

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

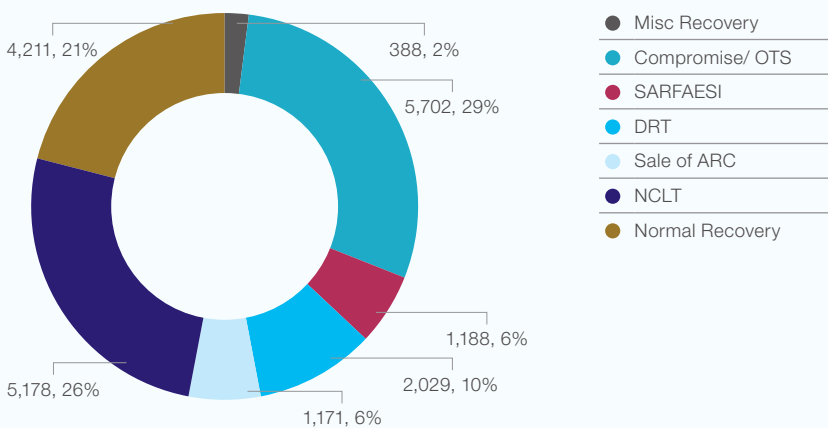
discretionary and non-discriminatory) from time to time. A team has been set up to look after the sale of assets to Asset Reconstruction Companies (ARCs) on a Cash or Security Receipts (SR) basis.

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

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

The summarised HR Profile of the Bank as of 31st March 2022 is as under:

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



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

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

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

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

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

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

IV. Support and Control Operations

1. Human Resources and Training

A. Human Resources

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

Productivity Enhancement Initiatives

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

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

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

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

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

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

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

Recruitment

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

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

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

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

Reservations & Equal Opportunity: Your Bank meticulously follows the GOI

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

Representation as of 31st March 2022

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

* Differently Aabled Persons

Industrial Relations & Staff Welfare:

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

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

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

Care & Assistance for Retired Employees:

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

B. Training: Changing the Game

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

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

Creating Unique Programmes for High Impact Learning

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

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

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

Pioneering Learning Channels for Uninterrupted Skilling

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

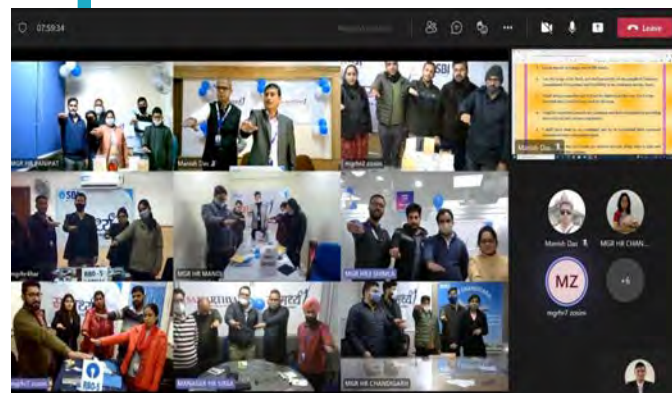


E-Launch of Samarthya by Top Management of your Bank

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

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

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



Participants in Smart Classrooms- a unique new hybrid learning channel

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

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

Focus on Quality for Deep-rooted Learning

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

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

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

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

Contemporary Content Aligned with User Needs

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

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

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

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

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

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

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

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

Leveraging Digital for Self-motivated learning

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

Creating a Distinctive External Identity

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

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

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

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

Growing Sustainably

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

Milestone & Recognition

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

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

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

2. Information Technology

A. Network Infrastructure Improvement:

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

B. YONO

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

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

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

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

C. Channels & Operations

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

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

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

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

Following significant developments were rolled out during the year:

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

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

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

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

2. Payment System (PS)

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

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

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

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

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

3. Payment Solutions

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

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

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

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

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

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

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

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

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

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

4. Branch Operations

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

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

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

5. Foreign Office

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

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

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

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

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

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

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

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

6. ATM

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

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

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

7. Internet Banking

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

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

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

8. SBMOPS

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

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

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

9. YONO Business

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

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

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

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

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

and instalments due date, amongst others.

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

D. Mobile Banking

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

1. Unified Payments Interface (UPI):

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

a. UPI Prepaid Voucher (PPV) (₹UPI),

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

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

b. Yono Lite:

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

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

c. SBI Quick:

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

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

E. Executive Support System

1. Customer Relationship Management (CRM)

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

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

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

few customer-centric projects initiated during the year were;

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

2. Data Warehouse

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

3. Data Governance

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

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

4. Analytics

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

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

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

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

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

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

Accolades Received:

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

F. Core and Special Projects

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

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

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

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

1. Special Projects

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

CKYC for Non-Individual CIFs and CKYC

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

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

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

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

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

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

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

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

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

- GCC application has been modified for bringing compatibility with newly

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

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

2. IT- Corporate and SME Loans

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

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

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

3. IT Retail Loans (RL)

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

Major rollouts in FY2021-22:

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

Loan Account Management System

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

4. Customer Service

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

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

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

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

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

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

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

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

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

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

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

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

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

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

H. Trade Finance (TF)

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

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

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

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

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

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

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

3. Risk management

A. Risk Management Overview

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

its main objective being to minimise the negative impact on profitability and capital.

Your Bank is exposed to various risks that are an inherent part of any banking business. The major risks are Credit Risk, Market Risk, Liquidity Risk, and Operational Risk, including IT Risk.

An independent Risk Governance Structure, in line with international best practices, was put in place in the context of separation of duties and ensuring the independence of risk measurement, monitoring and control functions. The various risks across your Bank and the SBI Group are monitored and reviewed through the Executive Level Committees and the Risk Management Committee of the Board (RMCB), which meets regularly. Risk Management Committees at the operational and business unit levels are also in place.

1. Credit Risk Mitigation Measures:

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

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

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

Your Bank uses various Internal Credit Risk Assessment Models and Scorecards for assessing borrower-wise Credit Risk. Models for internal credit ratings of the borrowers were developed in-house. They are reviewed through cycles of comprehensive validation and backtesting frameworks, including external validation/review. Considering the ESG risk, Bank has put in place an Environment, Social and Governance (ESG) rating model, which rates large borrowers on various objective ESG criteria.

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

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

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

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

RBI has allowed your Bank to participate in the parallel run process for Foundation Internal Ratings Based (FIRB) under the advanced approaches for credit risk. The data under a similar run of FIRB is being submitted to RBI. Models for estimation of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default

(EAD) are hosted in a credit risk data mart for computation of IRB capital.

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

2. Market Risk Mitigation Measures

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

Value at Risk (VaR) is a tool used for monitoring risk in the Bank's Trading Portfolio. The Enterprise-level VaR of your Bank is calculated and backtested daily. The stressed VAR for Market Risk is also computed daily. This is supplemented by a Board-approved Stress Testing Policy and framework that simulates various Market Risk scenarios to measure stress losses and initiate remedial measures.

The Market Risk Capital Charge of your Bank is computed using the Standardised Measurement Method (SMM), applying the regulatory factors.

Your Bank undertakes risk-adjusted performance analysis of its domestic and overseas portfolios. It also analyses the

credit rating migration of non-SLR bonds as a tool for decision making.

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

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

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

3. Enterprise Risk Mitigation Measures

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

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

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

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

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

normal and stressed conditions at solo and group level.

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

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

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

SBI
The banker to every Indian

JOIN THE FIGHT AGAINST CYBER CRIME. DON'T LET IT GO UNREPORTED.

To report unauthorized transactions or block your debit card and internet banking, call SBI Customer Care at

1800111109

Report complaints related to Cyber Frauds at National Cyber Crime Reporting Portal of Government of India:

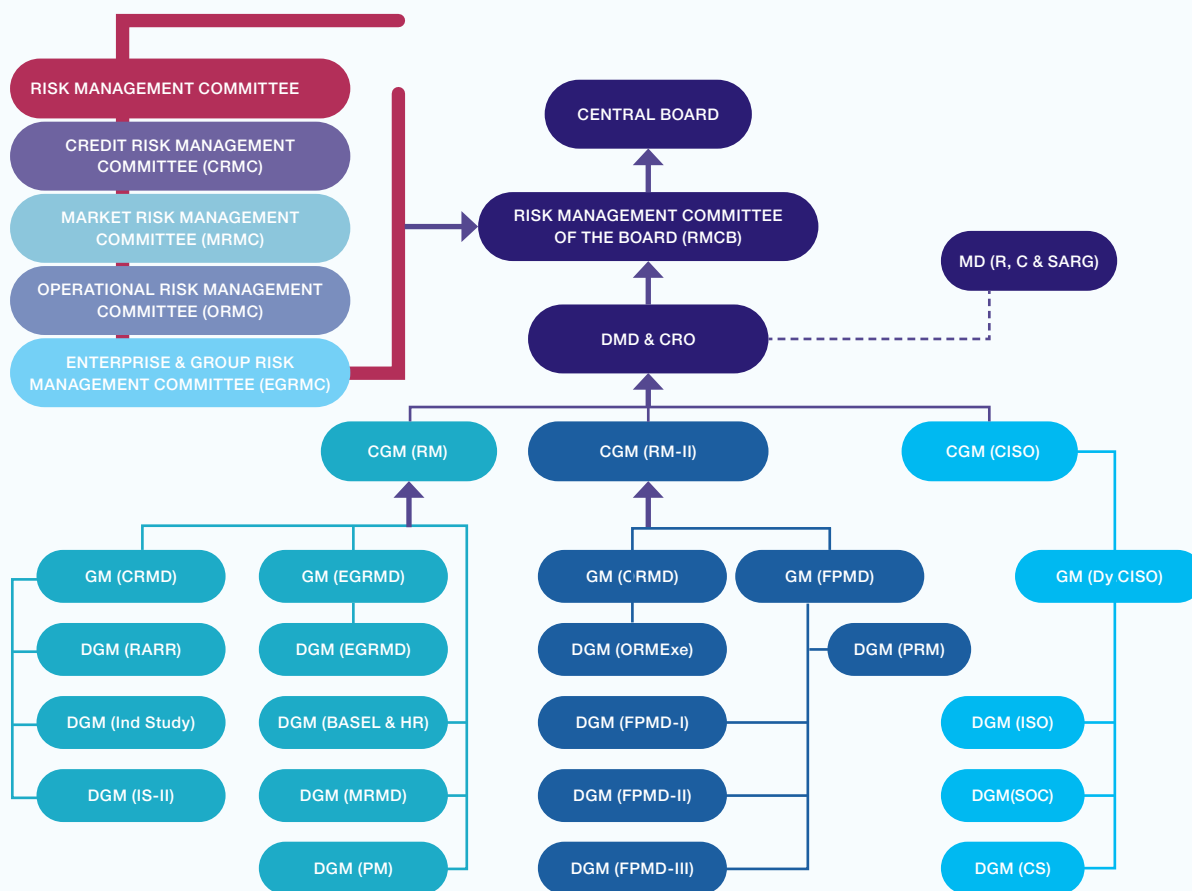
<https://cybercrime.gov.in>

Or dial the helpline number

1930

75 Azadi Ka Amrit Mahotsav

Overall Integrated Risk Governance Structure at the Bank:



4. Group Risk Mitigation Measures:

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

5. Basel Implementation:

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

current requirements, including maintaining the required level of Capital Conservation Buffer (CCB). Your Bank is identified as D-SIB by the regulator, and it is necessary to keep additional Common Equity Tier 1 (CET1) of 0.60% of RWAs from 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 coordination with the Risk Management and Compliance Department to evaluate the effectiveness of controls, and assess compliance with controls and adherence to internal

processes and procedures. The IA function undertakes a comprehensive risk-based audit of the operating units of your Bank, in line with regulatory guidelines relating to Risk-Based Supervision.

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

Few key initiatives include the following:

- Web-based, online Risk Focused Internal Audit (RFIA) for assessing compliance with controls at a granular level
- Analytics-based, continuous assessment of compliable controls

through remote evaluation of enormous data

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Concurrent Audit System (CAS):

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

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

Offsite Transaction Monitoring System (OTMS): For the purpose of monitoring the transactions offsite, alerts are generated and flagged to the business units for corrective actions. Presently, there are 61 scenarios embedded in the system against which the transactions are scrubbed at regular intervals, wherein inconsistent transactions are flagged by the system for affirmation of the related compliances. The scenarios are periodically reviewed and enlarged, depending upon the need and specific triggers.

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

Audit of Non-IT Outsourced Activities: Your Bank recognises the need of service providers engaged by your Bank to be as compliant with the legal and regulatory requirements as your Bank itself. Therefore, the Audit of Outsourced activities is conducted at regular intervals to assure that adequate systems and procedures are in place to mitigate legal, financial, and reputational risks arising from the outsourced activities.

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

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

Management Audit: The core function of Management Audit is to assess the effectiveness of control and governance process at the apex level in accomplishing overall corporate objectives. Management Audit covers Circle's Local Head Offices, Regional Rural Banks sponsored by your Bank and select Corporate Centre departments. In its endeavour to enhance the effectiveness of Management Audit, in the current financial year 2021-22, your Bank has reviewed the audit process by redefining rating methodologies, risk weightages and parameters used for Management Audit.

C. Compliance Risk Management

Regulatory and Statutory compliances are being accorded the highest priority. Your Bank has, over the years, developed necessary tools to track compliance risks and ensure timely remediation. Compliance Policy and Group Compliance Policy are reviewed annually to meet the Regulators' expectations.

Compliance Risk Management Committee comprising Senior Executives from business verticals and support functions, maintains oversight on all compliance-related issues. The Committee meets regularly and extends necessary guidance to all the internal stakeholders to ensure regulatory compliance. The Compliance function also reviews all products and policies to ensure adherence to Regulatory guidelines.

To take the compliance culture up to the grassroots level, regular workshops and interactions are held across the Bank. Compliance testing is also broad-based by involving Regional Offices pan India for their assessment and timely remediation of risks arising out of non-compliance.

To exhibit its zero-tolerance to non-compliance, your Bank has introduced metrics to check the compliance level at branches to monitor and counsel the non-compliant branches and reward the compliant ones. Bank has also initiated steps to meet the regulatory expectations on Data Protection.

D. KYC / AML-CFT Measures

Your Bank has been taking comprehensive steps to implement KYC norms/ guidelines across the Bank. Bank has a Board approved Policy on Know Your Customer (KYC) Standards, Anti-Money Laundering (AML) and Combating of Financing of Terrorism (CFT) Measures, in line with the extant RBI Master Direction on KYC.

The Policy incorporates Bank's approach to KYC, AML and CFT issues. The Policy contains your Bank's framework for Customer Acceptance, Risk Management, Customer Identification and Monitoring of Transactions. Bank has taken steps to implement the Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time.

Your Bank has been carrying out the 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take adequate measures to mitigate its money laundering and terrorist financing risk for

clients, countries or geographic areas, products, services, transactions, or delivery channels, etc.

Your Bank has put in place a robust system containing a combination of manual and system enabled methodology to ensure KYC compliance. No account is opened in an anonymous or fictitious/benami name or where the Branch/Business unit cannot apply appropriate Customer Due Diligence (CDD) measures. Bank does not open accounts for transacting in or settling transactions of virtual currencies. However, while implementing the Policy, Bank takes care that it does not result in denial of banking services to those financially or socially disadvantaged.

Your Bank has launched a Video KYC facility to facilitate contactless customer onboarding. New customers can open fully functional accounts using this process without visiting any Branch.

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

Your Bank conducts special Audits on KYC to ensure compliance with KYC/AML/CFT matters.

Several initiatives are put in place to bring greater awareness amongst the staff. Training personnel in KYC/AML/CFT areas is an ongoing process in our Bank. Employee training programmes are regularly conducted to adequately train staff in KYC/AML/CFT matters.

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

E. Insurance

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

F. Premises

SBI has always incorporated environmental management practices in its functioning as a responsible corporate. Your Bank has initiated varied initiatives with an intent and commitment to a greener world, much in alignment with national priorities.

We are happy to share that we have achieved a milestone for getting green building ratings of IGBC to our nine

prestigious buildings during this financial year, making it a total of 18.

We are also happy to shift our Corporate Office, State Bank Bhavan, to 100% Green Energy, through which we can offset around 52 tonnes of Carbon Dioxide every year. This is one step toward our future goal to become Carbon Neutral by 2030.

4. Official Language

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

SBI is committed to propagating the use of the Official Language in the Bank through multiple channels set up by the Bank. Your Bank has taken innovative steps to propagate the use of Official Language in

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reaching out to customers and has earned many laurels for the organization.

Your Bank is committed to rendering banking services in Hindi and other Indian languages. It has a comprehensive and well-designed digital platform to suit the expectations of Digital India. Various products are being made available in Hindi and different regional languages.

Because of technological up-gradation, a new and better version of the Hindi Passbook and Account Statement Printing has been made available in Hindi in core banking. This facility of issuing Passbook and account statements etc., in Hindi, has been implemented all over India.

SMS alerts of transactions in CBS to the Bank's customers extended to 13 Indian languages: Oriya, Gujarati, Kannada, Tamil, Assamese, Punjabi, Bengali, Maithili, Marathi, Malayalam and Telugu in addition to Hindi and English. This will enable about 90% of the country's population to be covered with SMS alerts in their mother tongue.

Yono Lite app for mobile banking has been made available in 12 Indian languages, and the Yono Krishi app is now available in 10 Indian languages, including Hindi, Tamil, Telugu and Malayalam. Our Banking website onlinesbi is available in 14 Indian languages. SBI Quick app has been made available in 14 Indian languages.

The Bank's corporate website bank.sbi is available in Hindi and English.

Our call centres are currently providing solutions to customers in 13 languages, with more than 80 per cent of the questions being responded to in Indian languages.

Celebration of Hindi fortnight at the national level and World Hindi Day at the international level

To popularize the use of Hindi among the staff members of your Bank in India, Hindi fortnight was organized from 14th to 30th September 2021 at the national level. World Hindi Day was celebrated on 10th January 2022 in the Branches abroad, wherein various Hindi programs and competitions were held to spread the usage of Rajbhasha in the Bank.



Rajbhasha Kirti Award 2020-21 for Best Implementation of Official Language Policy was conferred by Honorable Union Minister for Home Shri Amit Shah. The award was presented on 14th September 2021 at Vigyan Bhavan, New Delhi. Shri Om Prakash Mishra, DMD (HR) & CDO, received the award.

Government of India's Rajbhasha Kirti Puraskar for Best implementation of Official Language among the Public Sector Banks

Bank has been awarded the Government of India's coveted Kirti Puraskar for Best

implementation of Rajbhasha among Public Sector Banks for the year 2020-21.

The award was given by the Honorable Union Minister for Home Shri Amit Shah.



Rajbhasha Kirti Award 2019-20 for the Best In-House Quarterly Hindi magazine of the Bank PRAYAS was conferred by the Honorable Minister of State for Home Shri Nisith Pramanik. The award was presented on 14th September 2021 at Vigyan Bhavan, New Delhi. Shri Om Prakash Mishra, DMD (HR) & CDO, received the award on behalf of the Bank.

Rajbhasha Ratna & Rajbhasha Yodha Award by "Ashirvaad", a renowned Literary and Cultural Organization.

For propagating the usage of Official Language Hindi, the Rajbhasha Ratna award was conferred by "Ashirvaad", a renowned Literary and Cultural Organization to DMD (HR) & CDO Shri Om Prakash Mishra. The award was given by the Honorable Governor of Maharashtra, Shri Bhagat Singh Koshyari. Rajbhasha Yodha award was conferred on your General Manager (Rajbhasha & Corporate Services), Shri Dinesh Pruthi.

Awards from the Town Official Language Implementation Committee to SBI.

The Town Official Language Implementation Committee, constituted under the Chairmanship of the State Bank of India, Bhubaneswar, Rajkot and Jabalpur, were awarded first prize for their outstanding performance in implementing official language policy in their respective towns. Similarly, your Administrative Offices at Nizamabad and Surat bagged 2nd Prize for implementation of Rajbhasha, while Administrative Office Patna was awarded the Third Prize for best implementation.

5. Marketing and Communications

The Marketing and Communications (M&C) Department is responsible for Bank's branding, product marketing, and corporate communications initiatives. The Department adopts a contemporary marketing approach to give impetus to the digital initiatives and connect with young India. It endeavours to develop and implement integrated marketing strategies to address the business challenges of different divisions of the Bank, including Indian and overseas operations. This Department comprises domain skilled professionals and specialists drawn from various relevant fields - media, marketing communications, digital marketing, advertising, and public relations.

Throughout the Pandemic, even though the branches and ATMs were functioning uninterruptedly, the focus of the M&C department was to promote your Bank's digital initiatives for the safety of customers

and staff. Bank undertook various initiatives to increase the download and consistent use of SBI's digital banking channels like YONO, SBI BHIM Pay, Yono Lite, etc. The M&C department engaged with Bank's customers to increase the awareness of alternate channels and their safe usage. Bank also undertook various brand/marketing initiatives like "I am the I in SBI", "Har Tyohar Shubh Shuruat", "Easy-Ride", etc. and campaigns such as #HumSabkaSBI, #BankerToEveryIndian, #SbiAapkeSaath etc. on various social media platforms for creating customer awareness about Bank's products and services.

The M&C team launched major marketing campaigns for products such as Home Loans, Personal Loans, Current Accounts, NRI Services, and Digital Products, among others. The Department also initiated one of its kind, Media-outreach programme for the customers and took the products and services of the Bank to every corner of the Country. Various media channels such as print, social media, digital platforms, websites, and ATMs, among others, were used for the campaigns. The Department also promoted Bank's several sustainability initiatives and CSR activities through various media platforms.

Along with the other marketing initiatives, Bank plans to further promote its various digital initiatives and its flagship product YONO. The thrust of the M&C Department is to constantly redefine and reinvent all its marketing initiatives to stay relevant and act as a change catalyst for State Bank of India to retain the glory of being one of the most vibrant and trusted brands

6. Vigilance Mechanism

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

During this year Vigilance, Awareness Week was observed from 25th October 2021 to 1st November 2021, with the theme "Independent India @ 75: Self

Reliance with Integrity; स्वतंत्र भारत @ 75: सत्यनिष्ठा से आत्मनिर्भरता ।" As a part of an observance of Vigilance Awareness Week, "Integrity Pledge" has been administered to all staff members. All channels of your Bank, such as SBI Times, ATMs, CDMs, Internet Banking, Facebook, Twitter, Instagram, and LinkedIn, are used to create awareness among employees and the public on the theme of Vigilance Awareness Week (VAW).

During the VAW, we hosted a conference of CVC with the Top Management of your Bank. The Commission was presented with the elaborate Preventive Vigilance measures your Bank took. The Chief Vigilance Commissioner also launched the Vigilance Bulletin 2021. Commission also appreciated various efforts undertaken by your Bank.

We also hosted a meeting of the Department of Financial Services (DFS), Central Vigilance Commission (CVC) and CMDs of all Public Sector Banks on 01st October 2021 to discuss the staff accountability framework and ABBFF Committee.

The Commission, in consultation with RBI and DFS, has extended the scope of ABBFF to cover all fraud cases involving an amount of ₹3.00 crores and above and examine the role of all levels of officials / Whole Time Directors (including ex-officials / ex-WTDs) in all Public Sector Banks, with cut off date of 06.01.2022. Earlier, only fraud cases above ₹50.00 crores were referred to ABBFF.

The DFS, in consultation with CVC, also issued a new framework of staff accountability examination in all the cases up to ₹50.00 crores vide their letter dated 29.10.2021. DFS also advised all banks to frame the staff accountability policy within this framework, effective from 01.04.2022.

The Vigilance Department has conducted 609 preventive vigilance programs, 122 EO/PO/IO training, and 42 Investigation officers training, covering 10,250 officers. In addition to conducting suo-moto investigations in complaint prone branches and branches where the RFIA Auditor observed serious irregularities, we have started conducting Suo-moto

investigations in High-Risk & Very High-Risk branches identified by AI/ML engine to ensure and improve the preventive vigilance measures.

1338 cases have been closed during FY2022, compared to 1029 cases during the previous year, FY2021, which is an impressive improvement of case closures over the last year by 23%.

7. Asset and Liability Management

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

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

Studies are conducted at regular intervals to assess the behavioural pattern of customers (embedded options available to customers) to impart proper treatment to the non-contractual assets & liabilities items while evaluating liquidity position. Behavioural analysis is carried out at half-yearly intervals to ensure accurate positioning of outflows/inflows in liquidity and interest rate sensitivity statements that may arise due to Off-Balance Sheet (OBS) exposures and the impact of probable loan losses. The prevailing assumptions relating to non-contractual assets & liabilities items are periodically reviewed, back-tested and updated based on the outcomes of the latest studies.

The stock of High-Quality Liquid Assets (HQLA) and cash outflows are effectively monitored daily under a dynamic market environment to ensure the maintenance of LCR as prescribed by the Regulator and

Bank's internal policy benchmarks. Your Bank has proactively implemented the NSFR guidelines of RBI, measuring the long-term resilience of the Bank in terms of liquidity, much before the submission (Regulatory) mandate.

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

To encourage branches to garner stable funds and assess their profitability based on the cost of funds, a matched maturity-based Funds Transfer Pricing was adopted by your Bank. The Bank constantly strives to ensure an adequate monetary policy transmission through its benchmark lending rates.

The Asset Liability Management Committee (ALCO) of the Bank monitors and manages Liquidity and Interest Rate Risks by modulating the asset-liability mix in the Balance Sheet and recalibrating the pricing of liabilities & assets from time to time. ALCO, among other areas, reviews the Interest Rate scenarios, the pattern of growth of liability products, credit growth, competitive advantages, evolving liquidity conditions, adherence to the regulatory prescriptions etc., regularly.

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

8. Ethics & Business Conduct

The Ethics and Business Conduct department of your Bank is responsible for carrying out initiatives to strengthen and integrate ethics and morality in all the operational areas of the Bank. With this objective, the Department has carried out a host of activities in the previous financial year.

FY2022, like the previous year, was marked by disruptions caused by the second and

third wave of COVID. However, by constant integration of the digital platforms in all operations, it was ensured that the entire gamut of activities of the Department continued unaffected and uninterrupted. In addition to the existing initiatives, a new email broadcast series was started based on the anecdotes of the exemplary ethical standards demonstrated by distinguishing personalities. Your Bank has framed Conflict of Interest Policy to mitigate ethical risks and sensitize the staff where individual interest is unduly affecting the business dealings. To submit disclosures to SEBI under the essential Indicators, i.e., Business Responsibility & Sustainability Reporting (BRSR), your Bank has formulated Anti-Bribery & Anti-Corruption Policy which explains the relevant principles and rules for preventing bribery and corruption and safeguarding the larger organizational interests.

To further deepen the roots of ethics and to gauge the level of awareness among the employees related to risk and ethics culture of the Bank, a survey was conducted, in which over 90% of the employees participated. The survey shows that the vast majority of the employees are aware of the risk and ethical culture of the Bank.

Your Bank is highly committed to nurture an inclusive, secure and safe environment for its women employees. Your Bank has a dedicated Garima (POSH) framework, which covers the entire process cycle comprising awareness, escalation and empowerment on matters relating to gender sensitivity and sexual harassment. The Department is the nodal point for overseeing the complaints under Garima POSH of the entire Bank, including timely handling of appeals by the aggrieved parties. A mentoring program for newly joined women employees was launched during the year to ensure their smooth transition towards Bank's culture imbibing ethics and values. To create awareness among employees related to Garima POSH, comprehensive handbooks were released for their quick and easy reference. Amid Covid disruptions, your Bank has regularly conducted webinars on Ethics & Garima POSH for the concerned target groups to spread awareness and inculcate the Values of the Bank.

In the area of Discipline Management, your Bank has framed a comprehensive Staff Accountability Policy to promote a healthy environment of compliance with the laid down rules, regulations, norms and systems & procedures in order to safeguard the interest of the Bank and its stakeholders. The Staff Accountability Policy is aimed to protect the employees for their bonafide actions and at the same time to make them accountable for any wrongdoing or any inaction on their part. The Policy has also been reviewed subsequently to align it with the Staff Accountability Framework issued by DFS, GOI. The Ethics and Business Conduct Department of your Bank is not stopping at this point; the journey is perennial and continuously strives to demonstrate ethics of the highest standard through various efforts.

9. Corporate Social Responsibility

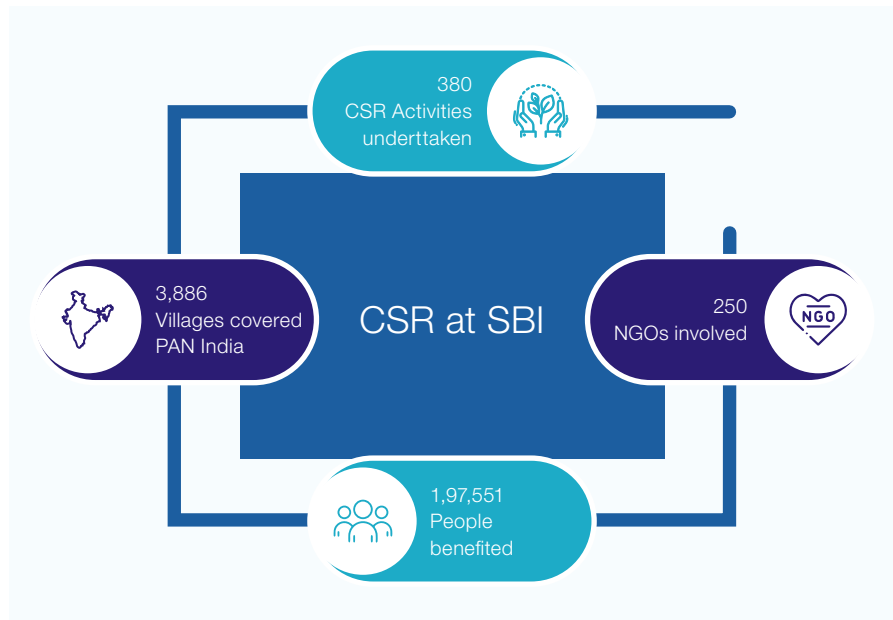
CSR is one of the activities through which your Bank plays the role of a responsible corporate citizen. The CSR at SBI aims to integrate economic, environmental and social objectives to implement national priorities for social development. The aim of CSR policy in your Bank is "To participate in activities that benefit community development, social responsibility and environmental sustainability, and reach out to socially & economically disadvantaged sections of society."

Most CSR activities are undertaken in rural and urban slums, where the downtrodden people live and need help in medical, education, food, and shelter, among others.

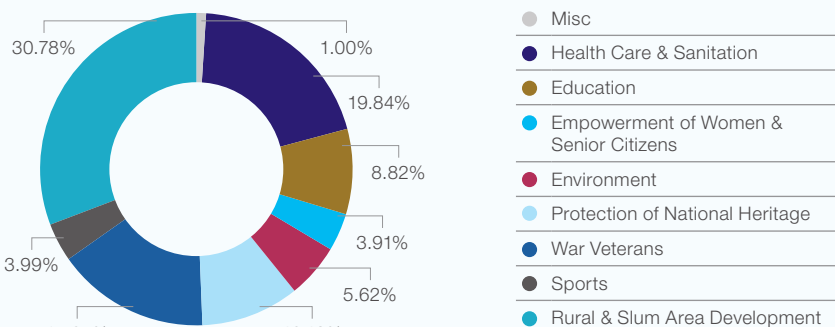
The donations are not made based on caste, creed, religion and region. Donations are made to the underprivileged sections of the society, who are financially weak and need support from the donors for their sustenance. The beneficiaries of your Bank include needy people from all sections of the community. Your Bank supports NGOs/Trusts, which work to uplift these sections of society. Its focus is on improving the socio-economic well-being of the society, particularly of the less fortunate and underprivileged members and enabling them to live up to the potential that they all possess.

CSR spend during FY 2022

1	Total CSR Budget for FY 2022	₹204.10 Cr.
2	Allocation to SBI Foundation	₹102.56 Cr.
3	CSR expenditure by your Bank through Circles & Departments	₹101.54 Cr.



Your Bank CSR spent Sector-wise*



*CSR Expenditure by your Bank through Circles and Departments, other than SBI Foundation expenditure.

Banks Fight against COVID

Your Bank has undertaken various activities to fight against Covid-19 through SBI Foundation. SBI Foundation allocated an amount of ₹71 Crore. Initiatives include:

Short-term interventions:

- Distribution of food & ration kits, healthcare equipment like PPEs, masks, and oximeters.

- Raising awareness
- Vaccination drives
- Creating COVID care centres

Operational mid-term interventions:

- Installation of oxygen plants
- Upgradation of healthcare infrastructure
- Mobile & community testing, among others.

Innovative long-term interventions

- Genome sequencing
- Capacity building of healthcare workers
- Indigenously designed healthcare solutions & technology, among others.

Supporting Women Empowerment Activities

- Setting up Bharosa Centre at Karimnagar, Telangana, to provide integrated support and assistance to women and children affected by violence, both in private and public spaces, under one roof.
- Supported Sachhi Saheli, New Delhi, for sensitizing menstruating women and girls from slum areas in Delhi to deal with menstruation in a healthy, hygienic, and effective manner.
- Supported Samaj Shakti Society, Tripura, for procurement of sewing machines and other tailoring equipment.
- Supported Silver Lining society, New Delhi, towards procuring infrastructure, which helps enhance the quality of service provided to blind girl beneficiaries residing and getting educated at their NGO.
- Provided nutritional kits and medical items to the needy women and children of most marginalized households in Dharmashala, Rait and Nagrota blocks of Kangra District, Himachal Pradesh.

Supporting Health Care

- Supported various trusts like Dhanvantari Charitable Hospital-Bengaluru, Shanukhapriya Trust-Mumbai, Shanmukhananda Trust-Mumbai, Prasanthi medical Services and research Foundation-Ahmedabad, in procurement of different medical instruments required for the hospitals and health centres run by them.
- Supported Govel Trust, Chennai, for the purchase of Medical Equipment. Govel Trust runs Aravind Eye Hospitals, which provides large volume, high quality, and affordable eye care.
- Supported Sparsh Hospice, Centre of Palliative Care, Hyderabad. The donation is utilized for Palliative Care for

terminally ill cancer patients for whom treatment to cure is no longer effective.

- Your Bank has supported various Trust Hospitals by donating ambulances, setting up Operation Theatre, ICU rooms, and donating medical equipment.

Supporting Education

- Supported Tata Steel Foundation – Mumbai in setting up digital-based classrooms for children in remote and tribal areas of Odisha and Jharkhand.
- Donated to the needy students in Thiruvananthapuram under the scheme “Vidyakiranam”.
- Supported Matrubhan Society, Bhubaneswar in budding mobile science and maths- lab.
- Support for setting up Smart Classrooms in various Kasturba Schools in Uttar Pradesh.
- In addition to the above, your Bank has undertaken various other activities, including donating vehicles, computers, and school infrastructure.

Swachh Bharat, Environment Protection and Sanitation

- Supported procurement and installation of High Mast Solar Lights in the 27 Gram Panchayats of Khurda District, Orissa.
- Supported World Wild Fund (WWF) for nature, Hyderabad for setting up solar-based deep-well pumping systems to provide water to Wildlife in deep Nallamalla Forest (Nagarjuna Sagar Srisaillam Tiger Reserve).
- In addition to the above, your Bank has undertaken various other activities, including installing solar power units, among others.

Welfare activities for the Persons with Disabilities

Various initiatives have been undertaken to uplift persons with disabilities through multiple organizations such as Lakshya Sadhana Society, Hyderabad Rajasthan Mahila Kalyan Mandal, Ajmer, Astha – Delhi, Helpers of Handicapped – Kolhapur, Assisted Living for Autistic Adults (ALFAA)-Bengaluru among others.

Tribal Welfare

Your Bank undertook various measures to benefit Tribal people through Societies like NEDAN Foundation, Kokrajhar and Buddhist Culture Society, Itanagar.

Animal Welfare

Your Bank has adopted tigers and other endangered animals for their welfare for one year through various Zoological parks and animal shelters.

Supporting Sports and Athletes

Supported Inspire Institute of Sport, Vijayanagar, Karnataka, for procurement of Sports and fitness equipment. Donated to “Project Mumbai” for procuring specially designed wheelchairs for the differently-abled sportspersons to enable them to participate in wheelchair basketball competitions.

Employee Volunteer - SBI Children's Welfare Fund

With the concept of “Charity begins at home”, Your Bank established a Trust in 1983 –SBI Children's Welfare Fund, an initiative by the staff members. The Trust was created by the voluntary contribution from the Staff of your Bank towards the betterment of the underprivileged and Orphan children. The interest earned on the corpus of the fund is utilized to extend grants to Institutions engaged in the welfare of disadvantaged children, viz. orphans, differently-abled, needy and deprived, among others.

I. Sustainability at SBI

“Sustainability” has been identified as one of your Bank's Core values. Your Bank has been performing on the Sustainability front through a multi-fold approach, viz. management of social and environmental risks in strategic decision making and development of innovative products and services. Your Bank has entrusted the Deputy Managing Director (HR) and Corporate Development Officer to oversee the Bank's overall sustainability vision.

To enhance Sustainability practices in your Bank in a formalized manner, a Board-approved “Sustainability and Business Responsibility (BR) Policy” has been put in place. As per Global Reporting

Initiative (GRI) framework, a Sustainability Report is being published annually. For reporting on ESG (Environment, Social and Governance) parameters by listed entities, your Bank is also endeavoring to adapt to the “Business Responsibility and Sustainability Report (BRSR)” framework.

Sustainability Initiatives of your Bank

Your Bank’s effort has been to align the Sustainability initiatives with the National priorities focusing on achieving much-desired Sustainable Development Goals (SDGs). Some of the key initiatives already undertaken and in contemplation inter-alia include:

Recognizing the concerns of Climate change as a Corporate Social obligation, your Bank has charted a Carbon Neutrality strategy intending to achieve the status of a Carbon Neutral organization by the year 2030 in a phased manner. Installation of solar systems at Bank’s owned premises, Energy-efficient lighting and air conditioning systems at Bank’s premises are being taken up continuously. Your Bank also has its windmills installed for captive use, having an aggregate capacity of 15 MW.

New loan offerings to help the cause of Climate Action and the already introduced unique loan products like E-Rickshaw Loan and Green Car Loan. “Surya Shakti-Solar Finance” and “Finance to Bio-Fuel Projects” have been made available. Recognizing Climate Change as one of the crucial risks the world faces today, your Bank, has developed its Climate Change Risk Management Policy.

In line with the country’s vision for scaling up Renewable Energy (RE) power generation, your Bank is also facilitating RE financing in a big way. Your Bank has availed lines of credit from multilateral agencies viz the World Bank, among others for onward lending to RE Power developers. The FY 2021-22 saw the dual listing of SBI’s Green Bonds worth USD 650 million on the India International Exchange and the Luxembourg Stock Exchange.

Your Bank’s offices, branches and other establishments are working towards adopting a green ecosystem. As of now, 18

premises of the Bank have been certified by Indian Green Building Council (IGBC) under different categories (Platinum, Gold or Silver). Nearly 500 Bank premises now have Solar power installations, and more than 3000 ATMs are backed by solar power. Additionally, 326 rainwater harvesting sites at the Bank’s various premises have been set up. Your Bank is also striving to shift the power requirements of its large establishments from existing fossil fuel-based to green sources. Under this initiative, Bank’s two prominent establishments- Corporate Office Building in Mumbai and the Mumbai Metro Local Head office have successfully transitioned to the green energy platform. Your Bank also has an Electronic Waste (e-Waste) Management Policy to handle such waste effectively.

During FY2022, more than six lakh trees were planted by your Bank countrywide.

Your Bank has also taken digitization in a big way by integrating its digital strategy with its overall business strategy. Enhanced digitalization is poised to bring greater ease of business and strengthen the sustainability agenda by positively impacting the triple bottom line of Planet, People and Profit. Bank’s flagship digital app - YONO, has contributed immensely towards reduced paper usage, apart from significantly facilitating business conduct and enriching customer usage. It is estimated that the Pre-Approved Personal Loan (PAPL) accounts opened through the YONO app have avoided approximately 383 lakh sheets of paper during FY 2021-22. Further, to motivate your Bank’s digital channel customers, SBI is offering Green Reward Points. These can be redeemed for credit to SBI Green Fund, the proceeds of which will be utilized for sustainable activities like Tree plantation, installation of water harvesting units, construction of Bio-toilets, and Covid care activities, among others.

During the current financial year, your Bank observed various days having Sustainability relevance, viz. World Environment Day, International Yoga Day, World Soil Day, and Earth Hour. Further, “Joy of Giving Week-Daan Utsav” was observed throughout the Bank, through which donation activities were carried out

for marginalized sections of the society. Further, with an intent to positively engage with employees, an online Quiz was launched for their continued sensitization on ESG and SDGs related matters. Additionally, a suitably crafted innovative engagement programme for young employees called “Samarthyaa” was also launched, highlighting the importance of ethical and professional standards in successfully discharging roles and duties.

In addition to the above, your Bank has been taking several initiatives directed towards community development in general, imparting financial literacy, widening the net of financial inclusion and better human capital management.

V. Subsidiaries

SBI Capital Markets Limited (SBICAPS)

(₹ in crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of ownership	Net Profit / (losses) Mar 2022
SBI Capital Markets Ltd.	58.03	100%	620.10

SBI Capital Markets Limited (SBICAPS), a 100% owned subsidiary of your Bank, is one of India’s leading domestic Investment Banks, registered with SEBI as a category-I Merchant Banker and a Research Analyst. Incorporated in 1986, SBICAPS offers its clients the entire bouquet of investment banking and corporate advisory services. These services include Project Advisory, Loan Syndication, Structured Debt Placement, Mergers and Acquisitions, Private Equity, Restructuring Advisory, Stressed Assets Resolution, IPO, FPO, Rights Issues, Debt and Hybrid Capital raising. SBICAPS is also involved in fundraising through new products such as Real Estate Investment Trusts (REIT) and Infrastructure Investment Trusts (InvIT) in line with Government’s Asset Monetisation Plan. Headquartered in Mumbai, SBICAPS has 5 Regional Offices across India (Ahmedabad, Chennai, Hyderabad, Kolkata and New Delhi) and 4 wholly-owned subsidiaries - SBICAP Securities Limited, SBICAP Ventures