiatives include the following:

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

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

Your Bank has created a new wing at IAD to strengthen the overview of the audit of its aggregate risk assessment processes.

In addition to this, it undertakes Management Audit of business verticals to assess their strategic effectiveness and Thematic audits as per the directions of the Audit Committee or the regulators.

Branch Audit

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

During FY2021, the IA Department has completed RFIA of 12,359 units of Domestic Branches & Central Processing Centres (CPCs). Further, Evidence Based Compliance Testing (EBCT) was completed in 3,388 branches identified under Trigger Based Audit (TBA).

Credit Audit

Credit Audit is an integral part of Risk Based Internal Audit system, aimed at identification of inherent business risk (credit risk), evaluation of effectiveness of control systems for monitoring the inherent risks (control risk) and may also suggest the remedial measures for controlling the credit risk underlying the high value loan portfolios.

Bank has put in place Risk Focused Credit Audit (RFCA), an effective tool for periodic evaluation of quality of the credit portfolio and to bring about qualitative improvement in credit administration, maintaining the integrity of credit rating process, portfolio quality, through critically examining individual large commercial loans with exposures of above ₹20 crore annually.

Early Review of Sanction

A review of all eligible sanction proposals with total credit exposure of above ₹1 crore is carried out under 'Early Review of Sanctions'(ERS). ERS captures the critical risks in sanctioned proposals at an early stage and apprises the Business Units of such risks for mitigation thereof. ERS facilitates in improving the quality of sourcing, pre-sanction and sanction processes. ERS activity has been recently Centralised and under this initiative the services of in-house officers/Chartered Accountants are being taken in place of retired officials for Review of Loan Proposals. This is for the purpose of better control and monitoring and also to build a professional team for Loan Review under ERS. The entire ERS process is system driven and done through the Loan Lifecycle Management Solution.

FEMA Audit

The branches that are authorised to deal (Authorised Dealers) in Foreign currency transaction, including Trade Finance Centralised Processing Cells-TFCPC are subjected to FEMA audit. All branches in CAG/CCG/TFCPCs and "A" & "B" category branches not linked to TFCPCs are audited once in a year. Around 20% of branches linked to TFCPC are also audited along with the linked TFCPC depending on the risk perception/volume of Forex operations of the linked branches. During FY2021, 479 such branches/units are subject to FEMA audit.

Information System and Cyber Security Audit

Your Bank's branches are subjected to Information System audits ("IS Audits") to assess the IT-related risks as part of RFIA of the branch(es). IS Audit of centralised IT establishments is also carried out by a team of qualified officials, which includes IS auditors appointed through lateral recruitment. During FY2021, IS Audits of 84 centralised IT establishments were completed. In addition to this, a cyber-security audit of your Bank is also executed annually, as per the Cybersecurity Policy of your Bank. Also, ISA takes care of audit of IT-outsourced activities.

Foreign Offices Audit

Foreign Offices are subjected to Home Office Audit in addition to Internal Audit conducted locally at the respective centres under the oversight of Internal Audit Department. Home Office Audit due at 17 Foreign Offices and Management Audit due at 1 Representative Office and 1 Subsidiary during FY2021, is deferred to FY2022 due to restrictions imposed on account of COVID-19 pandemic. However, these offices were subjected to internal audit as per approved periodicity.

Concurrent Audit System (CAS)

Concurrent Audit System in your Bank covers advances and other risk exposures as prescribed by the regulatory authority. In order to further strengthen the CAS, all Extremely High Risk/Very High Risk/High Risk Branches, categorised as per the risk matrix prescribed by RBI are covered under CAS. Additionally, Concurrent Auditors are placed at all Credit Central Processing Cells to identify shortcomings in underwriting at a very early stage of the client relationship. Your Bank has engaged Chartered Accountant Firms in addition to the retired experienced bank officers and regular officers for audits.

Off-site Transaction Monitoring System (OTMS)

For the purpose of monitoring the transactions offsite, scenario-based alerts are generated and flagged to the business units for corrective actions. Presently, there are 54 types of scenarios embedded in the system against which the transactions are scrubbed at regular periods, wherein inconsistent transactions are flagged by the system for affirmation of the related compliances. The scenarios are periodically reviewed and enlarged, depending upon the need and certain triggers.

Legal Audit

Legal Audit in your Bank covers scrutiny of the loan and security related documents of loans amounting to ₹5 crore and above. The legal audit is a control function, carried out through a panel of advocates in addition to the scrutiny by the in-house team of internal auditors, to ensure that there are no shortcomings in the documents or creation of security in favour of your Bank. During FY2020-21, legal audit was carried out for 13,535 accounts.

Audit of Outsourced Activities (Non-IT)

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

Audit of outsourced activities in your Bank covers audits of vendors (Non – IT) engaged in providing ATM services, Corporate Business Correspondents (BC), Individual BCs and CSPs, Recovery and Resolution agents, Cash Management Services, Cheque Book Printing, Collateral Management, Marketing of Loan proposals, Registrar and Transfer Agents, Document Archival Centre, and Cash Efficiency Project amongst others.

During FY2020-21, your Bank has completed audit of 30,384 CSPs out of 60,776 CSPs engaged under financial inclusion plan. In respect of other outsourced activities audit of 738 vendors as planned was completed.

RFIA of Corporate Centre departments

This Department was created to audit and assess the aggregate risk and maintain oversight of risk residing at the macro level. The risk assessment covers inherent risks, control risks, residual risks and gaps in Governance and oversight. It also assesses the degree of compliance to regulatory and statutory requirements". Thus, providing a fair and reasonable assurance to the Senior Management and Board, on the direction and trend of aggregate risk in your Bank.

Management Audit

Management Audit covers identified Corporate Centre establishments/Circle's Local Head Office/Regional Rural Banks sponsored by your Bank. The Strategy, Processes and Risk Management at auditee units are covered under the audit.

C. Compliance Risk Management

Your Bank gives utmost priority to meeting Regulatory and Statutory compliances. Towards this, we have completely revamped our compliance architecture to ensure a sharper focus for tracking areas

giving rise to compliance risks and for taking quick remedial steps.

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

To forestall any compliance risk, all products, process, policies are vetted from the Regulatory perspective before they are operationalized. A Compliance Risk Management Committee, comprising of Senior Executives from business verticals and support functions, maintains oversight on all compliance related issues. The committee meets regularly and extends necessary guidance to all the internal stakeholders for ensuring Regulatory compliance.

Compliance testing of RBI's regulations and remediation of gaps, if any, is regularly carried out. The testing universe is being expanded to ensure that the control mechanisms are in place to comply with all the regulatory requirements.

D. KYC / AML-CFT MEASURES:

Bank has a Board approved KYC Policy, in line with the extant RBI Master Direction. The Policy incorporates Bank's approach to KYC, AML and CFT issues. Bank has taken steps to implement provisions of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time.

The policy contains Banks framework for Customer Acceptance, Risk Management, Customer Identification and Monitoring of Transactions. Bank has put in place a robust system containing a combination of manual and system enabled methodology to ensure KYC compliance. No account is opened, in anonymous or fictitious/benami name or where the Branch/Business unit is unable to apply appropriate CDD measures. Bank does not open accounts for transacting in or settling transactions of virtual currencies. However, while implementing the policy, Bank takes care that it does not result in denial of banking services to those who are financially or socially disadvantaged.

To facilitate contactless customer onboarding, Video Customer Identification Procedure (V- CIP) has been rolled

out nationally. Using this process, new customers can open fully functional accounts without visiting any Branch.

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

Several initiatives are put in place to bring greater awareness amongst the staff. Ongoing employee training programmes are conducted by the Bank so that the members of staff are adequately trained in AML/CFT policy. AML-CFT Day is being observed on 2nd November every year wherein pledge is taken on that day at all branches/processing centers and Administrative Offices. Similarly, 1st August is observed as KYC Compliance and Fraud Prevention Day.

E. Insurance

Your Bank is procuring insurance policies, covering your Bank's assets and other risks. Insurance coverage includes cash and valuables, Properties of the Bank, Fraudulent transactions under Debit Card/Electronic banking, and Cyber Risk, amongst others.

F. Premises

IGBC Green Building Awards :

1. Our prestigious State Bank Bhavan building at Nariman Point has received the Excellence award in IGBC Performance Challenge 2020.
2. Further the IGBC rating of State Bank Bhavan has been upgraded to Gold from the existing Silver rating obtained in 2017. Remarkable improvements in areas such as water efficiency, Energy efficient lights, Energy efficient Sewage treatment plant, Cooling tower of air conditioning plant and Organic farming etc. have helped us in achieving this rating. We have also obtained "Platinum" Certification from IGBC for our "Dunedin Bungalow". At present, SBI has a total of eight IGBC rated Green Buildings.

4. Official Language

Your Bank has an extensive geographical footprint across the world and caters to thousands of customers through its 22,219 branches and 62,617 ATMs, offices located abroad and various banking channels. Close to 2,06,000 staff members of the Your Bank (excluding subordinate staff) are committed for propagating the use of the official language in the Banking industry through various channels set up by your Bank.

Following are the innovative initiatives for spread and usage of Official Language by State Bank of India:

1. Internet banking website 'Online SBI' is now available in 12 languages – Hindi, Tamil, Marathi, Gujarati, Kannada, Oriya, Bangla, Punjabi, Telugu, Malayalam, Konkani and English.
2. SBI Quick Application has been made available to customers in Hindi, Marathi and English, which includes Bank's holiday calendar, ATM card services, mobile top up/recharge. Furthermore, facilities such as Pradhan Mantri Social Security schemes, ATM branch locator, among other schemes have also been provided.
3. Internet banking site Online SBI has been made available in 14 Indian Languages.
4. BHIM Pay SBI is available in Hindi, Tamil and English.
5. SBI's YONO LITE App is available in 12 Indian languages. Further, YONO Krishi App has been made available in 10 Indian languages including Hindi, Tamil, Telugu and Malayalam.
6. SBI Quick App has been made available in 14 Indian languages.
7. Our call centres are currently providing solutions in 13 languages, with more than 80% of the queries being made in Indian languages.
8. Bank's revamped website 'BANK. SBI' is available in Hindi and English.
9. The ATM screen as required by the Department of Financial Services and its slip has the option of Hindi and local language. Passbook printing, net banking, Statement of account are also being provided in Hindi.

All India Webinars Conducted:

1. The Official Language Review Meeting of all the 17 Circles was held on 18th June 2020 at the Corporate Centre, Mumbai.
2. Webinar on the subject "Customer Satisfaction" was held on 29th June 2020 at Bengaluru.
3. Training programme for Probationary Officers was held on 19th June 2020 at Kolkata.
4. All India Group Discussion on Implementation of Sustainable Development Goals for Sustainable Life was held on 19th September 2020 in collaboration with the Department of Sustainability.
5. In collaboration with Department of Sustainability and FICCI, a webinar on the subject impact of COVID-19 on achieving the Sustainable Development Goals, was organised on 25th September 2020. Deputy Managing Director (HR) and Corporate Development Officer chaired the webinar, which was attended by a large number of state Bank members including FICCI officials.

Various Programmes for the Dissemination of the Official Language:

1. A webinar on the subject "Official Language Implementation for Official Language Officers: Future challenges and possibilities" was held on 29th June 2020, at the Corporate Centre, Mumbai.
2. A discourse programme was held with Dr Sumeet Jairath, Secretary, Department of Official Language, Ministry of Home Affairs, Government of India, New Delhi on 17th September 2020. The Seminar was attended by Rajbhasha Officers and Circle Development Officers all over India and was chaired by DMD (HR) & CDO.
3. A seminar on the subject "Writings of Premchand and the Indian Society" was held on the occasion of Premchand Jayanti on 31st July 2020. Dr Karunashankar Upadhyay, Head of the Department of Hindi,

University of Mumbai presided, and Deputy Managing Director (HR) and Corporate Development Officer chaired the seminar.

4. Webinar for all the Officers, translators and staff members of the Department of Official Language was organised under the Chairmanship of General Manager (Official Language & Corporate Services) on the latest concepts related to translation was held on 22nd July 2020 with the objective of familiarising the concepts of simple translation. Dr Srinarayan Singh, former Director, Central Translation Bureau, Government of India was invited to acquaint the members with the latest concepts of translation.
5. Hindi Fortnight was successfully organised in a fully online mode this year. Apart from the various regular competitions, your Bank successfully conducted all India Online Hindi Quiz wherein about 10,000 staff members participated.

Other initiatives:

1. Special issues of Prayas were published – April-June was on Ethics, July-September issue was on CSR, October-December issue was Positivity and January-March issue focused on International Women's Day.
2. Trilingual Banking Terminology (English, Kannada & Hindi) was published by your Bank's Bengaluru Circle, which was inaugurated by the Parliamentary Committee on Official Language 7th October 2020.
3. Official Language Fortnight was held in all Offices/Branches of State Bank of India and the fortnight was celebrated with gaiety and enthusiasm.
4. In order to increase the readership and for reaching out to more and more people, WEBPRAYAS was launched, which was developed In-house on SharePoint. Listeners can listen/read subject wise articles, poems, and stories as per their choice and interest.
5. Mobile Edition of WEBPRAYAS was launched by DMD (HR) & CDO on 18th March 2021. Audio version of Prayas magazine can be heard on

one's Mobile anytime and anywhere simply by scanning QR Code on mobile phone.

Awards and Recognition:

1. State Bank of India's home magazine 'Prayas' has been conferred with Kirti Puraskar by Department of Official Language, Ministry of Home Affairs, Government of India for the fourth time. The award would be presented by the Honorable President of India.
2. State Bank of India, Local Head Office Patna and Administrative Office Kottayam were conferred with regional awards for implementation of official language by Government of India, Department of Official Language, Ministry of Home Affairs for the year 2019-20.
3. Our Bhubaneswar, Jabalpur, Surat and Indore Town Official language Implementation Committees bagged Regional Prizes for best implementation of Rajbhasha.
4. A translation competition was organised by the Department of Language, Ministry of Home Affairs, GOI to prepare a global data base for translation in the Banking sector by the name of Kanthasth. The competition had the best performance of State Bank of India among all Central government ministries and offices (including Indian Railways and Security Forces) in all public sector establishments, all public sector Banks and insurance companies. 9 officers were awarded certificates by Secretary, Department of Official Language, Ministry of Home Affairs and citations were given to all the winners by Deputy Managing Director (HR) & Corporate Development Officer.

5. Marketing and Communications

The Marketing and Communications (M&C) Department is responsible for your Bank's initiatives towards branding, product marketing and corporate communications. With the objective of optimizing its efforts in promoting the products and services by adopting contemporary marketing approach and to give impetus to the digital

initiatives and connect with the youth, the M&C Department endeavors to develop and implement integrated marketing strategies to address business challenges of different divisions of your Bank including Indian and overseas operations. This department comprises of domain skilled professionals and specialists drawn from various relevant fields - media, marketing communications, digital marketing, advertising, and public relations.

During the year of Pandemic, even though the branches and ATM's were functioning uninterruptedly, the focus of your Bank's M&C team was to promote SBI's digital initiatives and the efforts of employees during the times of COVID-19. For this, your Bank undertook initiatives to increase the download of SBI's digital banking channels like YONO, SBI BHIM Pay, INB, etc. and get customers to use them more and more. We also undertook digital initiatives like #GharseBanking, #Khushiyonkaswagat, etc. along with several other campaigns for customer awareness about our digital products and services which could be availed sitting at home during the time of Lock Down.

The Department has further strengthened its process on integrating marketing efforts across all Business Units and has set up a suitable process for initiating any marketing campaign. The M&C team launched

major marketing campaigns for products such as Home Loans, Personal Loans, Current Account, NRI Services, and Digital Products. The Department also initiated an integrated approach to drive consideration for the range of retail loan products. Different media channels such as print, social media, ATMs, etc. were used for all these campaigns. The Department also promoted several of its sustainability initiatives and CSR through various forms of media.

Going forward, along with the other marketing initiatives, your Bank plans to further promote its various digital initiatives along with its flagship product YONO. The thrust of the department is to constantly redefine and reinvent all its marketing initiatives to stay relevant and act as a change catalyst for State Bank of India to position itself as one of the most vibrant and trusted brands.

6. Vigilance Mechanism

1. There are three aspects to the vigilance function- Preventive, Punitive and Participative. Based on past experiences/incidences, system/process improvements are being under taken continuously by leveraging technology and guidelines of the Bank are being streamlined as a preventive vigilance measure.



Wealth Hub Mysuru Inauguration by the Chairman

2. During this year Vigilance Awareness Week was observed from 27th October 2020 to 2nd November 2020, with the theme "Satark Bharat, Samridhdh Bharat (Vigilant India, Prosperous India). As a part of observance of Vigilance Awareness Week, "Integrity Pledge" has been administered to all staff members. All channels of Bank such as SBI Times, ATMs, CDMs, Internet Banking, Facebook, Twitter, Instagram, LinkedIn are used to create awareness among employees and public on the theme of Vigilance Awareness Week (VAW). During the VAW, we held a conference of CVC with the Top Management of the Bank. The Commission was presented with the elaborate Preventive Vigilance measures taken by the Bank. Commission appreciated various measures taken by the Bank. During this period, while strictly adhering to extant Covid-19 guidelines, actions relating to internal house keeping were taken up in campaign mode. A "Vigilance Bulletin" was published incorporating case studies and other important guidelines to provide awareness amongst employees.
3. During the financial year under review, the following measures were initiated in order to improve the effectiveness of vigilance administration and timely disposal of disciplinary cases.
 - i. DFS has appointed 6 Additional Chief Vigilance Officers (ACVOs) on deputation basis, in the Bank, to strengthen Vigilance Administration and to support CVO. Out of 6 ACVOs, 4 are posted at 4 Zones (North, South, East and West) and 2 at Corporate Centre to handle cases of Corporate banking (CAG, CCG, IBG & SARG) and Subsidiaries and RRBs. The roles and responsibilities of these ACVO are finalised and required infrastructure is created for them. With appointment of ACVOs for Subsidiaries & RRBs, the vigilance administration of RRBs & Subsidiaries is brought under direct supervision of CVO.
 - ii. In order to put in place a mechanism to monitor the progress of staff accountability examination in respect of large value frauds of ₹50 crores and above, a Committee namely "ABBFF Review Committee" under

chairmanship of MD (CB & GM) has been constituted. This Committee will review the progress of all cases being referred to ABBFF at bi-monthly intervals. The reviewed status report is being shared with all stakeholders to initiate prompt action, as desired at their end, so that the timelines prescribed by ABBFF can be met.

- iii. To take holistic view in the disciplinary cases and to ensure uniform decisions and speedy disposal, centralized DAs have been created and 5 DAs (4 Hubs, 1 at CCG) have been posted / designated.
4. Vigilance Department has conducted 193 preventive vigilance programmes and trained 3735 officers. Suo-motu investigations have been conducted in 768 branches to ensure preventive measures are made effective.
5. During the financial year 2020-2021, a total of 1,716 cases (including 908 new cases) were taken up for examination, out of which 1045 cases have since been closed.

7. Asset and Liability Management

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

As part of sound Risk Management practices, your Bank has been constantly reviewing its Internal Policies on 'Deposits', 'Asset and Liability Management', 'Stress Test on Liquidity and Interest Rate Risks', 'Contingency Funding Plan' and adapting changes in the market conditions. Bank has been carrying out Reverse Stress Test to take care of the eventual risk that may crop up as a worst-case scenario.

Studies are conducted at regular intervals to assess the behavioral pattern of customers (embedded options available to customers) in order to give proper treatment to the non-contractual items of assets and liabilities while assessing liquidity position. Behavioral analysis is being carried out at half-yearly intervals to ensure accurate

positioning of outflows/inflows, in liquidity and interest rate sensitivity statements, that arise due to off-balance sheet exposures, impact of probable loan losses etc. The prevailing assumptions relating to non-contractual items of assets and liabilities are periodically reviewed and updated based on the outcomes of the latest studies.

The stock of High-Quality Liquid Assets (HQLA) and cash outflows are effectively monitored on a daily basis under dynamic market environment to ensure maintenance of LCR as prescribed by the Regulator as well as Bank's ALM Policy benchmarks.

Your Bank has proactively implemented the NSFR guidelines of RBI measuring the long-term resilience of the Bank in terms of liquidity, which is coming into force effective from 1st October 2021.

Your Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures from both a short-term and long-term perspective. For this purpose, impact on Earnings at Risk (EaR) and Market Value of Equity (MVE) is assessed with pre-defined tolerance limits which enables the Management to initiate appropriate preventive steps in a likely scenario of erosion in NII / Net Worth.

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

The Asset Liability Management Committee (ALCO) of your Bank monitors and manages Liquidity and Interest Rate Risks by constantly modulating the asset-liability mix in the Balance Sheet. ALCO, inter alia, reviews the Interest Rate scenarios, pattern of growth of liability products, credit growth, competitive advantages, liquidity management, adherence to the regulatory prescriptions and pricing of liabilities and assets from time to time.

Your Bank has been in the forefront of monetary policy transmission, having achieved adequate level of transmission through its lending rates and has taken additional steps to expedite the transmission process by reducing its MCLR reset frequency from 1 year to 6 months for eligible floating rate advances. The Bank

had also transmitted the Repo rate cuts during the year in entirety through its EBLR.

With automation of Regulatory Reports/ Returns pertaining to ALM, your Bank is better positioned in monitoring and compliance in respect of Liquidity and Interest Rate Risk Management.

8. Ethics and Business Conduct

Your Bank established the Ethics & Business Conduct Vertical in the year 2017. The moot idea behind the decision was to further strengthen and integrate ethics in the operational fabric of the Bank in a more overt and structured manner. A flagship initiative in the entire Indian Banking and Public Sector landscape, it was yet another reiteration of your Bank's strong commitment to uphold the highest standards of integrity and conduct. What started from a scratch, has over the period of time shaped into a robust, comprehensive and an effective organisational ethics framework. Ever since inception, the Ethics and Business Conduct vertical of your Bank has been carrying out a host of initiatives and programs. A quick glance of the major ethical initiatives so far, the formulation of the Vision, Mission & Values Statements of your Bank, in sync with the employee expectations and the changing times, articulated the basic guiding principles, both at an individual and institutional level. The core Values of the Bank were the foundations on which the Bank's Code of Ethics was ideated and designed. Today, pivoted around its Values and the Code, the entire ethical program of your Bank is optimally primed to permeate and percolate exalted behavioural norms across all levels.

While the ethics program is mostly tech driven, to further leverage the digital, major initiatives like development and operationalisation of Ethics Website, Business Conduct and Discipline Management Online Processing Portal & Dashboard and GARIMA, an online portal for lodging sexual harassment related complaints, were taken and concluded in the recent times. Various policies that can have an influence on the employee ethical behaviour like Gift & Entertainment, Social Media etc have also been constantly reviewed, updated and circulated in the Bank.



Release of Policy Guidelines by the Chairman

Your Bank's commitment towards nurturing an inclusive, secure and a high trust workplace for its women employees is driven by the Garima (POSH) framework. Towards this end, many activities that cover the entire process cycle- education, escalation and empowerment- on matters relating to gender-sensitivity and sexual harassment have been undertaken. In the area of consequence management, workflows have been reviewed, streamlined and where required, redesigned to ensure a fairer, faster and a more efficient Discipline Management structure. This has ensured that the ethical transgressions are adequately dealt with promptly and in a transparent manner, which is one of the key requirements of fostering an ethical culture in an organisation.

The FY 2020-21, for the major part, was marked by disruptions caused by the Pandemic. However, the operational resilience built in the preceding years, by constant integration of the digital platforms in all work spheres, ensured that the entire gamut of activities of the Ethics & Business Conduct vertical continued unaffected and uninterrupted, just like the pre-covid times. On the contrary, the scope and span of it further expanded. In addition to the one existing, three new daily email broadcast series were started. These were based upon developing leadership traits, employee well-being and practising ethics beyond the workplace. Similarly, in addition to the one existing, a new weekly blog series was ideated. Viewing the major corporate

failures from the moral lens, it was a brief commentary as to what went wrong from an ethical perspective. The abridged version of the Bank's Code, The Code of Ethics in Brief, was prepared for circulation amongst the new entrants during onboarding. A comprehensive online certification module on the Code, the successful completion of which is digitally certified, was also designed and hosted on the intranet.

In the area of Discipline Management, your Bank has completed the operationalization of centralized Disciplinary Authority (DA) structure for Officers up to SMGS-V. The framework is serving well its intended purpose of bringing in uniformity of approach in handling the disciplinary matters across the spectrum. Last but not the least, even amidst the disruptions, your Bank reached out to the newly selected Probationary Officers, newly promoted JMGS-I and the officials working in the consequence management setup through a series of webinars on Ethics, GARIMA-POSH and Discipline Management touch basing close to 3000 officials. In addition, customised workshops on ethics for the various internal verticals were also conducted.

The journey to perfection is lengthy and a patient trudge. Your Bank, that has already come a long way, looks forward to continuing with the same zeal and enthusiasm on its goal to attain ethical excellence, a perquisite to enhanced brand equity and continued success.

9. Corporate Social Responsibility

Social Responsibility is deeply ingrained in the culture of your Bank. Consequently, it has been undertaking various social welfare initiatives for creating lasting social impact. The objective of CSR policy in the bank is to:

- Participate in activities that benefit community development, social responsibility and environmental sustainability, so as to reach out to socially and economically disadvantaged sections of society.
- Accord primacy to support national priorities such as Swachh Bharat Abhiyan, Jal Shakti Abhiyan, Beti Bachao Beti Padhao, and River Rejuvenation, amongst others.

The focus areas of your Bank's CSR activities for FY2021 include healthcare, education, livelihood, sports, welfare of armed forces veterans, skill development, environment sustainability, protection of National Heritage, empowerment of women, youth and senior citizens.

CSR Spend during FY2021

In terms of the Reserve Bank of India guidelines, your Bank can spend up to 1% of its previous year's profits towards its CSR efforts. The net profit of your Bank for FY2020 was ₹14,488 crore. Accordingly, the budget for CSR for FY2021 was ₹144.88 crore. An amount of ₹71.18 crore has been allocated to SBI Foundation for carrying out CSR activities on project mode.

(₹ in crore)	
	FY2021
	CSR Expenditure
National Donations	26.00
Donations & other direct activities including RSETIs (for capex expenditure)	47.70
Total	73.70
SBI Foundation	71.18
Total CSR spend	144.88



SBI's Fight against COVID-19:

Your Bank has spent a total of ₹43 crore, which constitutes around 0.30 % of net profit, towards the Banks' support in fight against the COVID-19 pandemic. Some of the initiatives include:

- Your Bank has committed ₹30 crore to implement various COVID-19 relief programmes through the following key intervention areas – providing food relief with support from on-ground implementation partners PAN India; distribution of PPE kits PAN India; strengthening healthcare infrastructure by procuring ventilators and other health equipment for government hospitals across India; capacity building of healthcare workers with ECHO India; supporting initiatives for students mental well-being during the COVID-19 pandemic; and supporting two R&D projects to fight the COVID-19 outbreak in tie-up with the Indian Institute of Science (IISc).
- Your Bank has donated ₹11 crore to PMCARES fund, as support towards Covid 19 Vaccination drive.
- ₹1 crore has been donated to the Apollo Hospitals Educational and Research Foundation to set up medical rooms at six centres in collaboration with OYO and Apollo Hospital under the aegis of Apollo Hospitals Educational and Research Foundation.
- Your Bank has donated ₹1 crore to Mumbai Police Foundation, for the

welfare of the families of Covid warriors, who died while discharging their duty.

Supporting Girl Education and their Welfare:

- As a part of the 'Beti Bachao Beti Padhao' campaign of the Government, Your Bank has committed to provide an education grant of ₹1000 per month to 8,333 girl children of war-veterans/ex-servicemen/war-widows for a period of one year. Total amounting to ₹10 crore.
- Your Bank has supported in the education and welfare of 10 girl children through Shanti Sahyog, New Delhi for a period of one year. Care and nurture of 16 girl children has been undertaken through Universal Smile Trust, Kolkata.

Supporting Sports and Athletes:

- As a socially responsible organisation, your Bank has extended whole-hearted assistance in funding for the Target Olympic Podium Scheme of Ministry of Youth Affairs and Sports. An amount of ₹5 crores have been donated to the National Sports Development Fund for the cause of athletes participating in Olympic games.

Supporting Health Care:

To address the health challenges of the society, your Bank demonstrated its commitment to the society it serves. Your bank provides basic infrastructure to various Hospitals, NGOs, Trusts working for society under Health Sector improve the

conditions of the common man. To deliver quality healthcare to those belonging to underprivileged and economically weaker sections of the society, your Bank has supported to the cause by taking some of the initiatives in Health Sector.

- Support for Medical treatment of Cancer patients at Gujarat Cancer Society
- Donation of Medical and Electrical equipment to cataract patients at Ramakrishna Math, Antpur
- Donation of high-end Medical equipment FISH (Fluorescent microscope with fish software, hybridising chamber and Fish probes and implementation kit) used to detect molecular and genetic status in cancer patients
- Procurement and Installation of Dialysis Machine and Dialyzer reprocess machine for kalapurnam General Hospital at khichan village of Phalodi Tehsil, Dist Jodhpur
- Support to Eye Operation of 50 Poor and needy students at Shri Labhmuni Jansewa Trust, Mandasaur
- Your Bank has adopted 25 Children suffering from Acute Myeloid Leukaemia (AML), through Cancer Patients Aid Association (CPAA)
- Your Bank has donated Mobile Cancer Screening Unit to Nandamuri Basavataraka Ramarao Memorial Cancer Hospital, Hyderabad

- Your Bank has also supported to various Trust Hospitals by donating ambulances, setting up of Operation Theatre, and donating medical equipment, amongst others

Supporting Education:

Your Bank always strives to support education of weaker social group in remote, unreachable and underdeveloped areas. The areas covered are given below:

- Financial help for Education programme for 100 Children with disability in community schools at Vijapura District, Karnataka for a period of 18 months from October 2020 to March 2022
- Purchase and installation of Solar Power Plant at Badhit Senior Secondary School, Ajmer. School provides vocational training to 260 deaf students
- Donation to Kat-Katha NGO for women empowerment and children education of trafficked women at GB Road, Delhi
- Your bank has helped in setting up of computer labs and robotics labs for the needy and destitute students
- Support rendered to various NGOs and trusts working in the field of education for children by donating school buses, study equipment, and providing education facilities

Skill Development:

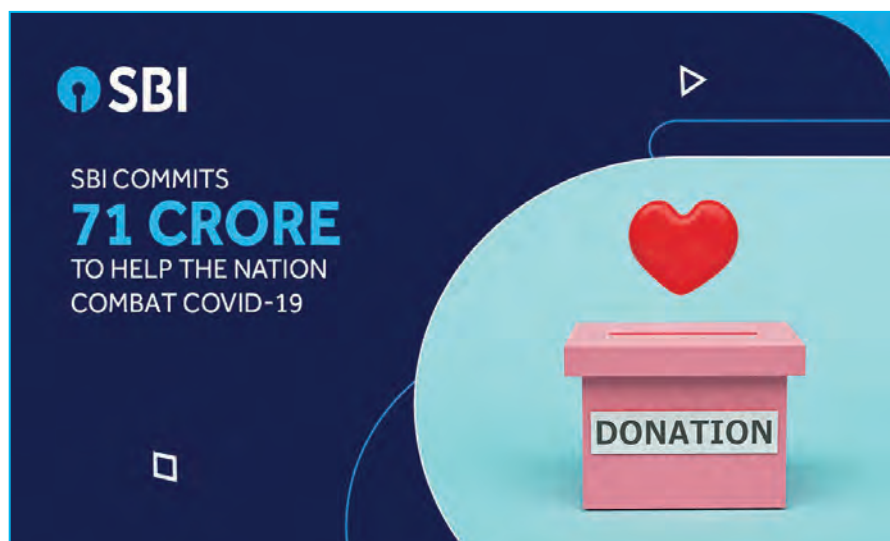
Rural Self Employment Training Institutes (RSETIs): India is one of the youngest nations in the world with more than 50% of its population below 25 years of age. Employability of the growing young demography is one of the important factors in the economic development of the country. The skill development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

Your Bank has set up Rural Self Employment Training Institutes (RSETIs) across the country as an institution to help and mitigate the unemployment and under-employment problem among youth in the country. During the FY2021, your Bank had allocated an amount of ₹22.50 crore for capex expenditure to 17 RSETI buildings.

Swachh Bharat, Environment Protection and Sanitation:

Your Bank is committed to the Government's mission of "Swachh Bharat" and has undertaken several initiatives across the country, which include providing sanitary napkin vending machines, dumper bins, and machines for plastic recycles, amongst others. Your Bank is also committed to environment protection and contributes positively to reduce the carbon footprint. The major initiatives implemented by your Bank are as follows:

- Donation of Lab Equipment and construction/renovation of five disabled friendly toilets at Leprosy Mission Trust
- Tree Plantation at Ahmedabad, Miyawaki System, organised by Green Leaf Trust and supported by SBI
- Donation to Prabhav Foundation Green Park, New Delhi towards plantation of tree plantation on the banks of Yamuna river near Kalindi Kunj and Abul Fazal Pond, New Delhi



Women Empowerment

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

- Setting up of a stitching training Center for women at Shri Sewa Bharti Siksha Samiti, Indore
- Setting up of a Computer Library with 10 workstations and necessary software at The Hindu Women's Welfare Society (Shradhaanand Mahilashram)
- Your bank has supported Khirpai Ramakrishna Sarada Sevashrama, towards construction of dormitory for poor and underprivileged women

Welfare of Tribal People and Persons with Disabilities

Your bank has supported welfare of Persons with Disabilities by donating prosthetics legs, wheelchairs, braille kits and other equipment for the use by the persons with disabilities.

Special activities have been undertaken for the upliftment of tribal people by providing avenues for self-employment and providing facilities for their well-being.



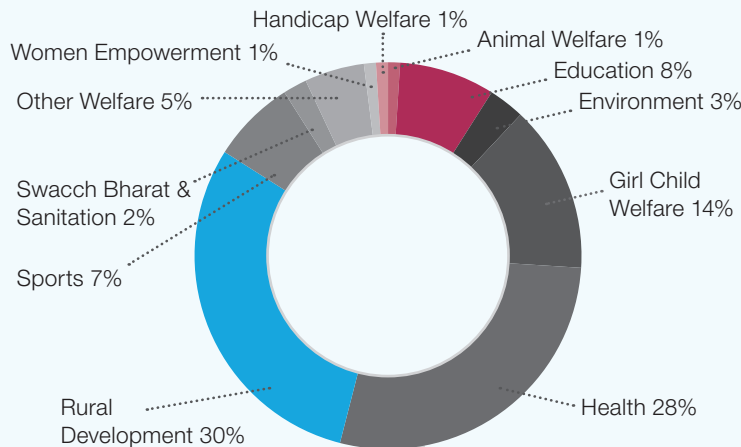
Animal Welfare

- Your Bank has adopted tigers and other endangered animals for their welfare for a period of one year through various zoological parks and animal shelters
- Support granted for installation of Bird Perching Stands at Kolleru Wildlife Sanctuary for the welfare of rare species of birds

Support during Natural Calamity

- Your Bank has contributed towards environment-friendly measures by understaking the plantation of 15,500 saplings across the "Amphan" affected coastal area of South 24 Parganas District, West Bengal
- Support rendered to flood hit areas in Hyderabad by providing essential items to the people who were affected by the floods.

SECTOR WISE SPENT FY2021



Employee Volunteer - SBI Children's Welfare Fund:

With the concept of "Charity begins at home", your Bank had established a Trust in 1983, SBI Children's Welfare Fund, an initiative undertaken by the staff members. The Trust was created by the voluntary contribution from the employees of your Bank towards the betterment of the underprivileged children and orphans. The interest earned on the corpus of the fund is utilised to extend grants to selected institutions that are engaged in the welfare of underprivileged children viz. orphans, differently abled, destitute and deprived. During FY2021, total contribution of ₹0.54 crore has been received from the staff of the Bank and your Bank has donated an amount of ₹0.64 crore to 8 institutions/organisations across the country, which are working for the welfare of the children who are from the marginalised and downtrodden section of the society including PWDs.

V. Subsidiaries

SBI CAPITAL MARKETS LIMITED (SBICAP)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (losses) Mar 2021
SBI Capital Markets Ltd.	58.03	100%	273.25
SBICAP SECURITIES LIMITED (SSL)	NOT APPLICABLE		207.12
SBICAP VENTURES LIMITED (SVL)			37.04
SBICAP (SINGAPORE) LIMITED (SSGL)			(4.15)
SBICAP TRUSTEE CO. LIMITED (STCL)			12.98

SBICAPs is India's leading investment banker, offering a bouquet of investment banking and corporate advisory services to diversified clients across three product groups - Project Advisory and Structured Finance, Equity Capital Markets and Debt Capital Markets. These services include Project Advisory, Loan Syndication, Structured Debt Placement, Mergers and Acquisitions, Private Equity, Restructuring Advisory, Stressed Assets Resolution, IPO, FPO, Rights Issues, Debt and Hybrid Capital raising. SBICAP is also involved in fund raising through new product such as Real Estate Investment Trusts (REIT) and Infrastructure Investment Trusts (InvIT) in line with Government's Asset Monetisation Plan.

The ranking of SBICAP across the product groups are given below:

- Ranked No. 1 - India Borrower Loans in Local Currency (INR) - Mandated Lead Arranger - market share of 74.4% as per Bloomberg league tables.
- Ranked No. 1 ranking in Emerging Markets, Merger and Acquisition deals in India as per Refinitiv.
- Ranks 3rd in FY21 with market share of 12.13% in Debt capital market space as per the Bloomberg League Table.

- Ranks No. 3 in the league tables with a market share of 69.5% by Issue Amount in Equity Capital Market space as per Prime Database.

On a standalone basis, SBICAPs posted a PBT of ₹383.25 crore during FY 21 as against ₹275.56 crore during the FY20 and a PAT of ₹273.25 crore for FY 21 as against ₹215.43 crore for FY 20. On a consolidated basis it has posted a profit of ₹527.10 crore as against ₹334.49 crore in the previous year.

A. SBICAP SECURITIES LIMITED (SSL)

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

SSL has over 101 branches and offers Demat, e-broking, e-IPO, and e-MF services to both retail and institutional clients. SSL currently has around 24 lakh clients. The Company posted a net profit of ₹207.12 crore during FY 21 as against ₹84.94 crore in FY 20.

B. SBICAP VENTURES LIMITED (SVL)

SBICAP Ventures Ltd (SVL), a wholly owned subsidiary of SBI Capital Markets Limited, presently manages two funds: Neev Fund & SWAMIH Investment Fund I.

Neev Fund is SEBI registered Category I AIF with a mandate to invest in infrastructure development of eight low-income states. SVL is a General Partner in Neev Fund with ₹63.64 crores investment which is 12.61% of fund size. The fund has fully invested its investible corpus of ₹447.99 crores across 10 portfolio companies. SVL plans to announce launch of SVL-SME Fund (Neev II) in Q-1 FY 2022.

SWAMIH Investment Fund I is SEBI registered Category-II AIF which achieved its first close on December 6, 2019 at ₹10,037.50 crores with Government of India and public sector banks and institutions as investors in the Fund. It has mandate to provide last mile funding to stalled housing projects. The Fund has disbursed ₹1,268.40 crores across 38 projects.

The company is also selected as Asset Manager for two Fund of Funds - Self Reliant India Fund and UK India Development Cooperation Fund which are in the process of operationalization.

The Company posted a net profit of ₹37.04 crore during FY 21 as against ₹11.01 crore in FY 20.

C. SBICAP (SINGAPORE) LIMITED (SSGL)

SSGL is a wholly owned subsidiary of SBI Capital Markets Limited. It commenced business in December, 2012. SSGL is in the process of winding up of operations.

D. SBICAP TRUSTEE CO. LIMITED (STCL)

STCL is a wholly owned subsidiary of SBI Capital Markets Limited. STCL commenced

Security Trustee business from 01st August, 2008.

STCL posted Net Profit of ₹12.98 Crores during the period ended FY 21 as against ₹20.52 crores for the period ended FY 20.

STCL plays an active role in providing Security Trustee Services to High Value lending to Infra Projects, Large and Medium Corporates and is the No.1 Security Trustee in the industry. They also have significant presence as Debenture Trustee in the Debenture/Bond market.

Further, STCL have added the role of Facility Agent, Document Management Systems (DMS) and Securitization in their line of services.

SBI Cards & Payments Services Limited (SBICARD)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	PAT (₹ Cr) FY21
SBI Cards and Payment Services Limited	652.63	69.39%	985

SBI Cards and Payment Services Limited (SBICARD) is a subsidiary of State Bank of India wherein State Bank of India holds 69.39% stake. SBI Cards and Payment Services Limited (formerly known as SBI Cards and Payment Services Private Limited) is a non-banking financial company that offer extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel & fuel and banking partnerships cards along with corporate cards covering all major cardholders' segments in terms of income profile and lifestyle. It has diversified customer acquisition network that enables to engage prospective customers across multiple channels. SBI Card is a technology driven company.

During FY21, the company operated in an adverse macro-economic environment affected by the COVID pandemic. Post easing of COVID lock-down there has been a strong business recovery in terms of higher new accounts, spends and receivables. However, the credit risk situation continues to be impacted by macro-economic variables surrounding us leading to higher credit costs. The company undertook several initiatives to improve collections and recoveries. To cover itself for future credit risks, the company has

provided higher provisions and the overall management overlay stands at ₹297 Cr as on Mar'21. This is over and above the base provisions of ₹1,358 Cr.

The company achieved Earnings before Credit Costs (EBCC) of ₹4,024 Cr at 10% YoY and Profit after Tax (PAT) of ₹985 Crore in FY21 as compared to ₹1,245 Crore in FY20.

Financial Highlights (FY21)

- PAT 985 Cr
- Cost to income 53.6% (FY20 56.6%)
- Diversified borrowings mix, adequate banking limits available.
- Healthy CAR @ 24.8%, T-1 @ 20.9%
- GNPA @ 4.99%, NNPA @ 1.15%

Other Business Highlights FY21

- Card base of 1.18 crore.
- 12% growth in cards; 4% growth in receivables.
- Consistently ranked #2 in terms of both cards and spends.
- Market Share*: cards 19.0% (FY20 18.3%), spends 19.5% (FY20 17.9%) (*as per RBI report available till Feb'21)

New Launches and Partnerships

- Launch of IRCTC RupayCard
- Launch of SBI Amex Card
- Partnership with PayTM : Paytm SBI Card, Paytm SBI Card SELECT
- Partnered with key players, including Google Pay and Jio Pay, to further the digital partnerships and portfolio.
- Launch of BPCL Premium Card : BPCL SBI Card OCTANE
- Launch of a new cobranded Card: Delhi Metro SBI Card
- Launch of Aurum Card to target super affluent, an invitation only card enriched by exclusive privileges along with a personalisedkit and Metallic Card.

Digital campaigns

- Contactless Ad Campaign (Sep-Oct'20)
- Festive campaign 'Apnepanwaalidewali' during Q3'FY21
- Contactless Ad Campaign and SBI Card mobile app campaign in Q4'FY21

Significant Awards received during FY21:

- Iconic Brand of India 2020 at the Economic Times Iconic Brand Digital Conclave held on 30th June 2020.
- Bronze Award for Best-in-Class Contact Centre (Over 100 seats) in Customer Contact Week Asia Excellence Awards 2020 in Oct 2020
- SBI Card Pay won InnTech2020 Award. The award was won by SBI Card and Mahindra Comviva jointly in Nov 2020
- SBI Card has received two awards under the category of Disaster Recovery and Storage Technology
- SBI Card won in Best Advance in Mobile Learning Technology for the year 2020
- SBI Card has been awarded for the Best-in-Class Enterprise-wide Digital Transformation by The Economic Times in March 2021.

SBI DFHI LIMITED (SBI DFHI)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (losses) 31 st March 2021
SBI DFHI Ltd.	131.52	69.04%	₹251.67

SBI DFHI Limited is 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 ₹251.67 crore as on 31st March 2021 as against ₹176.34 crore as on 31st March 2020. Total balance sheet size was ₹10,013.89 crore as on 31st March 2021 as against ₹11,383.36 crore as on 31st March 2020.

SBI GENERAL INSURANCE COMPANY LIMITED (SBIGIC)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (losses) 31 st March 2021
SBI General Insurance Company Ltd.	151	70%	544

SBI General Insurance Company Limited commenced its operations as a joint venture between State Bank of India (SBI) and Insurance Australia Group (IAG). Pursuant to stake sale by IAG on 27th March 2020, SBI owns 70%, while Napean Opportunities LLP (Premji Invest affiliate) owns 16.01%, Honey Wheat Investment Ltd., an entity forming part of Warburg Pincus Group owns 9.99%, PI Opportunities Fund-1 owns 2.35% and Axis New Opportunities AIF-I owns 1.65% stake in SBI General Insurance.

customers. The company is focused on providing simple, easy to understand and affordable products through a robust multi-distribution model encompassing Bancassurance, Agency, Broking and Retail Direct Channels. SBI General's distribution family includes over 25,000 IRDAI certified employees including the State Bank Group employees, and over 13,000 Agents to make insurance easily available even in the remote areas of the country. The Company has also entered into strategic partnerships with India's leading automobile manufactures, Web aggregators and brokers with an endeavor to create long-term sustainable value.

SBI General has achieved Gross written premium of ₹8,312 Cr in FY21 as against ₹6,840 Cr in FY 20. The Company registered growth rate of 22% with a market share of 4.16% in FY 21. The Company ranked at 7th amongst private insurers and 12th in the overall industry. The Company has generated a net profit of ₹544 Cr with a YOY growth of 32% as on FY 21.

SBI general insurance company ltd is assigned AAA/Stable rating by CRISIL as highest corporate credit rating.

SBI general has been awarded with the prestigious 'General Insurance Provider of the Year' at the 25th edition of Business Today - Money Today Financial Services Awards, 2021.

The outbreak of COVID-19 has been deeply challenging and unprecedented. It has led to a sudden shift in the way businesses operate. For insurers as well, the situation has redefined the way of working for business continuity. The Company's robust Business Continuity Plan, digital infrastructure and agile processes enabled seamless transition of work modes, process automations, and uninterrupted service to all its customers.

SBI General revamped its brand identity, unveiling SBIGI 2.0. This new identity reflects the digital agility and future-readiness, along with the parent brand, SBI's intrinsic values. The new tagline 'Suraksha Aur Bharosa Dono' stands tall as the brand promise to customers. SBIGI 2.0 promises to bring in higher operational efficiencies and quicker response times, along with safety and security for all the

The Company won Finnoviti, 2021 Award for innovation in making Health insurance available on Whatsapp.

The company recognized with 2 awards for CSR efforts towards empowering the rural population and clean water & sanitation drive by ICC Social Impact and Awards, 2021.

During the year, the company have been recognized with the 'Silver Shield', for 'Excellence in Financial reporting, 2019-20' in the Non-Life Insurance category, organized by ICAI.

SBI General has been recognized as a 'Company with Great Managers' at the Great Managers Awards, 2020. The Company has been recognized for its CSR project with Learning Space Foundation by BFSI Digital Stallion Awards, 2021.

SBI GLOBAL FACTORS LIMITED (SBIGFL)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (losses) 31 st March 2021
SBI Global Factors Ltd.	137.79	86.18%	18.47

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 ₹26.72 crore during the period ended March 2021 against previous period ended March 2020

PBT of ₹40.28 crore. In current period PAT is ₹18.47 crore against previous period PAT of ₹16.77 crore. Turnover period ended FY 2021 is ₹4,352 crore as compared to turnover of ₹4,394 crore in previous year. Funds in use (FIU) as on 31st Mar 2021 is ₹1,378 crore as compared to ₹1,317 crore as on 31st Mar 2020. Turnover in Export Factoring -2 Factor Model for 12 months ended March 2021 is equivalent to EUR 30.02 Mio (Previous Year EUR 46.48 mio). In INR terms, the EF turnover touched ₹262 crore for 12 months ended Mar 2021, as against ₹366.58 crore in previous year.

SBI LIFE INSURANCE COMPANY LIMITED (SBILIFE)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (losses) 31 st March 2021
SBI Life Insurance Company Ltd.	555	55.50	1,456

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 170,096 agents as of March 31, 2021, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries.

During the period ended March 31, 2021, the Company operated in sound and stable manner, with its sole objective of increasing insurance penetration and concentrating on individual regular business and protection 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, 2021 with numero-uno position in Individual New Business Premium, Individual Rated Premium, Total Rated

Premium and Total New Business Premium among private insurers.

The company witnessed a 24% growth in Total New Business Premium (NBP) vis-à-vis the industry growth of 7.5%. The market share of SBI Life in Total New Business Premium (NBP) among all private players as on 31st March 2021 is 21.9%. Total New Business of the Company for the year ended FY21 stands at ₹20,624 crores. Group New Business Premium for the year ended FY21 stands at ₹8,125 crores; witnessing a growth of 52%.

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 insurers. During the year, more than 16.5 lakhs individual new policies were issued.

SBI Life witnessed a PAT of ₹1,456 crores in FY21 against ₹1,422 crores in FY20, growth of 2%. AUM of the Company crosses ₹2.2

trillion mark and recorded a growth of 38% at ₹2,20,871 crores as on 31st March 2021 as compared to ₹1,60,363 crores as on 31st March 2020.

Value of New Business (VoNB) stood at ₹2,334 crores on actual tax rate basis, witnessing growth of 16%. VoNB margin stood at 20.4% on actual tax rate basis; an improvement of 170 basis points from FY20. Embedded value stands at ₹33,386 crores on actual tax rate basis, with growth of 27% over last year.

Leveraging wider reach achieved through its network of 947 offices, SBI Life has systematically brought large rural areas under insurance reach.

Awards and recognitions received during the year include:

1. Silver Award under the category of "CSR COVID Relief Project" at the 4th CSR Health Impact Awards 2020.
2. 'Insurer of the Year- Life Category' award at The Insurance Industry Awards 2020 by FICCI
3. 'Silver' for 'Real Life Real Stories featuring Suyash Jadhav for 'Best Use of Video' at the Shark Awards 2020.
4. 'Silver' for 'Real Life Real Stories featuring Suyash Jadhav for 'Best Branded Content' at the Brandwagon ACE Awards 2020.
5. 'Gold' for 'Real Life Real Stories featuring Suyash Jadhav at Campaign India Digital Crest Awards.
6. 'Silver' under Digital Technologies by SKOCH Award for CKYC, Offline KYC and ASP Process Integration Initiatives.
7. Won a Gold award for "Best rural activation sales volume" at the 'Asia Consumer Engagement awards for rural marketing'.
8. Won a Gold award for "Long term rural engagement program of the year" at the 'Asia Consumer Engagement awards for rural marketing'.
9. Won a Gold award for "Small Budget on-ground program of the year in rural" at the 'Asia Consumer Engagement awards for rural marketing'.
10. Best CFO under BFSI – Large Cap category at Magzter Awards, 2021.

SBI FUNDS MANAGEMENT PRIVATE LIMITED (SBIFMPL)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (losses) 31 st March 2021
SBI Funds Management Pvt. Ltd.	31.50	62.88%	860.40
SBI Mutual Fund Trustee Company Pvt. Ltd.	0.10	100%	2.74
SBI Funds Management (International) Pvt. Ltd.	100% by SBIFMPL		0.97

SBIFMPL, the Asset Management Company of SBI Mutual Fund, is amongst the fastest growing AMCs with a growth of over 35% against the industry average of 18.8% in 2020-21. In the last three years, SBIFMPL has achieved a CAGR of 32.3% against the industry average of around 11.7%. In the FY 2020-21, the Fund House has consolidated the 1st rank position which it achieved in the FY 2019-20. SBIFMPL has one of largest investor base with over 89.5 Lakh LIVE investor folio's with about 18.5 Lakh new live investor folio's added in the year. The Funds House has 17.2 Lakh direct investors and over 1.67 Lakh institutional investors including 1273 retirement funds. SBIFMPL has maintained its top leadership position as the ETF manager in the country with 50% market share.

SBIFMPL posted a PAT of ₹860.40 crore during the period ended March 2021 as against ₹603.45 crore earned during the year ended March 2020. The average "Assets Under Management" (AUM) of the Company during the quarter ended March 21 were ₹504,455 Crore with a market share of 15.71% as against the average assets under management of ₹3,73,537 crore with a market share of 13.82% during the quarter ended March 2020. The Company has a fully owned foreign subsidiary viz. SBI Funds Management (International) Private Limited, which is based in Mauritius and manages Off- shore Fund. SBIFMPL also provides Portfolio Management services (PMS) and Alternative Investment Funds (AIF).

SBI PENSION FUNDS PRIVATE LIMITED (SBIPFPL)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit (losses) 31 st March 2021
SBI Pension Funds Private Limited.*	18	60%	3.44

*SBI Capital Markets Limited and SBI Funds Management Private Limited are holding 20% equity each in the Company.

SBIPFPL has been appointed as the Pension Fund Manager (PFM) along with six others to manage the pension corpus under National Pension System (NPS). SBIPFPL is one of the three PFMs appointed by the Pension Fund Regulatory & Development Authority (PFRDA) for management of Pension Funds under the NPS for Central Government (except Armed

Forces) and State Government employees and one of the seven PFMs appointed for management of Pension Funds under the Private Sector. The total Assets Under Management (AUM) of the company as on 31st March 2021 was ₹2,22,615.34 crores (YoY growth of 39.00%) against ₹1,60,491.55 crore on 31st March 2020.



Launch of AURUM in the Super Affluent Segment

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 55%, while in the Government Sector it was 35%.

During the financial year 2020-21, Request for Proposal (RFP) for selection of Sponsors of Pension Funds for National Pension System (NPS) for Government Sector Schemes, Private Sector Schemes and other Schemes Regulated / Administered was floated by PFRDA on 23rd December 2020. The Sponsors on behalf of the Company submitted the application and the Company has received the Fresh Certificate of Registration under the PFRDA (Pension Fund) Regulations, 2015. The Company has also started end-to-end digital platform for onboarding of Corporate and Individual subscriber under NPS schemes.



Celebration of being certified Great Place to Work in the presence of MD (IB, T &S)".

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

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit 31 st March 2021
SBI SG Global Securities Services Pvt. Ltd.	52	65%	87.02

SBI-SG is 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 to its premium clients by the SBI Group. SBI-SG commenced commercial operations in 2010. The Company's Net Profit is ₹87.02 Cr for the period ended 31st March 21 as against ₹62.45 Cr for the period ended 31st March 2020. Accumulated profit is ₹209.99 Cr as on

31st March 21 as against ₹143.03 Cr as on 31st March 20.

Assets under Custody (AUC) have crossed ₹10,40,000 Cr as on 31.03.2021 while the Assets Under Administration (AUA) have crossed ₹7,00,000 Cr as on 31.03.2021. SBI-SG has been rated as one of the leading custodians in India as per Global Custodian magazine's Agent Banks and Emerging Markets Survey 2020. SBI-SG has also been rated #1 custodian in India in the Global Investor/ISF Sub - Custody survey for 2017.

SBI PAYMENT SERVICES PRIVATE LIMITED (SBI PAYMENTS)

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit 31 st March 2021
SBI Payment Services Private Limited	4.50	74%	139.95

SBI became the first public sector bank to form an exclusive JV i.e., SBI Payment Services Pvt. Ltd. (SBI Payments) for merchant acquiring business and holds 74% stake in the company. The objective of the company is to create a state-of-the-art acceptance ecosystem in all geographies of the country and enable the merchants to accept payments digitally across various form factors.

SBI Payments is one of the largest acquirers in the country with more than 2.22 mio Merchant Payment Acceptance Touch Points and over 7.47 lakhs PoS machines as on 31st March 2021 distributed across geographies (Tier 1 to Tier 6). Company has launched a low-cost mobile based payment acceptance solution i.e., YONO SBI merchant application to cater merchants from every category (micro merchants to large merchants). This acceptance model is fast and simple solution for merchants to fully manage their business directly from their phone and accept payments using various modes such as QR, Cards and YONO. Some of the other key initiatives taken by the company during the financial year are roll out of e-chargeslip and EMI facility on PoS terminals, Android Terminals, NCMC enablement etc.



SBI Payments is one of the subsidiaries of SBI to move to IND-AS accounting system in year FY 19-20. The company posted net profit of ₹49 Cr in FY 2019-20 and ₹140 Cr in FY ended on 31st March 2021.

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.

Your Bank through the SBI Foundation is presently working on various projects & initiatives to build momentum for transforming India by creating an inclusive development paradigm that serves all Indians without any discrimination based on region, language, caste, creed, religion amongst others. For FY2021, the total CSR spend on initiatives through SBI Foundation was ₹47.92 crore.

1. FLAGSHIP PROGRAMS

Your Bank supports four flagship programs, which are implemented by SBI Foundation and are mentioned hereunder:

A. SBI Youth for India Fellowship (YFI):

SBI Youth for India fellowship is a 12-month fellowship program to provide a framework for India's bright young minds to join hands with rural communities, empathise with their struggles and connect with their aspirations. The selected fellows, from some of the top institutes/corporates, work with 12 partner NGOs on challenging development projects. The initiative provides avenues for the youth to become aware of the ground realities and presents them with an opportunity to contribute through their efforts towards building strong cohesive communities. YFI has an alumni base of 352 passionate change makers, approximately 70% of Alumni are associated with the development sector after the fellowship. At present, the 8th Cohort with 100 fellows are deployed in rural geographies to undertake impactful projects.

B. SBI Gram Seva Program

"SBI Gram Seva" is a flagship program of SBI Foundation, which aims for holistic and sustainable rural development. Launched



in August 2017, SBI Gram Seva has been quietly transforming adopted villages through integrated development approach, strategically including all major areas of rural development. The objectives of the program are:

- Digitalisation of villages
- Promotion of quality education for rural students
- Improvement of primary health services
- Improvement in accessibility to safe drinking water and sanitation
- Promote sustainable livelihood practices and improving farmers' income
- Empowerment of rural Women and Youth Engagement
- Environment protection
- Improvement of rural infrastructure for improved access to basic services
- Improvement in coverage of benefits and schemes of the Government
- Capacity building for participatory rural development

In the first phase, SBI Gram Seva was implemented in 50 villages in partnership with Grassroots NGO partners from Assam, Bihar, Jharkhand, Maharashtra, Uttar Pradesh and Uttarakhand. Over the last three years, the program has been able to make a commendable impact in the villages, besides bringing community participation into the fore.

On 2nd October 2020, the second phase of the program was launched by adopting 25 new villages in 5 States-Meghalaya, Mizoram, Nagaland, Telangana and Karnataka. The program has so far impacted 16,396 families and 74,785 beneficiaries across 11 states.

C. Centre of Excellence for Persons with Disabilities (CoE)

The Centre of Excellence (CoE) primarily works on empowering PwDs through skill enhancement to make significant and measurable improvement that enables individuals to enjoy a more productive and satisfying life by optimising their cognitive, physical, social and vocational functioning. The CoE has conducted 77 online training programmes for 3,678 employees with disabilities from 9 public sector banks during FY 2020-21. The CoE also conducted 11 online sensitisation and awareness programs on disability for Human Resources (HR) Heads and middle level HR managers of 7 public sector banks, NGO partners and SBI YFI Fellows.

Other programs funded by the Bank through SBI Foundation for promoting inclusion and empowerment of PwDs are:

- SBI and Microsoft Employment Initiative for Persons with Disabilities (S.A.M.E.I.P.) – An initiative undertaken in collaboration with Microsoft India to enable career pathways for 500 underserved youth with disabilities in the digitally transformed BFSI sector in

India by setting up five centres in five cities viz. Mumbai, Delhi, Bangalore, Chennai & Kolkata. The programme is being driven in collaboration with various government and industry skilling bodies and partner non-profit organisations to build a sustainable and scalable programme for the inclusion of people with disabilities in the BFSI space.

- **Inclusive Education Program** – An initiative to support 200 CwSN (children with special needs) in Vijayapura District of Karnataka to access comprehensive interventions of education and rehabilitation in model and community schools.
- **Education Program for Children with Disabilities** – An initiative to provide education, therapy and vocational skill development to 50 children with disabilities and to set up a vocational centre to provide a means of earning a livelihood and thereby empowering young adults with intellectual disabilities.
- **Shravan Shakti:** An initiative to integrate children between age group of 0-5 years with a congenital hearing loss into the mainstream by supporting the cochlear implant surgeries of 50 children in Kolkata and 17 children in Delhi NCR, which is helping them to lead a productive life. All 67 children have been operated upon so far.
- **Braille Smart Class:** An initiative to provide inclusive education by use of an independent, inclusive and accessible teaching mechanism in the form of Braille self-learning devices for Children with Visual Impairment on a pilot basis in Mumbai.

D. Healthcare Flagship Program

As a response to the COVID-19 pandemic in India and with a view to supplement the efforts of Government, your Bank through the SBI Foundation launched a new flagship programme on healthcare and undertook both short-term and mid/long-term relief initiatives to combat the COVID-19 pandemic in India.

I. COVID-19 Relief Initiatives

Amidst the COVID-19 pandemic, the country encountered an acute shortage of ventilators, other health equipment and personal protective equipment (PPE) kits

for use by healthcare professionals and the police force. SBI Foundation procured 335 ventilators, which were distributed with help from SBI Circles across the country to government hospitals that are on the frontline in the war against COVID-19. Apart from ventilators, 3,650 other health equipment were procured, which included thermal scanners, self-check kiosks, IR thermometers, pulse oximeters, ECG machines, NST machine, 2D echo machine, fumigator, fogging machines, multipara monitors, nebulisers, radiometer, oxygen concentrator, HFMC machines, IV stands, cardio monitors, BiPap machines, stretcher cabins, recovery trolley and air conditioners for distribution to government hospitals. 74,767 PPE kits were also distributed to healthcare professionals and the police force across the country.

Due to the state enforced lockdown to prevent the spread of COVID-19 in India, migrants, domestic help workers and daily wage earners were significantly impacted. 6,85,665 freshly cooked meals and dry ration kits were distributed amongst the vulnerable communities to help them sustain during the lockdown.

As part of our intervention to combat COVID-19, your Bank through the SBI Foundation funded two research and development projects through Indian Institute of Science (IISc) to design a mobile molecular diagnostic and testing lab, which was handed over to the Government of Karnataka to shorten turnaround time and scale-up COVID-19 testing and to design an electro-mechanical ventilator design with locally available components.

Your Bank through the SBI Foundation also supported an initiative to train and mentor 327,954 healthcare providers across various states in India who are serving communities and populations most at risk from COVID-19 through dissemination of best practices for prevention and treatment of the coronavirus by adopting the ECHO model. 10 hubs were established with State National Health Missions of Assam, Gujarat, Maharashtra (with PHI Nagpur), Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh (with SGPGIMS), Karnataka, Chhattisgarh, and Kerala. Furthermore, 10 STOs from 10 key states were identified under the project.

II. India Health Alliance, an initiative by SBI Foundation

Your Bank through SBI Foundation launched the India Health Alliance (IHA), a collaborative healthcare programme to support the Government of India in its efforts to combat current and future healthcare challenges in the country. The prime focus of IHA is on combating the COVID-19 healthcare pandemic in India, providing comprehensive primary healthcare and optimum nutrition to the vulnerable population, promoting innovative finance, as well as promoting innovations and cutting-edge technologies that can overall strengthen health systems of the country. Your Bank through the SBI Foundation undertook mid/long-term COVID-19 Relief Initiatives in partnership with varied implementation partners:

- **Community Based Testing** – An initiative to reach out to vulnerable populations by rolling out a community-based testing initiative for COVID-19 in an urban slum locality in Mumbai, India. The purpose of this initiative is early identification of COVID-19 through intensive community surveillance, quick testing (between 9,000 - 14,000 COVID-19 tests) through a diagnostic centre established for easy access and immediate treatment.
- **Tele-Care for the Vulnerable** – An initiative to reach out to vulnerable communities in urban slums of Indore, Madhya Pradesh for providing person-centred primary care, counselling and emotional support & support in accessing the social entitlements; schemes. The project will be implemented in two hyper-localised vulnerable clusters in Indore covering a population of 50,000 in each cluster and having 1,00,000 direct beneficiaries.
- **Comprehensive COVID-19 Care to Strengthen Existing Efforts in Public Health System** – deployed 2 indigenously developed innovative technologies/solutions – COEO Labs (AI and sensor-based secretion management product) and Turtle Shell Technologies Dozee (India's first contactless vital monitoring device) at public health care organisations including PHCs, hospitals, and quarantine centres in worst affected cities viz. Mumbai, Delhi, Chennai, Lucknow, Guntur, Vizag, and Rajamundry. The technologies were supported through

our partnership with Centre for Cellular and Molecular Platforms (C-CAMP), an initiative supported by Department of Biotechnology, Ministry of Science, Technology and Earth Sciences, Government of India.

III. Projects in partnership with Implementing Agencies

To contribute towards improving the health scenario in India, your Bank has also extended its support to various CSR projects through SBI Foundation to provide access to quality healthcare to all. Some of the key projects are mentioned hereunder:

- Swasth Mahila, Swasth Goa – An initiative to provide a technology intervention in the form of iBreast devices, training and capacity building support to the Government of Goa to screen 1,00,000 women for breast cancer in the State over a period of 2 years.
- The School Initiative for Mental Health Advocacy – An initiative to support schools in Mumbai, India through the pandemic by conducting capacity building webinars for teachers, counsellors and leaders and providing online consultation to schools; and to develop systems and pathways for whole-school mental health services for schools in India.
- Project Jagruti – An initiative to reach out to remote villages and tribal hamlets in Murbad Tehsil, Thane district for providing basic healthcare services and creating awareness on healthcare with the populations who have limited or no access to any healthcare facilities.
- Sanjeevani: Clinic on Wheels (Sikkim & Telangana) – An initiative to operate two mobile medical units to reach 20 rural villages each in Namchi block, Sikkim and in Gadwal district, Telangana.

Apart from the flagship programs and the COVID-19 Relief Response, your Bank through SBI Foundation has supported the following CSR initiatives in varied thematic areas:

2. EDUCATION

Education is one of the most important tools to bring about a socio-economic transformation within society. However, not all sections of the society have equal



Chairman SBI & MD BPCL Launching BPCL SBI Card OCTANE

access to the same and therefore, your Bank through SBI Foundation has supported various educational projects to provide children with access to quality education. Some of the key projects are mentioned hereunder:

- Gyan Shala Middle School Programme – An initiative to further the common goal of providing quality middle school education to underprivileged children between 4th and 8th grades living in the slums of Ahmedabad, Gujarat. A total of 1,799 out-of-school/ underprivileged children were imparted high quality middle school education under the project. Gyan Shala model has the potential to redefine the way learning is conceived and organised in schools.
- CM RISE – New Horizons – An initiative to support learning of underprivileged children who study in government schools by improving the quality of teacher workforce through sustained high-quality professional development across 52 districts in Madhya Pradesh and thereby significantly improve the quality of learning in the State.
- Prarambhik Bhasha Shikshan Program – An initiative to build capacities of the government school teachers with the

aim of improving language learning outcomes of ~16,000 children across schools of Ambala district, Haryana. 7,138 children studying in 479 schools of Ambala districts are being reached out to under the Program. The Prarambhik Bhasha Shikshan Program is a part of India's first ever development impact bond – the Haryana Early Literacy Outcomes Development Impact Bond (DIB).

- Personal Safety Education & Child Sexual Abuse Prevention & Training – An initiative to reach out to over 3,429 children and 1,509 caregivers with messages of personal safety through the Personal Safety Education Initiative, covering schools of Mumbai, Maharashtra. The initiative will enable students to identify and talk about sexual assault and disclose first-hand experiences which will make them feel less vulnerable and help do away with the culture of silence.
- Learn, Play, Grow – An initiative to provide high quality educational content for 60,000 children and their caregivers in 3,000 anganwadis across 4 districts of Meghalaya in India, building the capacity of anganwadi workers (AWWs)

to prepare children for school by using early learning materials in a play-based manner engaging and educating parents and caregivers on fun ways to support child's educational development.

- Project Gadadhar Abhyudaya Prakalpa (GAP) – An initiative to support five GAP units for a duration of 3 years for conducting activities aimed at physical, mental, and intellectual development of underprivileged children enrolled at GAP units.

3. PROMOTION OF SPORTS

- STEAM Scholarship – An initiative to support a year-long STEAM (Standing for Science, Technology, Engineering, Analytics, and Medicine) Scholarship in partnership with Abhinav Bindra Foundation Trust, for 13 grassroots athletes of various sports, granting them full access to sports science facilities and provide customised sports specific routines based on their goals in consultation with their coaches.

4. CONSERVATION OF NATIONAL HERITAGE, ARTS & CULTURE

To achieve the dual goals of preservation of Culture & Heritage and contribute to "The Swachh Iconic Places" initiative, SBI Foundation supported the following project:

- Swachh Iconic CSMT – An initiative for conservation and restoration of South and East façade of the Heritage Building at Chhatrapati Shivaji Maharaj Terminus, Mumbai in partnership with Central Railways.

5. ENVIRONMENT AND SUSTAINABILITY

Your Bank is committed towards environment protection and to reduce its carbon footprints. Hence, your Bank through the SBI Foundation has supported the following projects:

- Waste No More – An innovative Private Public Partnership (PPP) project for dry waste management with 100% segregation and recycling dry waste in collaboration with Municipal Corporation of Greater Mumbai, Hindustan Unilever India and Xynteo India.
- Sanitation Project – A SBI Green Fund initiative to construct 42 new community toilets and upgrade 15 existing community toilets in Dekadong and Doomni villages in Baksa district of Assam.
- Towards Green Livelihoods: Promoting Bamboo based Livelihoods & Sustainable Ecosystem – A SBI Green Fund initiative to plant 12,000 bamboo saplings in 6 nurseries created on private/community waste lands of tribal farmers in Nashik and Palghar districts of Maharashtra.
- Tree Plantation Project – A SBI Green Fund initiative to plant 10,000 indigenous species of trees in over 42 hectares of wastelands in Udaipur, Rajasthan.
- Jal Dhara – A SBI Green Fund initiative to rejuvenate 4 Himalayan springs and ensure water security by optimum spring shed management and thus, recharge the springs through community participation in Almora and Bageshwar districts of Uttarakhand.
- Clean Energy – A SBI Green Fund initiative to provide decentralised solar home lighting solutions along with hybridisation of existing micro hydro plant with solar photovoltaic system for continuous access to clean energy in Kalahandi and Gajapati districts of Odisha.
- Project WasteEnd – A SBI Green Fund initiative to enable rural communities to design and setup low-cost waste management systems, operated and

managed by the communities living in Ajmer district, Rajasthan.

- Empowering Rural Communities- An initiative to support and empower 150 voluntarily relocated families living in and around Protected Forest Areas in the Western Ghats of India by aiming to reclaim 375 acres of land under protected area by providing alternative sustainable livelihood support.

6. RESEARCH & DEVELOPMENT

Your Bank supported R&D efforts aimed at promoting clean energy transport and sustainable energy solutions in India, in collaboration with IIT Madras by supporting the projects mentioned hereunder:

- Development and Upgradation of CBEEV's Assets & Infrastructure– An initiative to support the Development and Upgradation of CBEEV's Assets & Infrastructure for procuring necessary equipment to upgrade the research facilities at CBEEV and enable R&D activities and innovative product development that are cost-effective, user-friendly and efficient by conducting various tests on Li-ion batteries, chargers, EVs, and micro-grid, amongst others.
- Infrastructure Systems Lab and R&D in Infrastructure Delivery – An initiative for setting up the Infrastructure Systems Lab and undertake R&D in Infrastructure Delivery by procuring necessary equipment to set up a modern infrastructure systems laboratory for prototyping and testing next generation solutions with a view to solve problems in infrastructure development.

Awards:

SBI Foundation has won two awards during this year for its CSR initiatives:

Name of the Award	Category
Grant Thornton SABERA 2020 Awards	Agriculture and Rural Development
Corona Warriors Award by Hon'ble Governor of Maharashtra.	Healthcare
ICC Social Impact Awards 2021	Empowering the Rural Population

REGIONAL RURAL BANKS (RRBs)

With two-third of our country's population living in rural areas, 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 14 Regional Rural Banks operating at

regional levels in 14 different States. These RRBs have a combined branch strength of 4,726 spread across 216 Districts as on 31st March 2021.

- State Bank of India holds 35% stake in each of them as on 31.03.2021 with Government of India holding 50% and the respective State Governments holding the remaining 15% stake.
- 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.

streams and maintaining control on operating costs.

- The combined Gross Non- Performing Assets ratio of the RRBs has declined to 5.44% in current Financial year as against 5.96% as on 31st March 2020 due to focused approach for reduction of NPA. The Net NPA stands at 2.16% as against 2.56% as on 31st March 2020.
- Business per employee during the FY improved to ₹10.09 cr as on 31st March 2021 as against ₹8.43 cr in the previous FY.

Major Developments in FY 2020-21:

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

- In November 2019, in line with a Government of India decision to amalgamate 3 RRBs operating in the state of Uttar Pradesh, "Purvanchal Bank" sponsored by SBI was amalgamated with Baroda U.P. Bank under the sponsorship of Bank of Baroda w.e.f. 01.04.2020.
- The 14 RRBs with 4,726 Branch network, are expected to work more efficiently in the upcoming years, thanks to the introduction of Asset Management Hubs (AMHs) - a Centralised Credit Processing system.
- In order to counter the competition from new age Banks in the geography and to have a digital presence, our 2 large RRBs i.e. Andhra Pradesh Grameena Vikas Bank and Telangana Grameena Bank have launched Mobile App for Digital account opening with Video KYC facility. This facility is being implemented in all 14 RRBs sponsored by SBI.

Ownership Percentage of SBI In RRBs sponsored by SBI

%	Sr. No.	Name of RRBs
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	Jharkhand Rajya Gramin Bank
35.00%	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	Rajasthan Marudhara Gramin Bank
35.00%	11	Saurashtra Gramin Bank
35.00%	12	Telangana Grameena Bank
35.00%	13	Utkal Grameen Bank
35.00%	14	Uttarakhand Gramin Bank

Business Highlights of FY 2020-21 :

- The aggregate deposits and advances of the 14 RRBs sponsored by the Bank as on 31st March 2021 stood at ₹1,05,628 cr and ₹66,551 cr respectively as against ₹93,474 cr and ₹57,842 cr as on 31st March 2020.
- During the year under review, despite the persistently challenging macroeconomic environment and Covid pandemic, the Bank improved its business, with Deposits growing by 13.00% and Advances by 15.06% on

YoY as on 31st March 2021. As a planned strategy to diversify to the portfolio, RRBs expanded their Housing Loan and Gold Loan exposure by 20.35% and 91.73% (YoY) respectively.

- During FY2020-21, the RRBs together have posted a Net-Profit of ₹1004.28 cr as against Net-Profit of ₹248.80 cr as on 31st March 2020 despite substantial provision of Pension of ₹1457.69 Cr. The Banks continue to focus on improving earnings from their core banking business, strengthening the fee income

The Bank exited from its RRBs as per details given below: -

Name of RRB	Amount
Purvanchal Bank	13.21

In accordance with notification issued by Govt. of India, the following amalgamations have taken place in between the Regional Rural Banks sponsored by SBI and RRBs sponsored by other banks.

The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by State Bank of India are as below

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
Baroda Uttar Pradesh Gramin Bank	Bank of Baroda	Baroda U.P. Bank	Bank of Baroda	1 st April ,2020
Kashi Gomti Samyut Gramin Bank	Union Bank of India			
Purvanchal Bank	State Bank of India			

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	36.27 ^{\$\$}
5	Jharkhand Rajya Gramin Bank	India	35.00	35.00
6	Madhyanchal Gramin Bank	India	35.00	35.46 ^{##}
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
11	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
12	Saurashtra Gramin Bank	India	35.00	35.00
13	Telangana Grameena Bank	India	35.00	35.00
14	Utkal Grameen Bank	India	35.00	36.51 ^{**}
15	Uttarakhand Gramin Bank	India	35.00	35.00

^{\$\$} Sponsor Bank and State Govt had infused their part of ₹5.48 crore and ₹2.35 crore respectively of approved fresh infusion of Share Capital. During the FY 2020-21, Central Govt had infused their part of share capital of ₹7.83 crore and our share is restored to 35%.

^{##} Sponsor Bank and GOI had infused their part of ₹8.91 crore and ₹12.73 crore respectively of approved fresh infusion of Share Capital. During the FY 2020-21, State Govt had infused their part of share capital of ₹3.82 crore and our share is restored to 35%.

^{**} Sponsor Bank and GOI had infused their part of ₹93.856 crore and ₹134.08 crore respectively of approved fresh infusion of Share Capital. During the FY 2020-21, State Govt had infused their part of share capital of ₹40.22 crore and our share is restored to 35%.

During the year, SBI has Invested/ Disinvested capital in the following Regional Rural Banks (RRBs) sponsored by it:-

(₹ in crore)

Regional Rural Banks	Investment Amount	Disinvestment Amount	Remarks
Madhyanchal Gramin Bank	5.31	0.00	
Purvanchal Bank	0.00	13.21	Due to Amalgamation
TOTAL	5.31	13.21	

The SBI Group's stake remains the same after the aforesaid capital infusion.

SCHEDULE V, PART B - MANAGEMENT:

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 20	Mar 21	Variation (bps)	% Change
Net Profit Margin	4.79	6.61	182	38.00
ROE	7.74	9.94	220	28.42

Net Profit Margin:

The Net Profit has registered YoY growth of 40.88% (from a profit of ₹14,488 Cr in FY20 to Net Profit of ₹20,410 Cr during FY21) as against YoY growth of only 2.02% in Total Income (from ₹3,02,545 Cr in FY20 to ₹3,08,647 Cr in FY21).

Return on Net worth:

The Net Profit has registered YoY growth of 40.88% (from a profit of ₹14,488 Cr in FY20 to Net Profit of ₹20,410 Cr during FY21) as against YoY growth of only 9.50% in Net worth of the Bank (from ₹1,96,037 Cr in FY20 to ₹2,14,666 Cr in FY21).

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 2021, and of the profit and loss of Your Bank for the year ended on that date;
- iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 and State Bank of India Act, 1955 for safeguarding the assets of your Bank and preventing and detecting frauds and other irregularities;
- iv. that they have prepared the annual accounts on a going concern basis;
- v. that the internal financial controls had been laid down, to be followed by your Bank and that such internal financial controls are adequate and were operating effectively; and
- vi. that proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VII. ACKNOWLEDGMENT

During the year, Shri Sanjiv Malhotra, Shri Bhaskar Pramanik and Shri Basant Seth retired from the Board on 25th June 2020, whereas Dr. Purnima Gupta retired from the Board on 31st January 2021, consequent upon completion of their respective terms. Shri B. Venugopal was reelected as Director by shareholders u/s 19(c) of the SBI Act, 1955 w.e.f. 26th June 2020 on the Board. Dr. Ganesh Natarajan, Shri Ketan S. Vikamsey and Shri Mrugank M. Paranjape were elected by the Shareholders as Directors on the Board u/s 19(c) of the SBI Act, 1955 w.e.f. 26th June 2020. Shri Ashwani Bhatia was appointed as Managing Director on the Board w.e.f. 24th August 2020, whereas Shri Swaminathan J. and Shri Ashwini Kumar Tewari were appointed as Managing Directors on the Board w.e.f. 28th January 2021.

Shri Rajnish Kumar retired as Chairman on completion of his tenure on 6th October 2020 and Shri Dinesh Kumar Khara was appointed as Chairman in his place w.e.f. 7th October 2020. Shri Arijit Basu, Managing Director, superannuated on 31st October 2020.

The Directors place on record their appreciation for the contributions made by Shri Rajnish Kumar, the outgoing Chairman, Shri Arijit Basu, Managing Director, and Non-executive Directors, namely, Shri Sanjiv Malhotra, Shri Bhaskar Pramanik, Shri Basant Seth and Dr. Purnima Gupta, to the deliberations of the Board.

The Directors welcome the new Chairman, Shri Dinesh Kumar Khara, new Managing Directors, namely Shri Ashwani Bhatia, Shri Swaminathan J., Shri Ashwini Kumar Tewari, and new Non-executive Directors, namely, Dr. Ganesh Natarajan, Shri Ketan S. Vikamsey and Shri Mrugank M. Paranjape 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: 21st May, 2021